Executive Summaries

Product Management in the AI Landscape: Lessons from IBM

Tarun Chopra, IBM Data and AI

Business leaders are scrambling to adopt generative AI, applying it to operations ranging from marketing and design to sales and finance, and everything in between. Generative AI is also invaluable in product management. It can help product managers improve efficiency by streamlining operations, synthesizing and analyzing competitive research, brainstorming, fueling deeper customer research, and improving collaboration. Yet despite its immense potential, generative AI is not without risks. Like many company leaders who are exploring the opportunities offered by generative AI, product managers must strike a delicate balance between driving innovation and mitigating risk. From bias in algorithms to the responsible use of data, product managers must ensure that their products adhere to ethical and regulatory standards while proactively creating safeguards in the product development process. Whether they are building or consuming AI, product managers must learn to navigate this new landscape.

From Pledge to Practice: Delivering Corporate Net-Zero Emissions

Daniel C. Esty, Yale School of the Environment and Yale Law School, **Alyssa M. Menz**, Yale School of the Environment

Corporate commitments to net-zero greenhouse gas (GHG) emissions are increasingly a marketplace expectation. Three critical drivers have elevated net-zero pledges to a strategic priority on corporate agendas: emerging reporting standards and regulatory regimes, disclosure demands from sustainability-minded investors and financial institutions, and broader stakeholder interest in corporate climate change action. Our research suggests that business leaders are unclear on how to navigate the critical elements of a net-zero pledge and even less clear on how to redesign their strategies to fulfill these commitments. We find that a high-credibility emissions reduction pledge must be grounded in transparency, integrity, and a carefully designed strategy. Thoughtfully structured commitments promise companies ongoing financial success and competitive strength. Less rigorously developed approaches to net-zero, by contrast, expose companies to a variety of risks as transformative changes sweep through the economy. Now is the time for corporate leaders to face the sustainability demands of the 21st century squarely and establish specific, practical, and strategically structured net-zero GHG pledges.

The Future of Healthcare Delivery: Three Insights from Supply Chain Management

James R. Francis, Mayo Clinic, **Alok Baveja**, Rutgers Business School, Rutgers University, **Xin (David) Ding**, Rutgers Business School, Rutgers University, **Ann D. Bagchi**, Rutgers Business School, Rutgers University, **Benjamin Melamed**, Rutgers Business School, Rutgers University, **Diane Hill**, School of Public Affairs and Administration, Rutgers University

The COVID-19 pandemic and the accompanying failure of multiple supply chains to meet demand have engendered close scrutiny of the design and implementation of supply chains, especially in the healthcare industry. The rigidly planned methods used in supply chains, which focus heavily on delivering care through brick-and-mortar providers, repeatedly hindered healthcare organizations. We have drawn three vital insights from the principles of supply chain management and its practice in flagship health systems such as Mayo Clinic. First, the variability of the supply and demand environment requires healthcare organizations to develop a hybrid supply chain structure that augments the traditional forecasting-based system with a nimble

supply chain design and delivery. Second, healthcare executives should adopt risk-sharing contracts and alternative care delivery models. Third, in order to deliver patient-centered care, healthcare systems must embrace telehealth and analytics.

How Modern Tech Companies Differ from the Twentieth Century's Industrial Giants

Vijay Govindarajan, Dartmouth College, **Anup Srivastava**, University of Calgary

Few would dispute that the twenty-first-century's corporate story centers around digital technology, and particularly around giant technology companies such as Google, Apple, Amazon, Facebook, Nvidia, and Microsoft. But how do today's technology companies differ from the technology companies of the twentieth century: General Motors, US Steel, General Electric, Standard Oil, and Goodyear Tire? And why should today's executives care? Six factors differentiate a twenty-first-century tech giant from a twentieth-century one. Chief among them is that today's technology company focuses primarily on services instead of goods and relies mainly on soft assets, like data and algorithms, instead of hard assets like factories and warehouses. It also disseminates information more widely and quickly, improving the asset utilization for the whole society. It develops intimate relationships with customers and suppliers, making relationships its central assets. It creates and exploits networks. It builds ecosystems that facilitate quick expansion into adjacent businesses. Finally, it has high fixed but low variable costs that lead successful enterprises to winner-take-all profits. Today's managers, policy makers, and academics must understand these factors and use them to rethink marketing, strategy, operations, finance, accounting, human resources, and more.

The Fourth Channel: Automatic Home Replenishment and Its Implications for Supply Chain Cost and Customer Convenience

Stanley Frederick W. T. Lim, Eli Broad College of Business, Michigan State University, **David F. Pyke**, Knauss School of Business, University of San Diego

Consumers are shopping for their groceries online in increasing numbers, a trend that was magnified by the COVID-19 pandemic. At the same time, grocery retailers are experimenting with a variety of delivery models using different combinations of order fulfillment location, size, and placement of distribution centers, and whether the customer prefers pickup or delivery. Some retailers and manufacturers are also experimenting with the ordering process, supplementing online ordering with subscription services and auto replenishment. Indeed, the Internet of Things (IoT) has connected consumers and their homes with retailers in an entirely new way, transforming their shopping experience. This transformation opens a window of opportunity for retailers to create new value and build consumer loyalty, but at the risk of significant supply chain costs. Retail executives should carefully analyze the costs of their supply chain and of last-mile delivery, as well as customer convenience factors. They should also consider a concept called market basket auto replenishment that could give customers what they are looking for without incurring unsustainable supply chain costs.

Addressing Value Drain in Dealmaking

Paul Papayoanou, Decision Frameworks

Dealmaking specialists can greatly increase a company's competitiveness and value, but all too often they fail to capture as much value as they should. For dealmakers to quickly close deals that add substantial value, they must use methods that help them to properly prepare and negotiate. Five fundamental concepts rooted in game theory and practical experience can help them to prepare, allowing them to capture significantly more value. Two of these, *tough but fair* and *go slow to go fast,* concern the mindset that will help dealmakers to realize value and enhance their reputation. The other three comprise a systematic, practical approach to developing a robust negotiation strategy and the tactics necessary to put it into effect. With the right incentives and training, leaders can equip their dealmakers with the mindset, approach, and capabilities to secure high-value agreements.