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# Kodak: Managing through discontinuities

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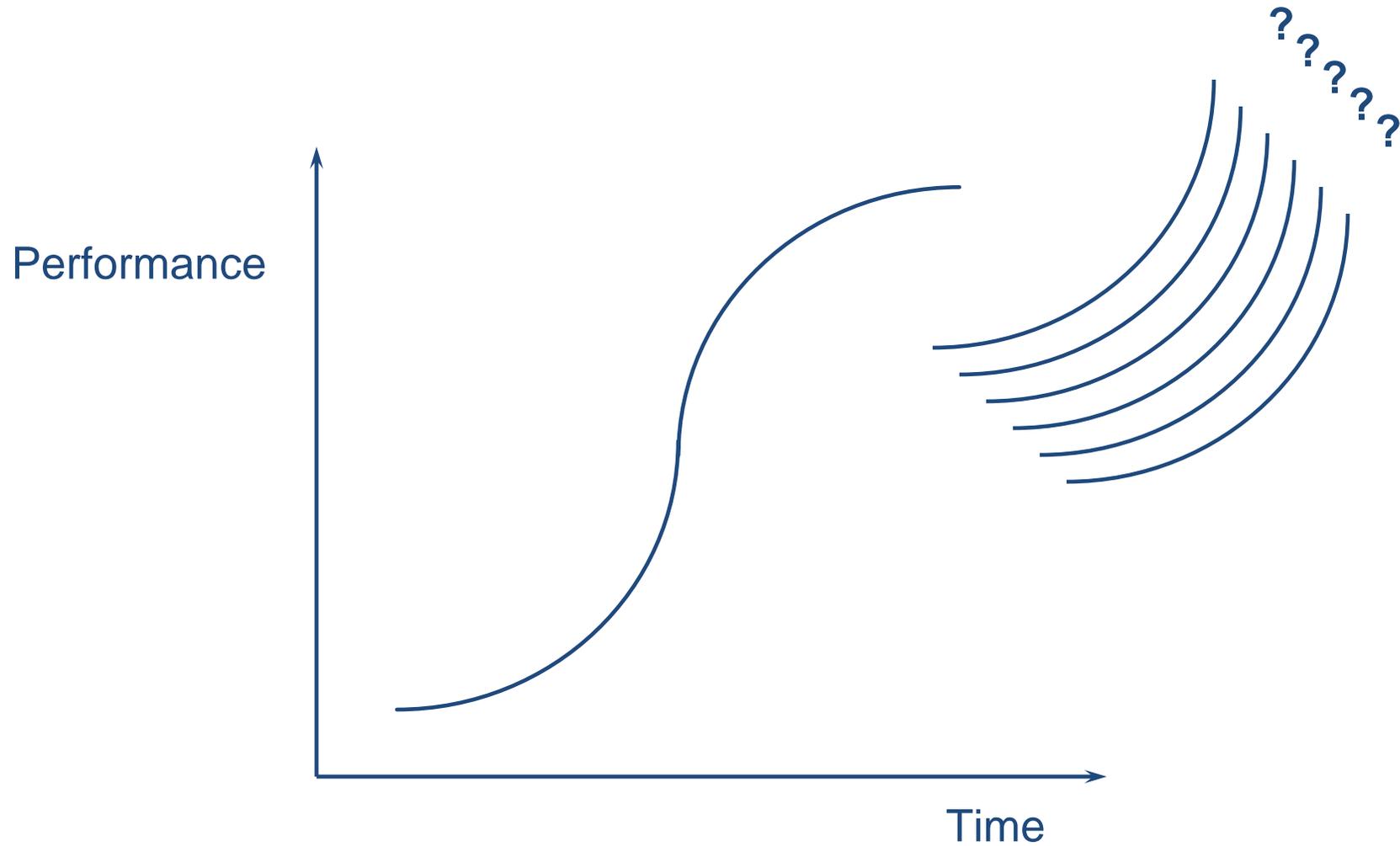
Did Kodak have a strategic  
problem?

Or an Organizational One?

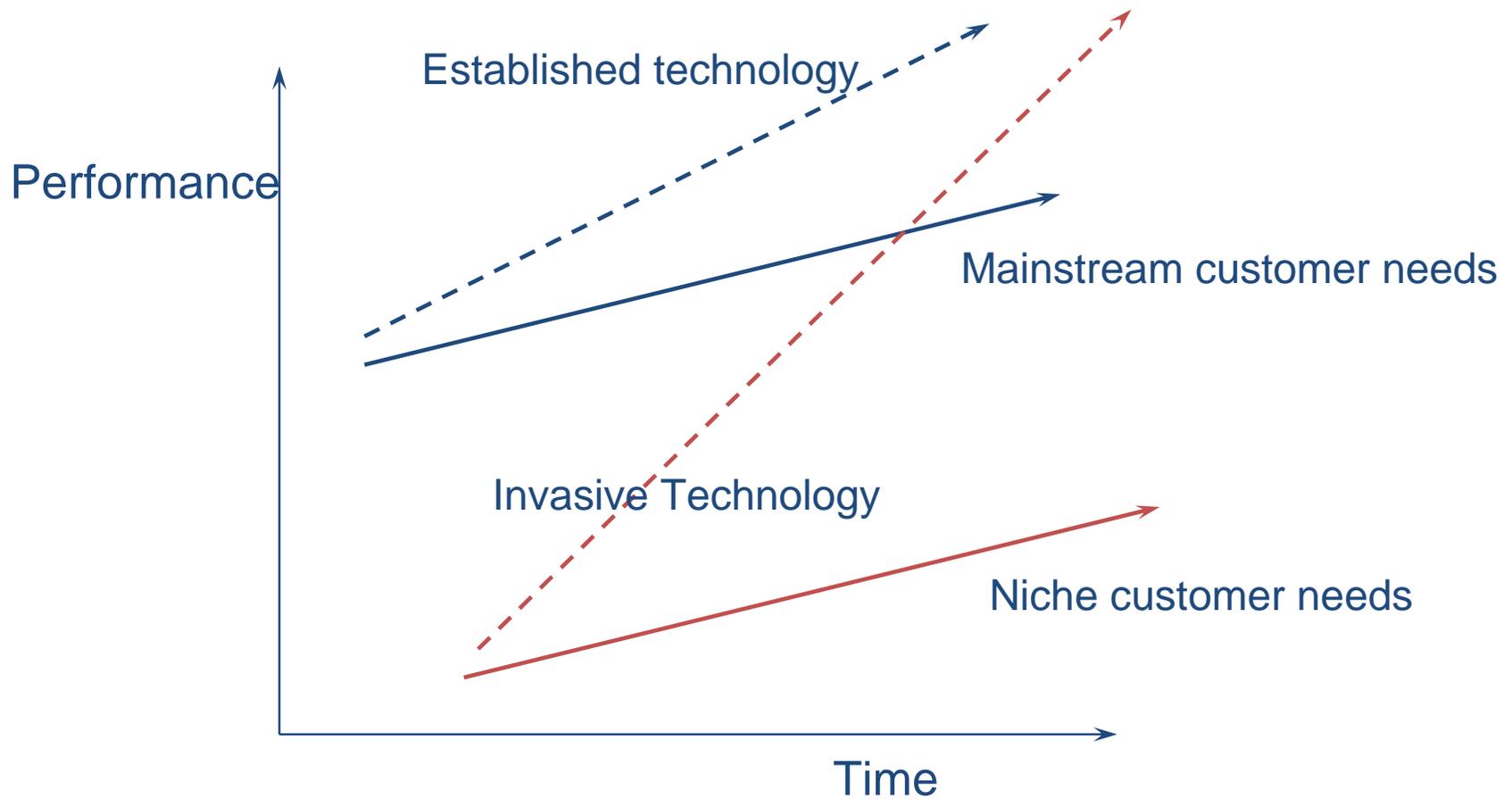
## Discontinuities are challenging because:

- They challenge the way the firm creates value:
  - New technologies
  - New customers & new markets
- They challenge the way the firm captures value:
  - New business models, new complementary assets
- They have their biggest effect, though, on value delivery:
  - They require the ability to balance the tension between “entrepreneurial energy” and “coordination”
  - They create cognitive and action inertia that can be hard to change
- And everyone is very, very busy

# Which technologies will succeed?

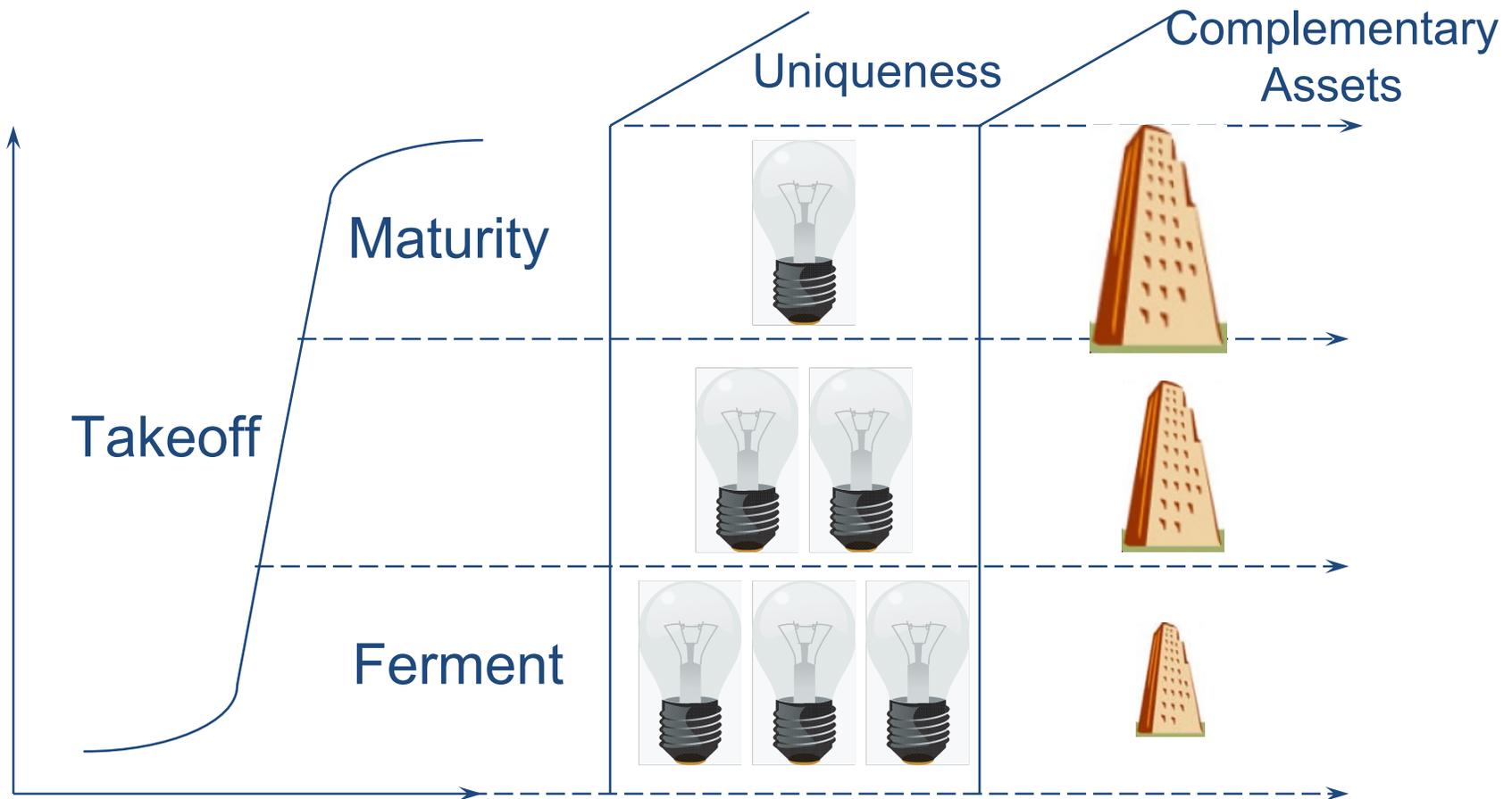


# Who will we sell to?

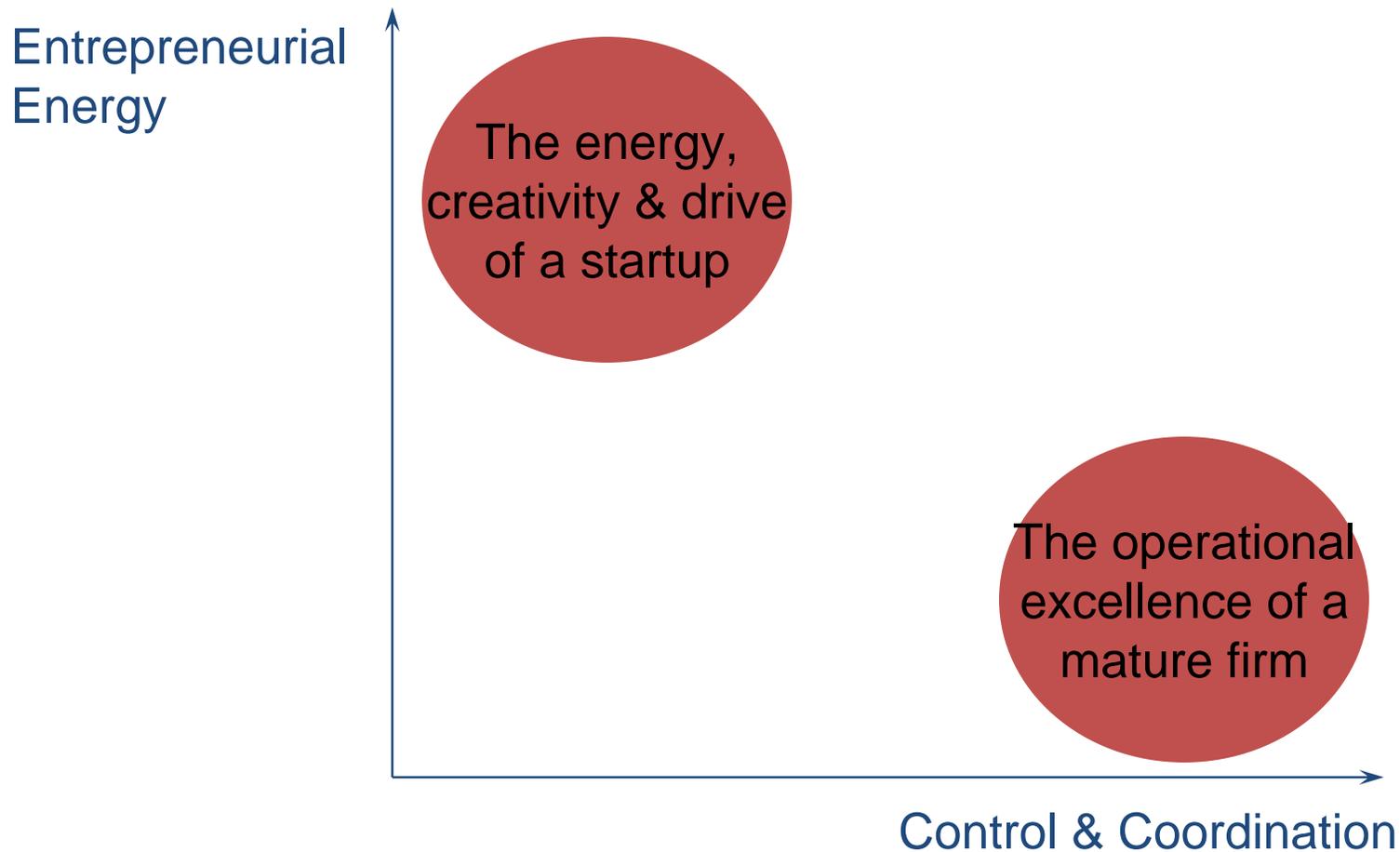


Clay Christensen: *The Innovator's Dilemma*

# How will we make money?



# Managing discontinuities also requires balancing real organizational tensions



And everyone is very, very busy....



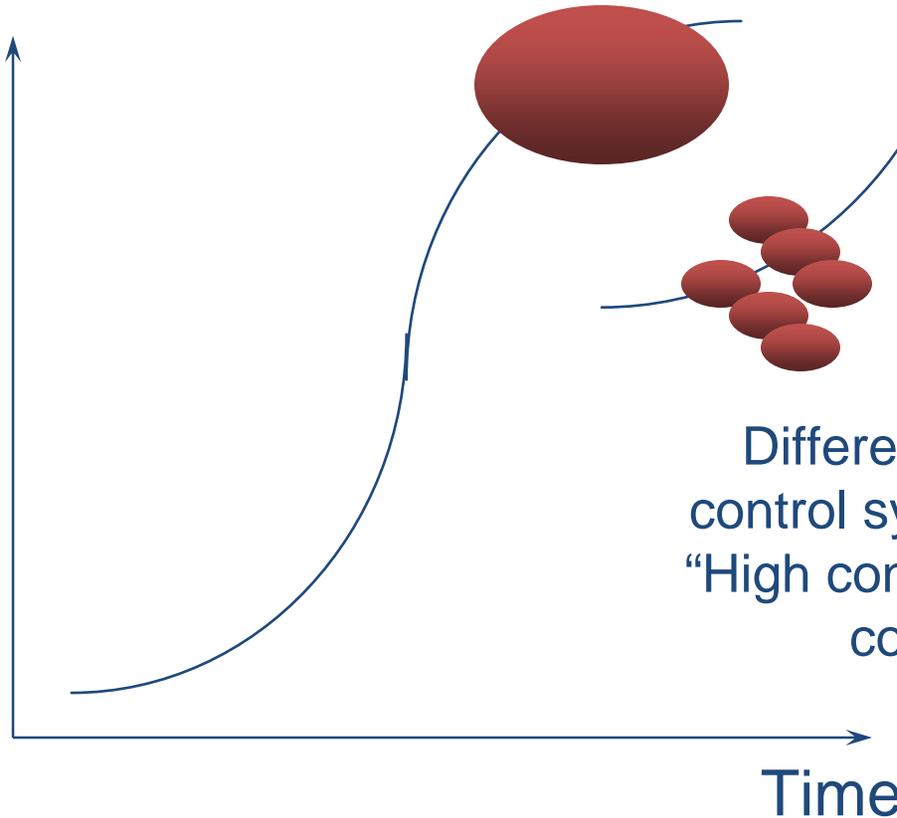
What can be done?

# Successful firms:

- Get the strategy “right”
  - Create real value through linking great technologies to real customer & consumer needs
  - Capture the value through a deep understanding of potential business models and competitive realities
- Keep the organization from getting in the way
  - Actively embrace the tension between “entrepreneurial energy” and “coordination”
  - Grapple with overload & recognize the reality of “worse before better”

# Develop the ability to manage *ambidextrously*

Performance



Different expectations,  
control systems, incentives.  
“High conflict, high respect”  
conversations

# Building the ambidextrous organization

- Lead:
  - Build the “ambidextrous” senior team: communicate the strategy, allocate resources
- Structure:
  - Explore transitional and intermediate forms
- Incent:
  - Explain “just what’s in this for me?”
- Build:
  - Lay the foundations for a new culture, new expectations

