TIM Lecture Series

Insights from Success and Failure in Technology Businesses

Chris McPhee, Peter Carbone, and Sean Silcoff

“If the rise and fall of BlackBerry teaches us anything, it is that the race of innovation has no finish line and winners and losers can change place in an instant. We live in an era of disruption where we are one algorithm away from being rendered redundant.”

Sean Silcoff
Business journalist and writer

Overview

The TIM Lecture Series is offered by the Technology Innovation Management (TIM; timprogram.ca) program at Carleton University in Ottawa, Canada. The lectures provide a forum to promote the transfer of knowledge between university research to technology company executives and entrepreneurs as well as research and development personnel. Readers are encouraged to share related insights or provide feedback on the presentation or the TIM Lecture Series, including recommendations of future speakers.

The first TIM lecture of 2016 was held at Carleton University on January 27th in celebration of the recent publication of the 100th issue of the Technology Innovation Management Review (timreview.ca/issue/2015/november). Chris McPhee, Editor-in-Chief of the TIM Review, and Tony Baletti, Director of the TIM Program, invited two speakers – Peter Carbone and Sean Silcoff – to share lessons from studying key factors that have led to success and failure in technology businesses. This event also marked the launch of a new book comprising of the journal’s 15 most popular articles as the latest installment in the Best of TIM Review book series (timbooks.ca).

Summary

Introduction: Chris McPhee
To set scene for the event, Chris McPhee described the evolution of the TIM Review and the recent publication of its 100th issue. This monthly, peer-reviewed journal has been published out of Carleton University’s TIM program since 2007. It was first named the Open Source Business Resource and focused on the question of how businesses can make money by leveraging something that is free, namely open source software (McPhee, 2011). After publishing its first 50 issues, the journal was relaunched in October 2011 as the Technology Innovation Management Review.

The journal emphasizes research-based solutions to practical, real-world problems in emerging domains. It provides its authors and guest editors with opportunities to explore and legitimize new ideas. And, to encourage a diversity of perspectives – both in terms of having a global reach and receiving contributions from academia, industry, the public sector, etc. – the journal is open access and has no author charges (timreview.ca/authorguidelines).

In the 100th issue, McPhee (2015) contributed an article that looked back over the journal’s first 100 issues, the themes they covered, trends in authorship and readership, and future opportunities and challenges for the journal. In its 100 issues, the journal has featured more than 500 articles by more 600 authors. The majority of authors have been from the Americas (55%) and Europe (40%), but the readership has been more internationally diverse, with the Americas accounting for 33%, Europe 30%, Asia 25%, Oceania 7%, and Africa 5%. The TIM Review website welcomes more than 27,000 unique visitors per month, with totals exceeding 600,000 unique visitors and 1,000,000 pageviews since the 2011 relaunch.
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With no author charges and a full-open-access model (all articles are free to readers), McPhee explained that funding must come from other sources. A recent initiative is the development of a "Best of TIM Review" ebook series, and the seventh book in the series was launched during the TIM Lecture. The proceeds from every book sold go towards the ongoing operation of the journal.

This new book – titled Best of TIM Review: Most Popular Articles (McPhee, 2016; amazon.ca/dp/B01AZW6f98/) – features the 15 most popular articles published in the TIM Review based on visits to the website. It provides valuable insights on fostering entrepreneurship, managing innovation and teams, and delivering value to customers, and it will be of interest to entrepreneurs, managers, researchers, and others.

The TIM Books website (timbooks.ca) provides details on the entire TIM Books series, which includes the following titles:

1. For Technology Entrepreneurs
2. Business Models for Entrepreneurs and Startups
3. Value Co-Creation
4. Cybersecurity
5. Open Source for Entrepreneurs
6. Living Labs
7. Most Popular Articles

Part I: Peter Carbone – Lessons from the Evolution of Business

In inviting a speaker to mark the occasion of the 100th issue of the TIM Review, Peter Carbone was the obvious choice given his many contributions dating back to his authorship of the first article ever published in the journal (Carbone, 2007) and several subsequent contributions, including an article that appears in the new ebook of the journal’s most popular articles. He has also contributed as a top-quality guest editor, reviewer, and advisory board member, and he has been a key factor in the journal’s success. In the first part of the TIM Lecture, Carbone shared the lessons he has learned about the evolution of business as a technology executive and practitioner of strategic planning, and he mapped this evolution to the corresponding changes seen in the topics explored in the TIM Review over its first 100 issues.

Carbone explained that, over the last 30 to 40 years, there have been enormous shifts in virtually every factor that affects a successful business, and, for much of this time, industry has worked with academia to try to understand the levers to gain competitive advantage, or to even just keep up in the market. Based on examples from his experiences with this evolution in the telecommunications industry, Carbone identified seven areas of insight and key lessons learned, which are summarized below:

1. Customers
   • Sales is not about the product; it is about putting the customer’s well-being ahead of your own. Engage with customers, and make sure they are always at the table and part of the solution.
   • Long-term planning is strategically critical for any company. It helps you decide what to do, but also what not to do and with whom to partner.
   • You have to understand the physics of a deal. Is the customer right? What are they really asking for? Do they really know what they need or what technology to bet on? Do your homework and have your own opinion.

2. Competition
   • There is always competition, and it increasingly coming from unique and disruptive combinations of fundamental elements.
   • Business model disruption is hard to anticipate, address, or leverage.
   • The winner is the one who appropriates value, not necessarily the one who creates it. And, there are different ways to appropriate value.

3. Open Source
   • Open source is a valuable strategic tool, not just an engineering tool.
   • It can be used to take out competition by reducing their strategic advantage, thereby shifting the value to where a company can compete.
   • Open source facilitates collaborative innovation, but there are cultural implications; developers and managers must overcome the perceived need to own and
control everything and instead learn to trust and work with a community.

4. Business ecosystems

• An ecosystem can magnify capability, enhance reach, and improve responsiveness. The benefits of a successful ecosystem are substantial, but setting one up is easier said than done, largely because of trust issues.

• Particularly for custom development, a business ecosystem can be a mechanism for partnership with customers.

• Success depends on the ecosystem providing a "win-win" for everyone in terms of commercial success. Participants must have mutual self-interest.

5. Mergers and acquisitions

• Mergers and acquisitions are a popular mechanism to address time to market, to contain investment, to enter new markets, and for the scaling or exit of startups.

• There are various possible models of integration: the right choice depends on what is motivating the merger or acquisition. For details, see Carbone (2011).

6. Investments in the future

• Large companies manage investment across three horizons: immediate impact (H1), short-term impact (H2), and long-term impact (H3). The challenge is to balance investment across all three horizons without sacrificing one at the expense of another. This task is not easy because each horizon has different, and often competing, characteristics.

7. People

• A CEO requires deep knowledge of the business but cannot succeed if their influence clashes with the company culture; they must command respect and be followed. Trust and respect drive productivity.

• Empowering means incenting, but you must create a specific incentive to achieve a particular outcome.

• A company is a complex community that should be leveraged, not overridden.

Part II: Sean Silcoff – Lessons from the Rise and Fall of BlackBerry

Next, Sean Silcoff provided an inside look at the rise and fall of one of Canada’s most iconic brands, as documented in his recent book Losing the Signal (McNish & Silcoff, 2015). Silcoff spoke about BlackBerry under the leadership of former CEOs Jim Balsillie and Mike Lazaridis. The book, co-written with Jacque McNish, grew from a major feature investigation published in September 2013 in the Globe and Mail about the downfall of the Canadian company (Silcoff et al., 2013).

Silcoff shared profiles of the two former co-CEOs, their personalities and strengths and weaknesses, and how they were both mismatched and complementary within their unusual joint leadership of Research in Motion (now BlackBerry). He characterized the company's rapid growth and how it established a dominant position in a market it created only to see their advantage slip away as Apple and others disrupted and redefined the smartphone industry.

Key lessons Silcoff shared from the investigation and book included:

1. Timing is everything: you need the right product in the right place at the right time.

2. Conviction is very important: you cannot always listen to what customers think they need.

3. Innovation without commercialization is not enough: you need to get the technology into people's hands.

4. Leadership is key: you can have co-CEOs, but any board that allows such a structure must regularly revisit the arrangement, possibly as often as every board meeting.

5. Technology is only part of the disruption story: it is just as important to change the rules to destabilize legacy businesses.

6. With the current rates of innovation, time is a luxury that you cannot afford.
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About the Speakers

Chris McPhee is Editor-in-Chief of the Technology Innovation Management Review. Chris holds an MA.Sc degree in Technology Innovation Management from Carleton University in Ottawa, Canada, and BScH and MSc degrees in Biology from Queen’s University in Kingston, Canada. He has over 15 years of management, design, and content-development experience in Canada and Scotland, primarily in the science, health, and education sectors. As an advisor and editor, he helps entrepreneurs, executives, and researchers develop and express their ideas.

Peter Carbone is a successful executive known for his thought leadership, business acumen, and technology leadership. He is often called on to address new business and technology challenges. Peter is a pathfinder with a track record of creating innovative solutions, strategically managing technology and innovation, successfully launching and running new businesses, and leading business development initiatives. Peter has held CTO, R&D, and senior business positions in several high-tech companies, and he has led or been directly involved with several technology company acquisitions. Peter has been engaged as technical advisor to startups, is part of the faculty of an entrepreneur development program that has created >100 new companies, and has been on the boards of US-based Alliance for Telecommunications Industry Solutions (ATIS) and a not-for-profit economic development company. He is past Vice-Chair of the Executive Committee of the Information Technology Association of Canada (ITAC) and Chair of an ITAC committee, which is focused on the Global Competitiveness of Canada’s Knowledge Economy. Peter is also a member of the Advisory Board and Review Board of the Technology Innovation Management Review.

Sean Silcoff is co-author of Losing the Signal and a business writer with The Globe & Mail, Canada’s National Newspaper. During his 21-year career in journalism and communications, he has covered just about every area of business, from agriculture to the credit crisis, toys to airplane manufacturing and steel to startups. He previously worked at the National Post as well as Canadian Business Magazine, where he oversaw publication of the inaugural edition of the Rich 100, the magazine’s annual survey of Canada’s wealthiest people. Sean is a two-time winner of the National Newspaper Award, the Montreal Economic Institute Economic Education Prize and the Hon. Edward Goff Penny Memorial Prize for Young Canadian Journalists. He led The Globe & Mail’s coverage of the fall of BlackBerry. Sean has a business degree from Queen’s University in Kingston, Canada, and a journalism degree from Carleton University in Ottawa, Canada.

This report was written by Chris McPhee.

References


