

## Mark Esposito interview

*Professor Mark Esposito visited CBS Executive Fonden in connection with his key note at the Executive Tech Academy in September 2022. We invited him for a separate talk about his view on strategy, tech, and educational perspectives.*

### **What is your definition of strategy?**

My definition of strategy is a combination between synthesis, the idea that we fundamentally are going to understand what is the best possible avenue of action when we understand the specific problem. But it's also foresight the idea that we would like to engage more into the study of the future and in which way the future will likely unfold.

I think there is a conversation about the anticipation of the future, a conversation about in which way the future likely will generate new trends. I know that in some of the programs that we are working with here at the school, I spend time bringing this perspective about future trends and I can see that that is like a strategy opportunity to engage participants, but in general stakeholders in the conversation of strategy. So I see this as a blend between the ability to understand the right condition for execution, but also the foresight of what is happening moving forward and more and more today than I think in any point in time in the last 40 years or so, strategy requires a serious engagement towards the future, because before it was considered marginal side of the spectrum. Today I see this becoming more and more mainstream. Many organizations as well are converting their strategy departments into trends spotting and foresight units.

### **Where do you think the future of education is going?**

When we ask ourselves the question on the future of education, I think there are a number of trends that I have been observing in the last few years. The first is education and knowledge might not exactly mean the same anymore. There was a time where getting knowledge was going to school and today knowledge is no longer just belonging to schools. We have multiple sources of knowledge that we are using on social media, on different channels, on platforms. Just an example. There are now courses that are offered by technology companies that we can enroll and take and or integrate into existing curricula.

So I think there is a side to the question about future education, there will be much more open and knowledge as an idea of 2.0 rather than knowledge only belonging to schools.

The other important link between education and career is, I think, it was clear before that education was building employability. Today we know that having a degree by itself is not a guarantee but is still a requirement for us to think thoroughly about the foundations and then looking at specialization to narrow down into some areas that we want to eventually work on. What is different from before is that the level of depth in the past was quite significant. You will become, for example, a specialized field today that is not as deep. It's more about transversal, moving from one job to the other with more specialization.

So I can give you a quick example. We can have people moving into a training on data and then suddenly taking more of a data analytics training and then after a few months decided to go into, for example, data visualization and later on having an initial course on coding. That's an example of a journey that before would not have really happened with the same level of transversal distribution, but now we're shifting the career by how the market is equally evolving. So we've been hearing this several times. Lifelong learning is becoming a big conversation that will likely be learning for a lifetime for us in making sure that we can take multiple courses that will specialize us. The degrees will be our how we start it. It will not be how we end it. And I see this becoming more visible in the career trends.

**Do you see the training for our kids moving from classrooms, maybe more into communities? How do you see these shifts?**

When we take in a question about training and children, for example, I personally think that the classroom as an idea will be disrupted because we've been teaching children in the same way for too long. Still, these days it looks like what children have in common the most is how old they are. We can learn with having multiple ages in the same room.

We tend to have children eventually sitting down and listening to teachers. We now know that science shows that standing or being active is a much easier way for us to have the brain engage even more than before. The attention span in a traditional way,

they tend to have a cycle that starts and goes down. But if we're much more active and we integrate in learning with the physical environment, I think we're going to have a different kind of child, so to say, much more developed as a human, because we are not necessarily creating boundaries, but we're letting them experience. To that effect, I think there were a number of schools in the US that were experimental, that were really redesigning curricula based on this new form of education. And I think we are about to see more and more that disruption on top of it as communities are becoming gatekeepers, as we're redefining more and more, more local realities, there will be a place where children will learn also from communities. I'm not going as extreme as home schooling, but why is learning all exclusive to schools? There can be learning in schools. There can be learning in families. There can be learning in communities. So I think this is likely going to be a much more fair representation of learning for children moving forward.

**You're talking a lot also in your class about globalization 2.0. But in fact, also we see, especially in the last 12 months, you know, the completely counter reaction to the de-globalization or localization. So how do you think these two seismic shifts are converging in the next 12 to 24 months?**

So in the question around globalization, localization, the direction of travel, we clearly are at the end of a model of globalization that has been quite generous with us for quite some time, especially if we are in some parts of the world. Equally, we are seeing with the rise of the crisis of the last few years, the localization was not only a trend, but is becoming a consolidated form of life. Today, regional economies are coordinating more. We have more sense of where do we belong because we feel that local community are becoming more important.

And so I think as much as we talk about new forms of globalization, sometimes we refer to it as globalization 2.0. We equally have to talk about new forms of localization, like localization, 2.0, as I think we see this integration becoming an interchangeable way of thinking. Can we be locally relevant and equally globally connected? I think this is where I will see more and more the role of our societies and communities evolving. There was a time a few years back where the idea of becoming global was the aspiration. Today, I think probably after the experience of the pandemic as well, we are rediscovering life in communities also relating to how we can grow a life not only as professional but also as

friends, husbands, sons, whatever is our roles. And I guess more and more of that conversation will shape a balance between global and local. And what is really making this possible is the technology that we are deploying.

Today, we can have a person connecting through an online portal being at the same time in multiple time zones from the comfort of her or his own office or a room. And that is something that is not only just the convenience of technology, it also redefines what it means to be local, but equally not given away on the axis global. It won't be either one or the other. I think it will be much more fluid. But I see this becoming a permanent condition of our life where we are not going to give away one for the benefit of the other. But we'll keep them together.

### **So how do you see current technologies shaping the future of the workplace?**

How will technology shape the future of workplace? Is really a question that intrigues me a lot. I often ask myself, will we go to the office eventually? Will we have the idea of the office or will we rethink space accordingly? So first of all, I think the future workplace will be hybrid by design. Today we're learning that when people are given more autonomy, they engage much better, simply because they don't find that going to work is a compromise to other important things in life.

Second, I think we are realizing that work doesn't have to be exclusively in the office, but the office is a purpose of building the community. I do remember in my earlier days in the office I was sometimes thinking, I come to the office, but I'm by myself in the office. I'm not really connecting much. And today we are moving away from that to say, come to the office for a meeting or come to the office for a conversation. But we also understand that some productive tasks happen not necessarily in the office, so we are getting more maturity on that. Technology is, again, is making this possible, but we also rethinking how the brain functions. As I travel around, I start noticing that office spaces are becoming much more human centric. We're making them more as living rooms or places that we will find a home rather than hospitals walls where that tends to be kind of cold and distant. We see more of influence on design, ergonomic structure, make people work better, people making phone calls standing. This is now becoming more and more visible. And that makes a lot of sense because there's a more natural way of eventually engaging. I think all of this will fundamentally create a different work future

workplace.

But I find also the answer will depend on where we are. There will still be countries that would like to follow the conventions of the office space because in their maturity of their evolution, they still think the office and life should be separated, right? So it depends greatly on the cultural norms that we're going to see. In Scandinavia, I see probably more and more of a direction of travel that is about hybrid forms of work because anyway, the region has already experience high productivity without having the same long hours of work that we have elsewhere because of the sophistication of their value chain. So I think we are at the very beginning of a transformation, and I think it's absolutely needed because the future of workplace will have to take into account things that we hadn't taken into account before, like hard jobs designed to be gender neutral or are they mainly male dominated? The many jobs were designed around men.

Today, I think we are much more conscious about the fact that jobs has to have a different level of design, but also thinking about paternal or maternal leave sabbaticals. All of this will shape the future of workplace, so physical, policy based, productivity-based technology, that'll be more exciting, I think, than what it used to be back in the days closing to an office and nobody sees you. And you are, you know, you're dealing with your own space, so.

**One of the big conversations at the moment is this shift from the core business ecosystems being an organizational body or on your own creating products and services for your customers and then moving into business ecosystems. And that would at the end of the day be the winners of the game. What is your thinking on that?**

So business ecosystem, business, ecosystem, what a great way to think through these ideas. I guess the ecosystem model will prevail over time in the same way as we are talking about communities. We're talking about redefining, for example, workplaces, really defining productivity. Ecosystems are much more natural environment for us to have. It's like a habitat that we live in. But more importantly, if we bring it up to the conversation on business ecosystem are successful because there is a combination of a number of factors.

There is the private sector that is basically driving the innovation. Innovation is coming from the startups which are actually in the territory, and they're given the opportunity to incubate their ideas and eventually work with large companies and get to market. The ecosystem requires research because we want to have a community of researchers that are going to be able to pivot and try ideas. You need to have education because the skill set keeps on changing governments. They have an interest in ecosystems because they generate more benefit for the community or the government, but they also generate more opportunity for taxes and redistributing back into society. And there are actually good social harmonizers. There are places where people with different skills can work together. And finally, finance is attractive by ecosystems because when you're investing to ecosystem, you multiply your revenues because you're not all investing into one idea, but you're investing into the whole system per se.

I guess the ecosystem before was really about the Fortress of Solitude, about a company very strong going out there into the market. But there was this feeling that there is a vacuum outside of that. So I guess even in the past the company, they were more integrated into their ecosystem. They were the ones succeeding more and more. But we used to see the ecosystem as a consequence of the company.

Today we see ecosystem to be the starting point and our company really are thriving. And there's a good example that I use some time in one of my classes. So we all know Nokia as a company in the north. Nokia was within the ecosystem of Finland right inside of the information technology clusters for many, many years. And then because of the ecosystem, Nokia was able to actually thrive and maximize to become a global leader in the nineties, you know, small country like Finland challenging, you know, the technology coming from the US, especially in China where the end of the Soviet Union. So like put the country in in a different situation, exposing themselves to taking bold moves just all to show you that we already have been having examples of ecosystems generating companies but that was like the exception.

Today around the world, we see more and more appreciation on ecosystems, less on the organism of just single companies. So if we used to walk into a classroom and talk about Apple or IBM or, for example, BMW, today we're talking much more about the condition to create value in systemic form. And I'm very, very happy to see this

transformation happening. So my final answer to the question is much more ecosystem than at any point in time before. And just to follow up on that, would that also drive the you can see the. The reduction of the boundaries of the traditional industry that we see. I mean, are those industries maybe in the future not really existing like we see?

Tesla is a good example. We see as a car manufacturing company, which is now valued the same time. The size basically is all the other car manufacturers, but in the future is probably an energy company. You know what we see basically the old traditional classic industries basically, you know, dissolving as a result of this, both technology and our new way of doing business.

So will the conventional player sell dissolve in under the pressure of new ecosystems models I think is a great way to engage into this conversation. Likely, if a large, conventional and strong company does not integrate into an ecosystem, it might over time be marginalized and becoming less and less relevant.

Today, being a large company with a lot of innovation means less unless you really are engaging with your stakeholders in a different way. And I think also size used to matter a lot. Today, size matter a little bit less because you can be a small company by having a digital infrastructure that connects you to global distribution and suddenly you scale to market. We have examples of company with few employees that are globally renowned and they are nonetheless on the map because they can have access to that. So I think the pressure on the old players to really think of themselves more as part of a system than just being the protagonist of the story will put a lot of pressure on the old player like we have seen recently. Not everybody will eventually disappear, but there will be a number of companies that will simply will not understand the urgency because they've been doing good for many years and they will think I will pull through and maybe they will not.

In fairness, I have to say the ability for a company to understand resilience is higher now than before because the events of the 19, the 2020 to 2022 between the pandemic and the conflict in Ukraine, Russia is really thought to many of us that the normal of what we consider everyday life can be disrupted overnight. And I think that has so inculcated a culture of adaptability that is higher now than before. I remember starting

my career when I was doing more cases on organizations where we talk about resistance to change. We still have a lot of resistance to change, but the justification for that is much weaker now. I think everybody is seeing that the world can really come to a completely upside down in no time, and that has helped to have more agility in the system. That's why, for example, many programs these days are integrated in agility or agile governance.

We used to talk about how the companies make decision and today we talk about dexterity and being able to do right and left and all of the things So likely, if we're not seeing this transformation happening, the ecosystem will largely take over because it's a better value proposition fundamentally.

**How can I and as an individual today, because. It's quite overwhelming what's going on. And also what we saw in the classroom today about, you know, what can I do? Where do I start as an individual with a classic, you know, baby boomer, middle age career mindset? What can I do to prepare for the next new normal?**

Can we prepare for the next new normal as an individual? I think that's one of the answers that the answer will give to that is like which normal? Because I think fundamentally we are going to live in a period of history where never normal might really be the norm. And although I play a little bit with the words, I think the idea behind this is to say changes will happen the faster, faster pace because we are in a period of transformation. And when you are transforming the landscape around your changes as well, you know, new mountains show up, new rivers show up, new lakes show up. And if you were expecting that, it was nice and quiet and it was a meadow. Now it's no longer. That said, I think if we are accepting change as a part of life and we accepting that organisations will be able to constantly evolve, that innovation will be more dynamic than static, that education will no longer be a degree, but it will be lifelong. So if we start rethinking the fact that in life evolution happens and we change on a regular basis, we won't find it to be a shock. We'll find it to be a normal stage of life that we constantly are kind of facing new kind of challenges. So I think the question will be on no longer on the how prepared I am as an individual to the next normal, but how responsive I will be to this new forms of challenge that are happening.

And maybe it will help us a lot when we are raising our children to help them understand that volatility is just an essence of life. Systems change. Finding a job doesn't mean keeping it forever. It means that the journey could actually be different. You can define your career in multiple ways. I think the idea that we are mentally, financially stable, that's important, but it cannot come only from one job. So we have to rethinking portfolio options, having people having job or project and maybe a gig. So rethinking the structure of our society and it goes from will we be able to have more dynamic pensions because now we still get pension for people who are retiring. But the calculation doesn't happen only on the people working, saving for those that retire, but maybe thinking about technology, helping with that. So if we are navigating all of this in the right direction, then I think we're going to make change positive. One of the things that always surprises me is when I'm talking about some of the changes, sometimes in my delivery there will be somebody who feels that might be a pessimistic view, I think is pessimistic. If you are looking at the world with the view of the past because, yes, it was a little bit easier to feel comforted by maybe a set of time that was stable. On the other hand, when you have more volatility, you have more opportunity for growth. And we learn this in finance. In fact, the markets would never generate a lot of revenue if they were stable. It's because you have in highs and lows that investors actually are generating good returns. So rethinking, I think what is normal and adapting also our psychology to that, our educational system, the way we are raising children, but also the conversation at work likely will be a better way for us to feel less under the impact of a shock and more by saying it's a new driving force, it will generate new opportunities. I have to adapt. What can I do about that? And that level of entrepreneurialism is what I think is an opportunity to have to build a new generation of leaders moving forward.

**One final question, a bit more on the personal note. You're a travel guy. You've seen basically all parts of the world and have a very long career, an education behind you. So I'm really curious about what and I know you are curious person as well. So what is the big question that sort of gets you up in the morning? What gets you excited today to get moving and continuing your journey of exploration?**

If I have to answer a question, well, what keeps me going in the morning when I wake up, what really motivates me? I have enough years of education background right now to have seen some of my students going from my classrooms into the real world and

making real change. And what I'm thinking, wow, that was a disproportional evolution. And this these people were in my classroom asking questions and now they're leading organizations, entity, governments, all of this. I mean, that's fascinating. I always find that to be an educator is a privilege because you can really you can improve people's life. And to see that, I guess at the beginning you don't really know because sometimes students, they are just students. But when you see them over time, you see that you're not only teaching, you see them eventually taking an opportunity to take your thinking and moving into the real world. That translation between the theoretical idea that the professor or a teacher can do and how the practitioner is able to bring it into the world is fascinating.

And so the more I, let's say, wake up in the morning, the more I'm excited to see how the work that I do, which is minimal because every individual has limited resources, is impacting life of people that will do much more than what I could ever hope. So. So when you put it all together, it's like being in the justification of why I am optimistic is because I have seen positive change in people. They go out there, they do things that are unthinkable. They fundamentally improve the state of the world in many ways. And I think this is one of the privileges I share with everybody. Like I am lucky that I am working in education because I can see how change transform people's life on a daily basis.

And it's also, to be very honest, the biggest learning school for me is that I'm getting older like everybody, but my getting older is always exposed to more learning rather than thinking of getting older and having less learning. And so that has kept me going. So there is a motivation for me to learn more, to see and meet people, and to have opportunity to be one of the small components that maybe help them get to where they are. For me, that has been the secret recipe of my career so far.