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FUSION STRATEGY

Dr. Vijay Govindarajan

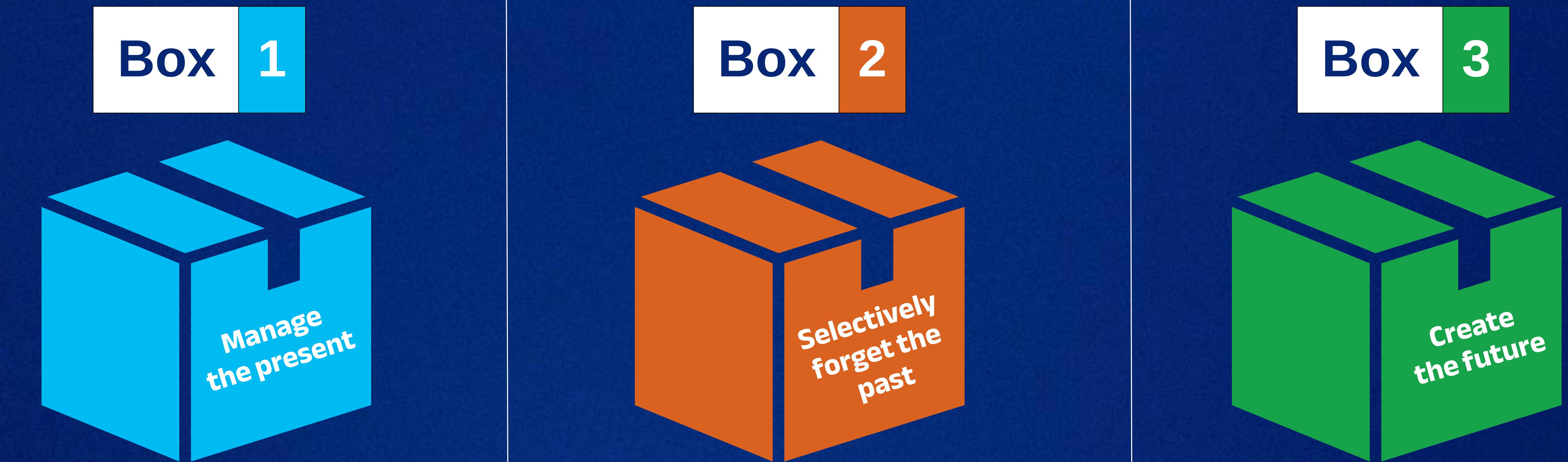
Coxe Distinguished Professor of Management
at Tuck School of Business, Dartmouth



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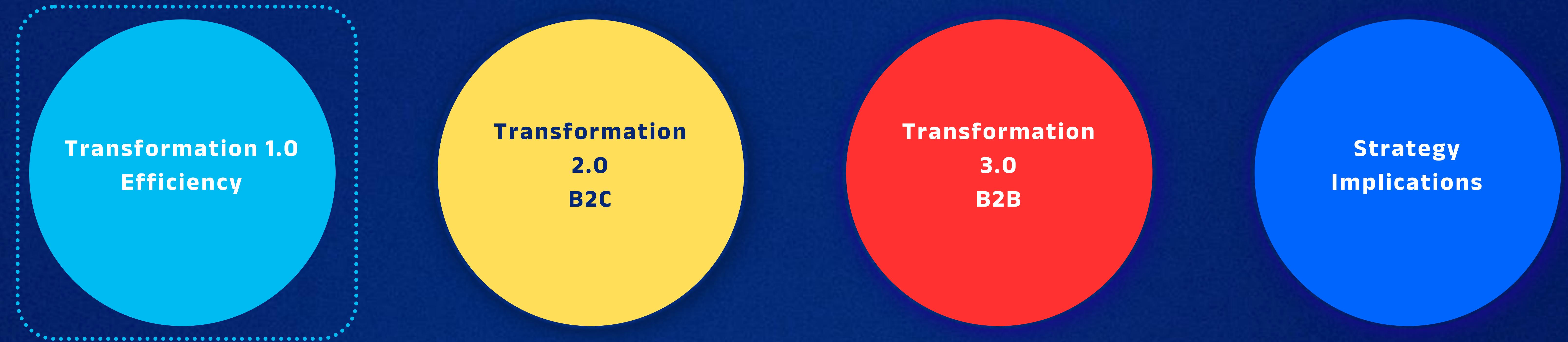
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Three Box Balance





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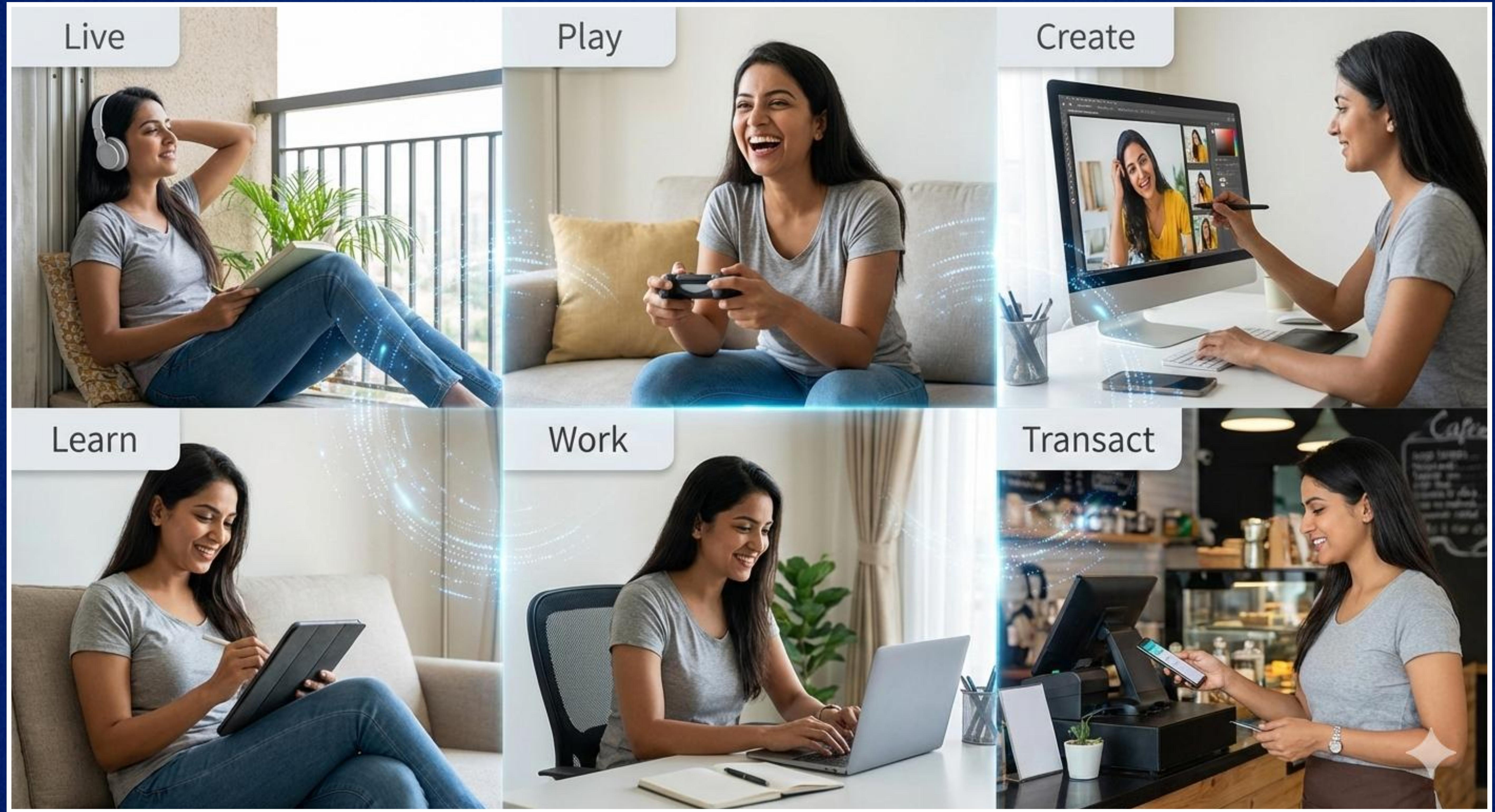




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Compute

Cloud

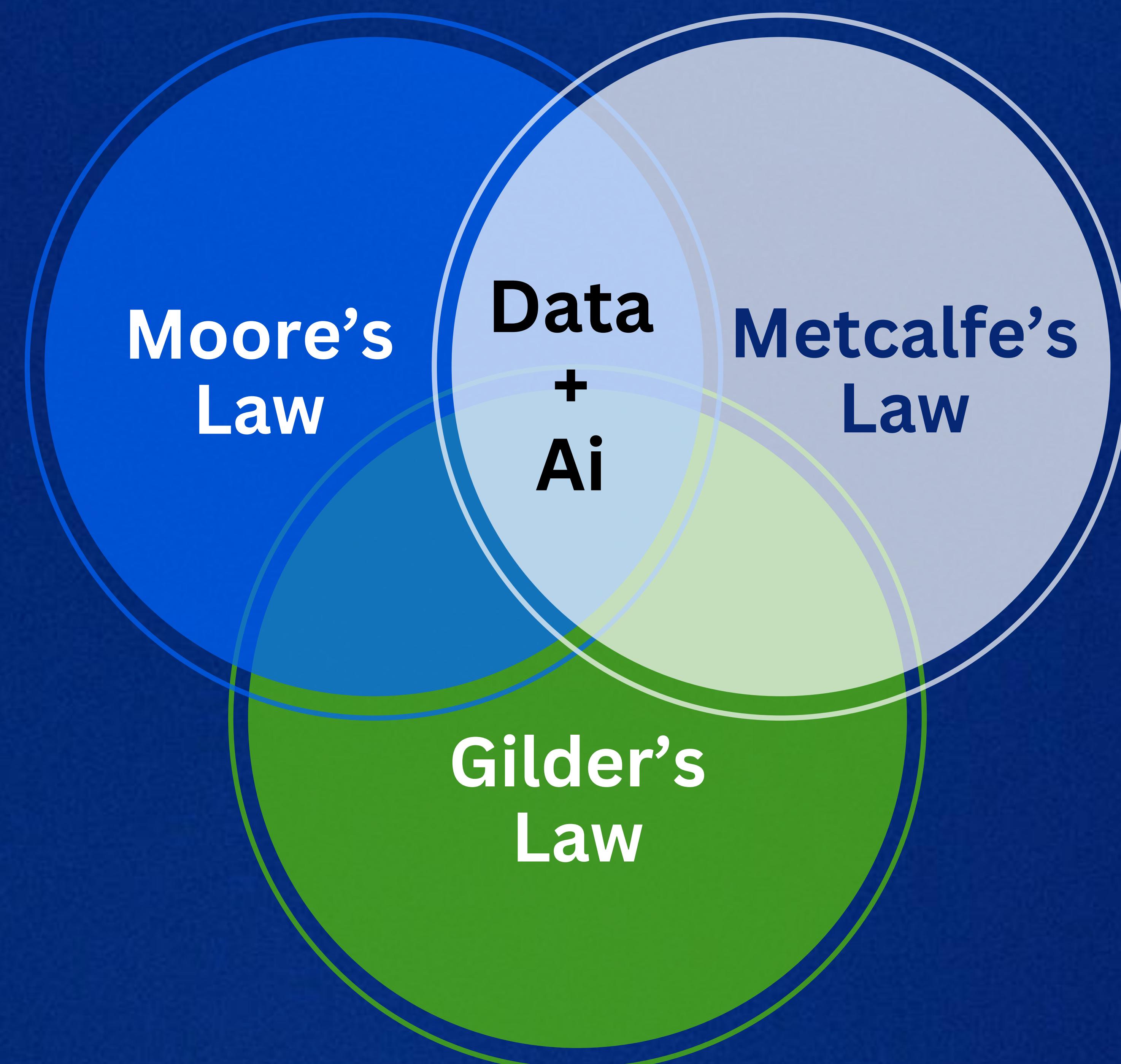
Connect

Moore's
Law

Metcalf'e's
Law

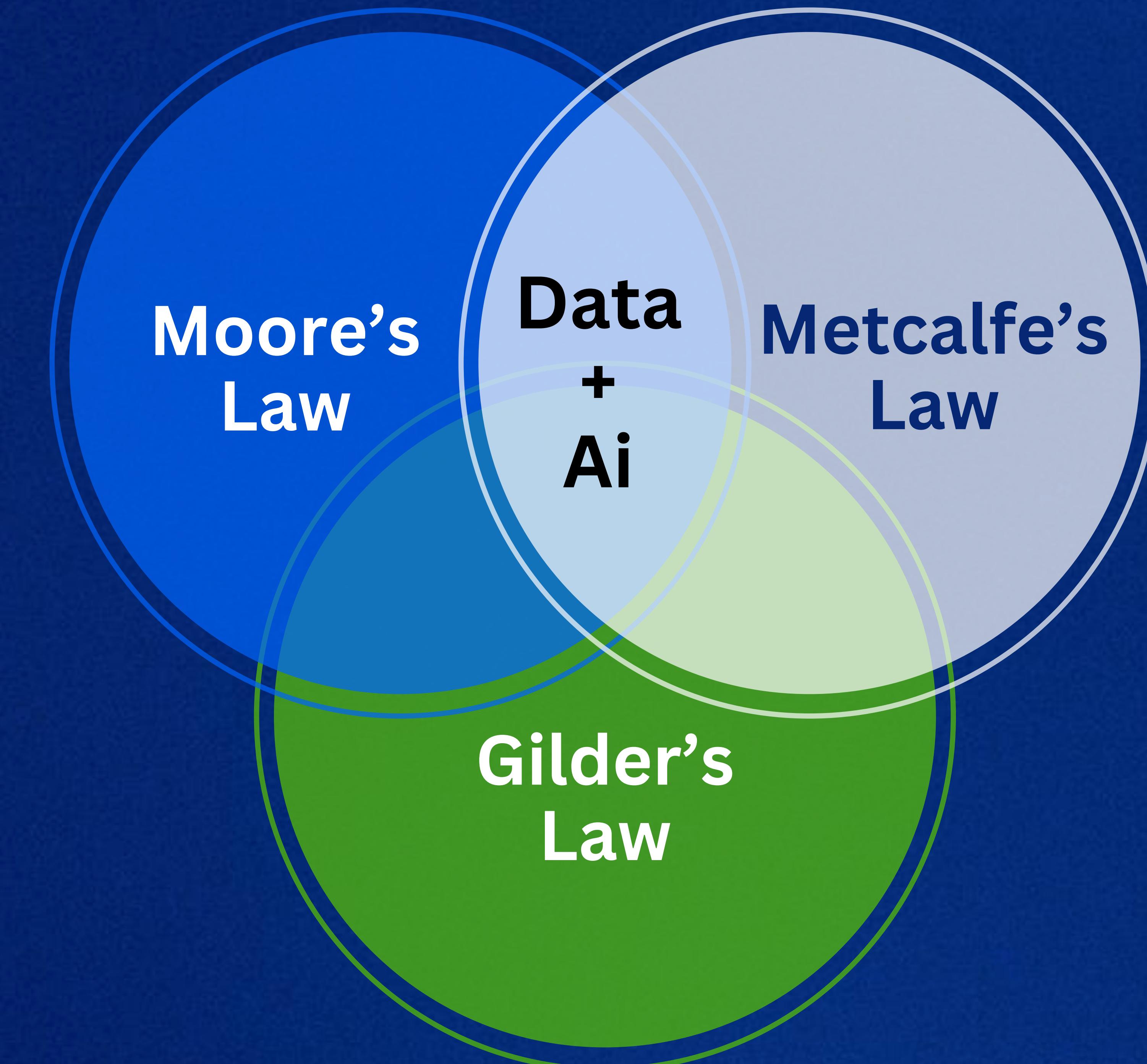
Data
+
Ai

Gilder's
Law

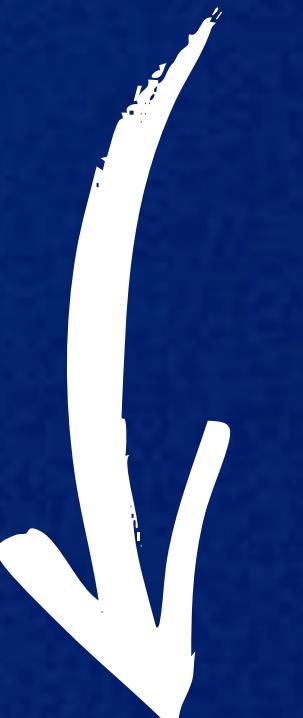




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Processes



Products

2007



Bank of America



Walmart

SM

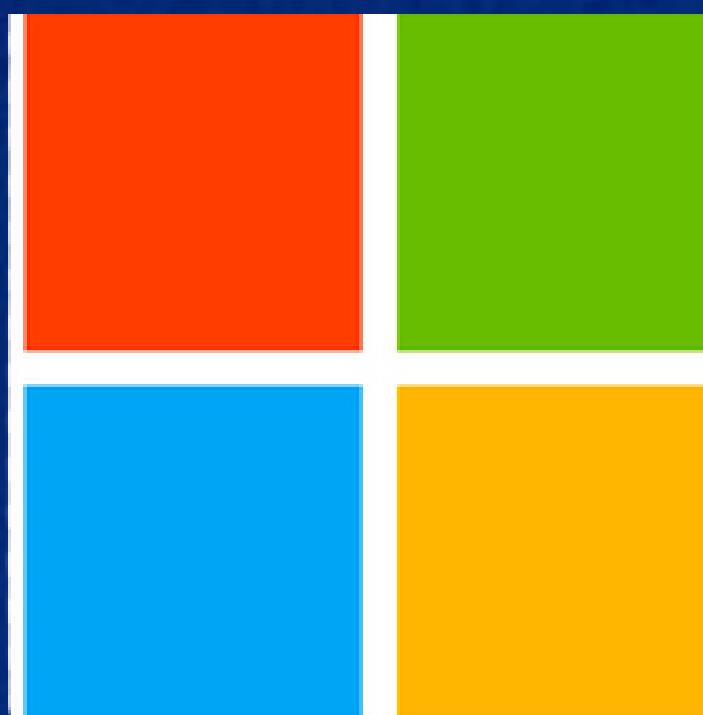


2026

Alphabet



amazon



Microsoft



TESLA



NVIDIA

Meta



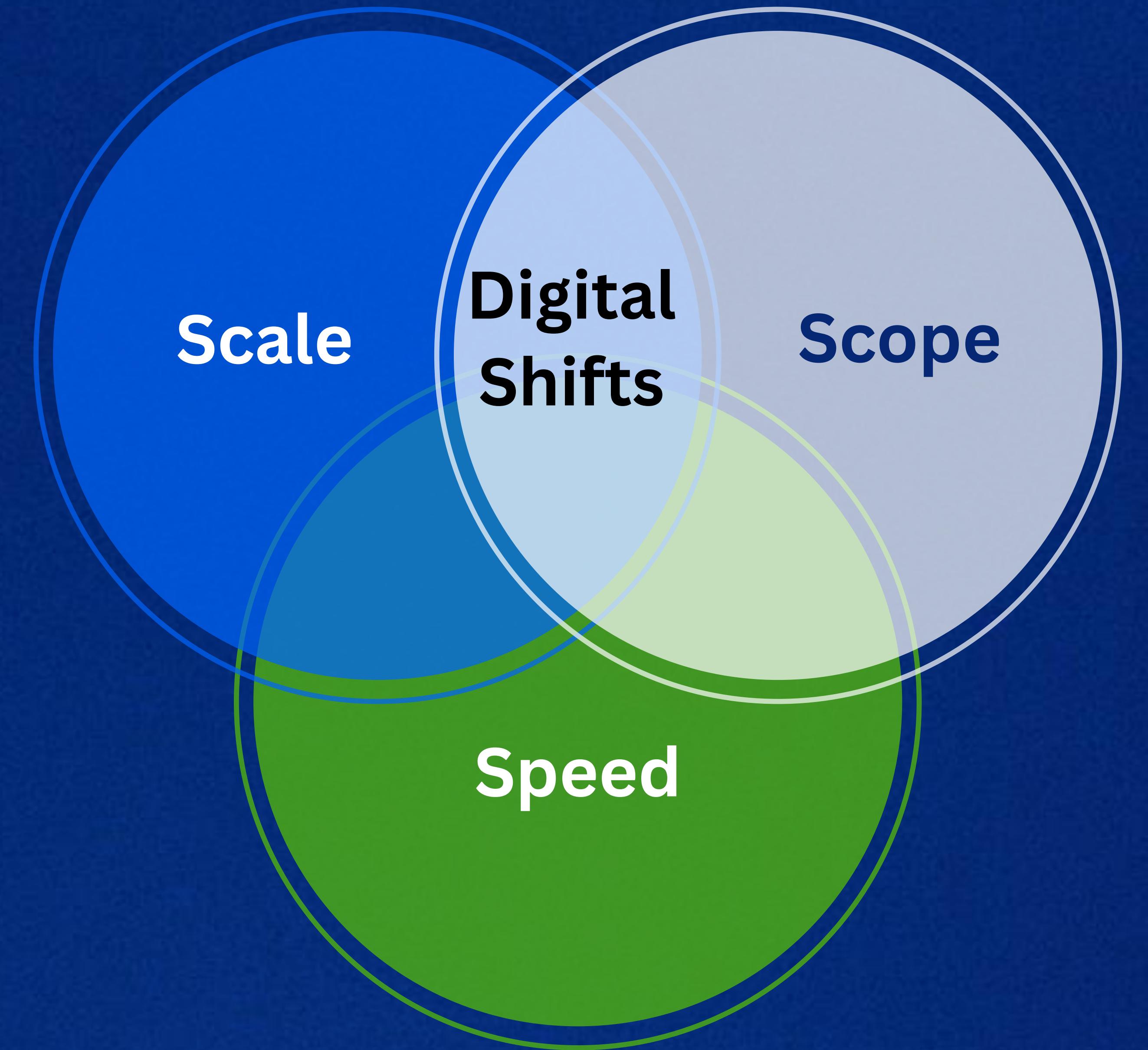
aramco



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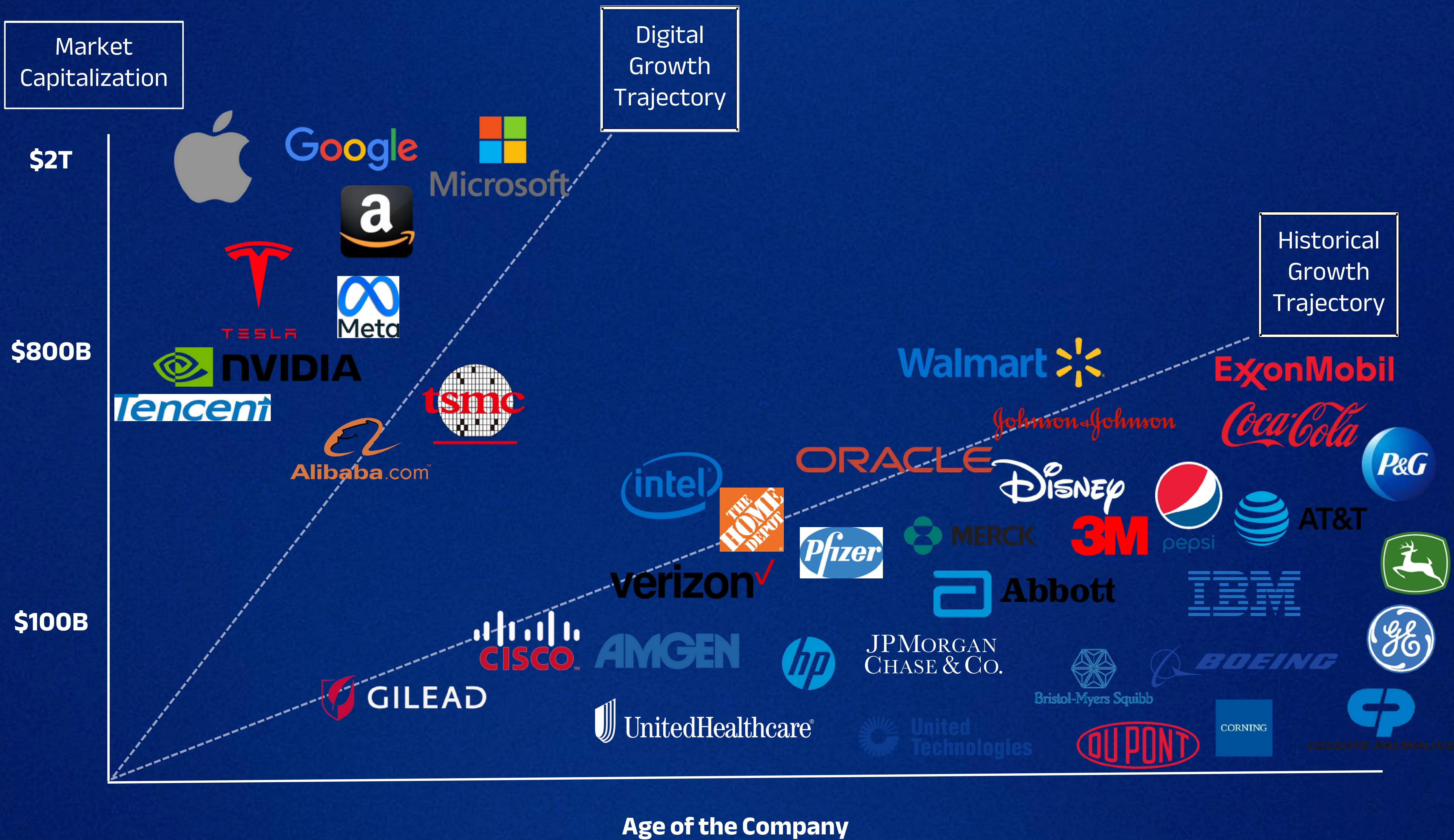


Production-based Scale to
Data Scale



Adjacencies to
Any Industry

Linear to **Exponential Speed**





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UNIVERSAL MUSIC GROUP SONY MUSIC



WARNER MUSIC GROUP



Apple Music

YouTube Music



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NETFLIX

amazon
prime video

HBOmax

Disney+

TikTok

ROKU

Paramount+

Apple tv

YouTubeTV

ESPN +

hulu



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Diners Club
INTERNATIONAL®



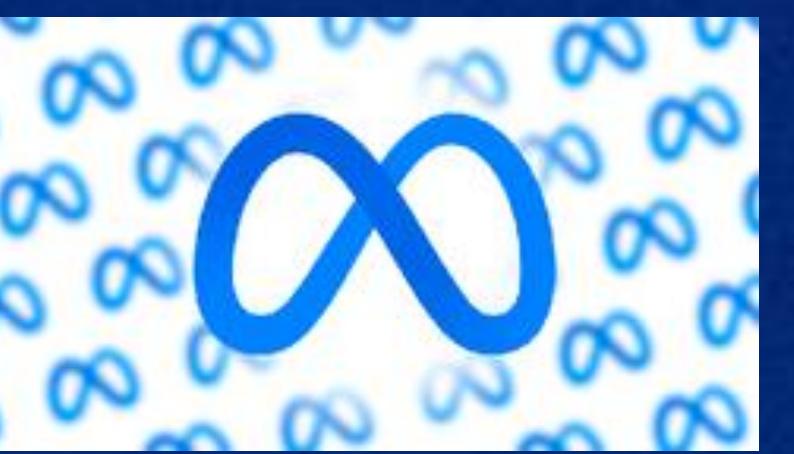
Samsung Pay



PhonePe



Paytm



Ola Pay



WhatsApp Pay



Alipay



Square



WeChat Pay



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Nikon

Canon

FUJI

Mamiya

OLYMPUS

Rollei



Kodak



YASHICA



Leica



iPhone

G Pixel



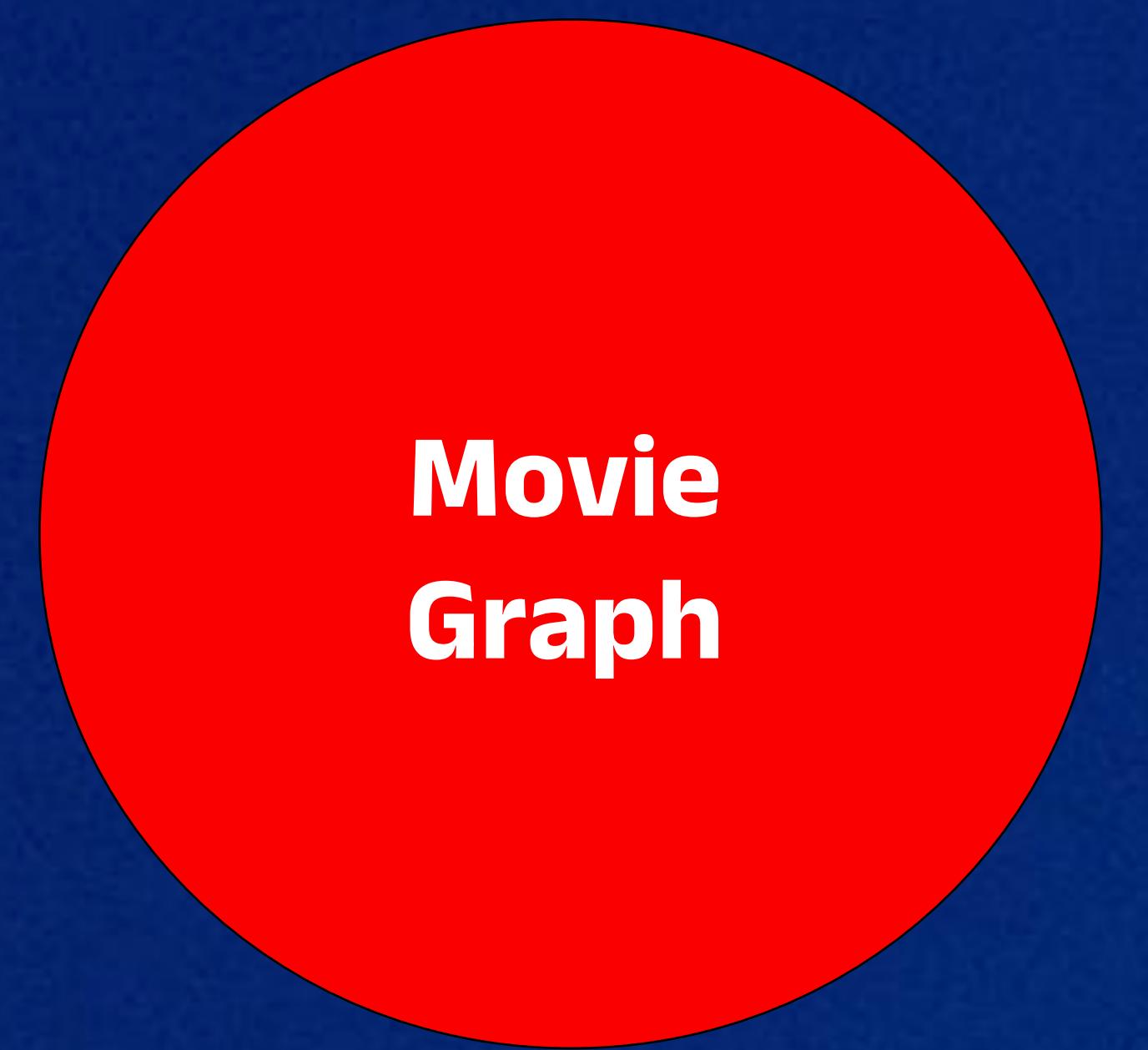
SAMSUNG



vivo

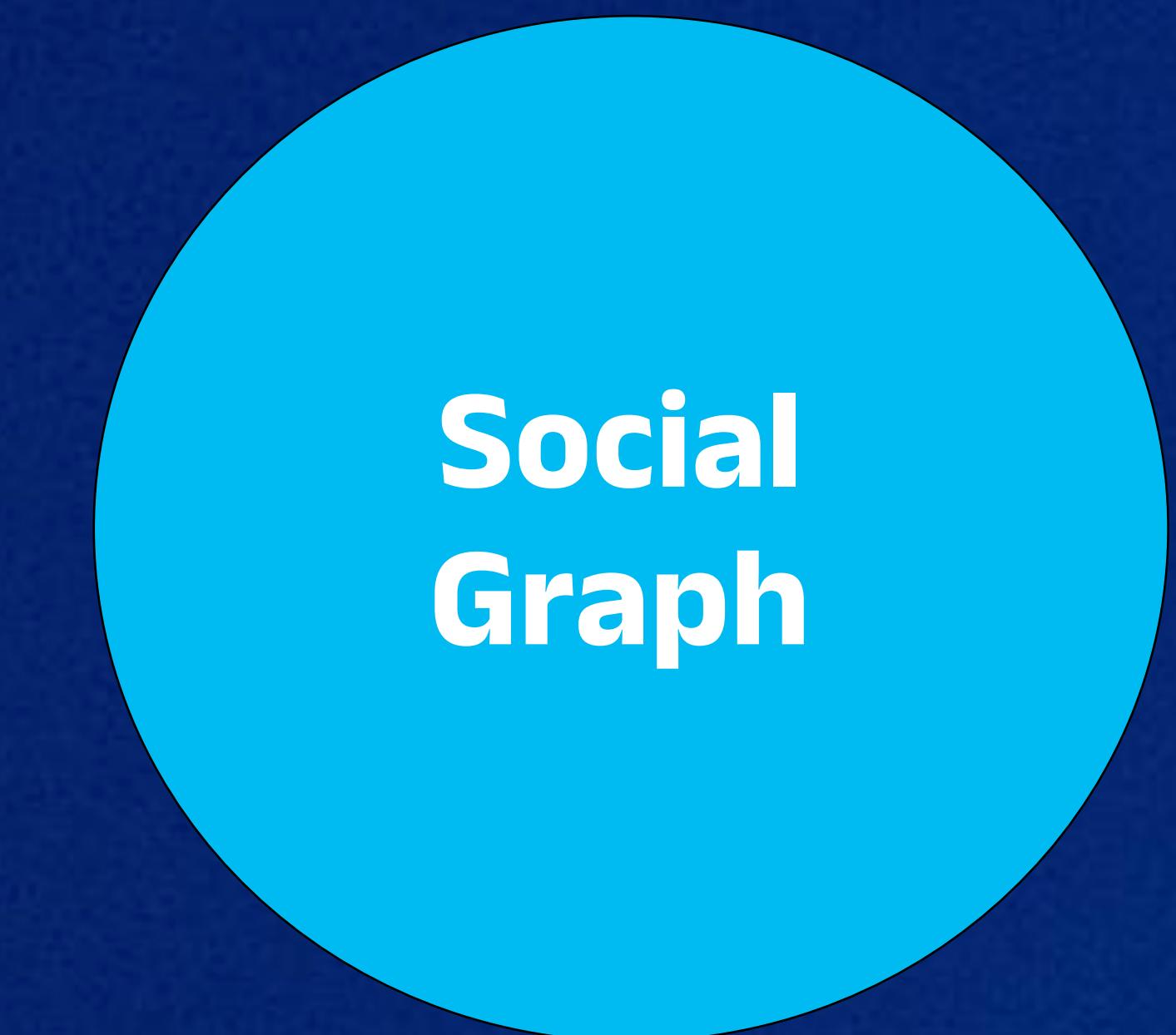


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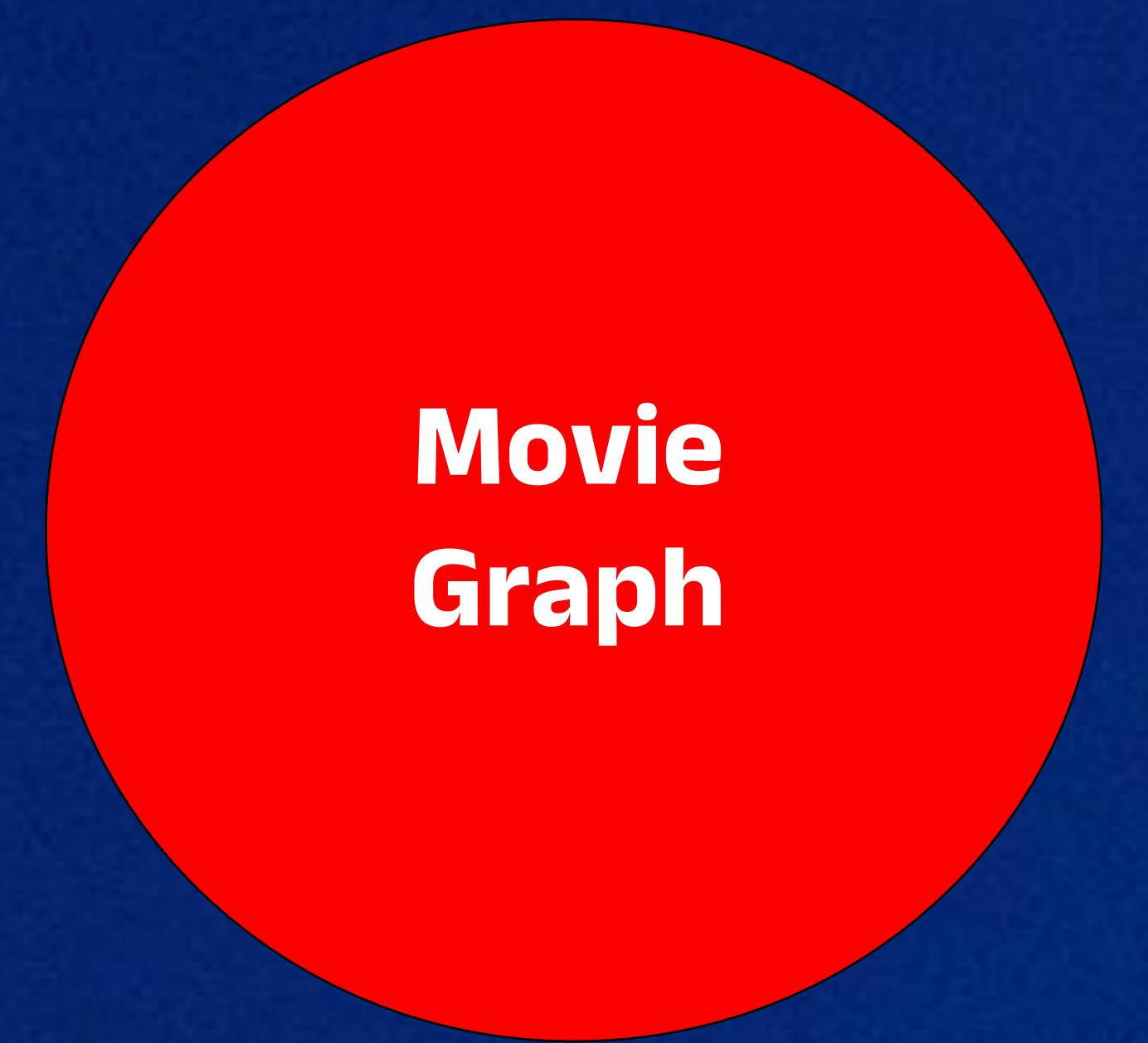


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Direct Network Effects

**“Value increases with the
number of users”**



Data Network Effects

**“Value increases with data
on product use over time”**



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Three Strategy Principles

- Track Product-in-Use Data and Develop Datagraphs
- Leverage Data Network Effects
- Recommend Hyper-Personalized Solutions in Real-Time

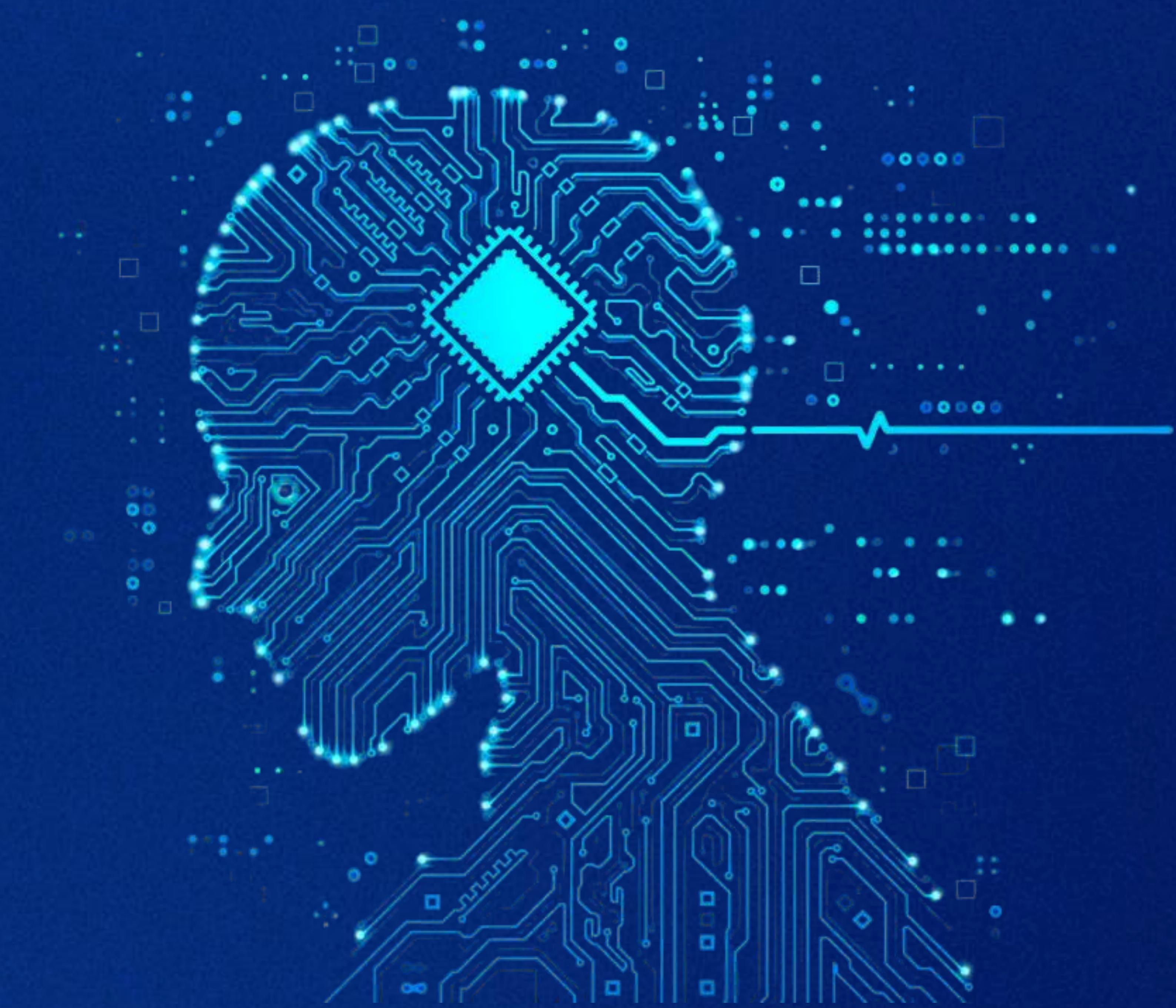


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**What's New
From
Digital Giants
Recently?**



Generative AI



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**“Gen-AI
puts
Datagraphs
on
Steroids.”**



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Transformation 1.0
Efficiency

Transformation
2.0
B2C

Transformation
3.0
B2B

Strategy
Implications



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Analog to Digital; Asset-light



Physical + Digital; Asset-heavy



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\$75 Trillion



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JOHN DEERE

Traditional Tractor



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JOHN DEERE

See & Spray



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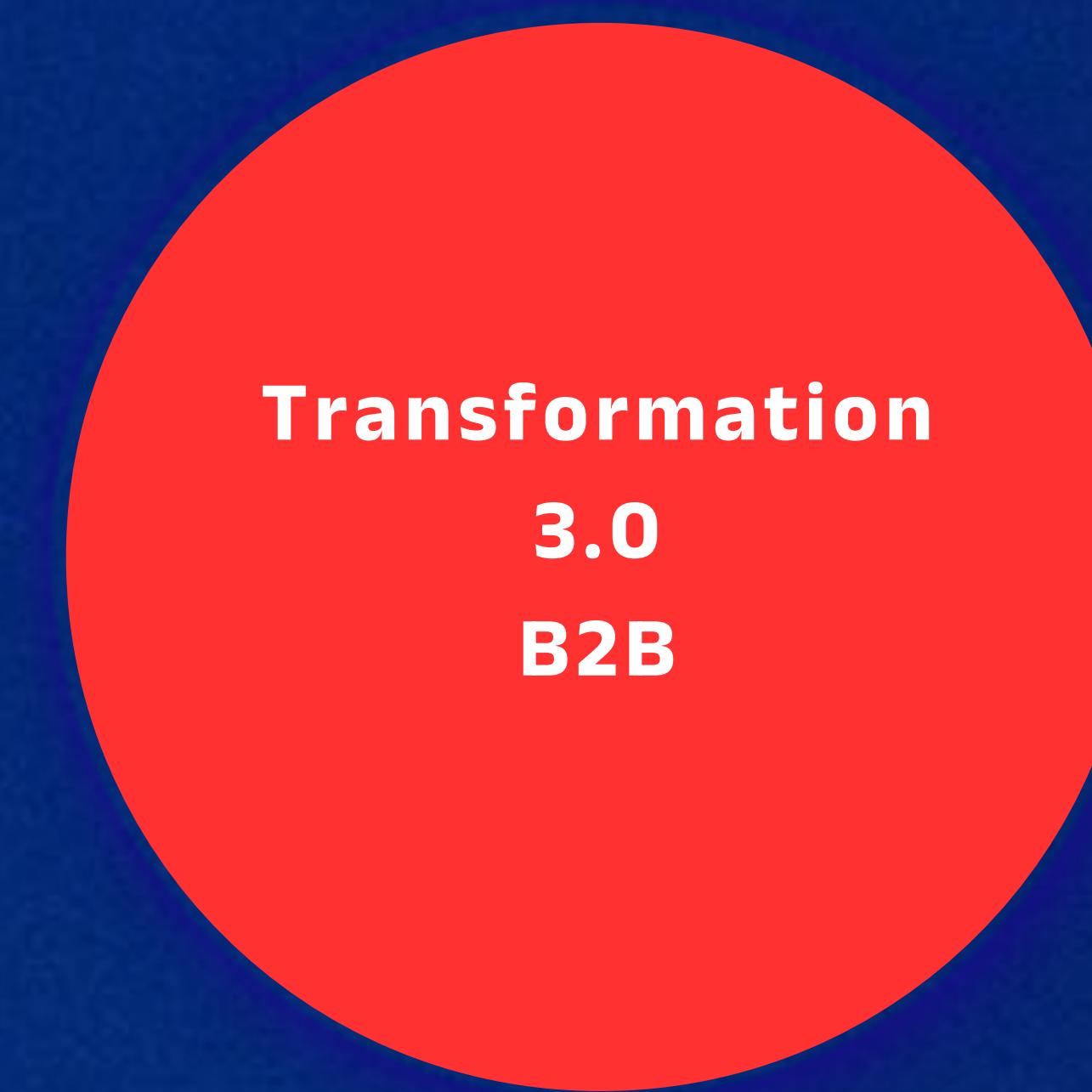


Three Strategy Rules

- Focus on Real-time data on industrial products in use.
- Leverage data network effects across customers across industry settings
- Analyze datagraphs with AI to deliver personalized recommendations.



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Strategy Now
To
Strategy Next



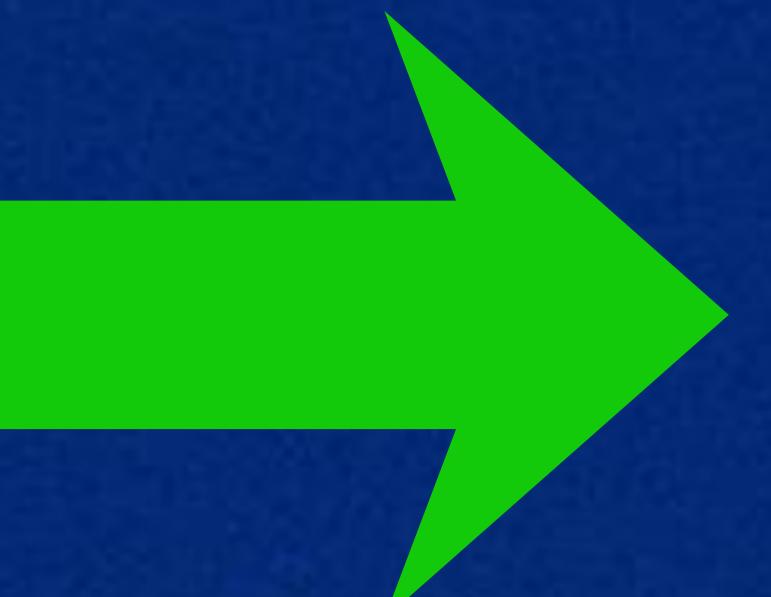


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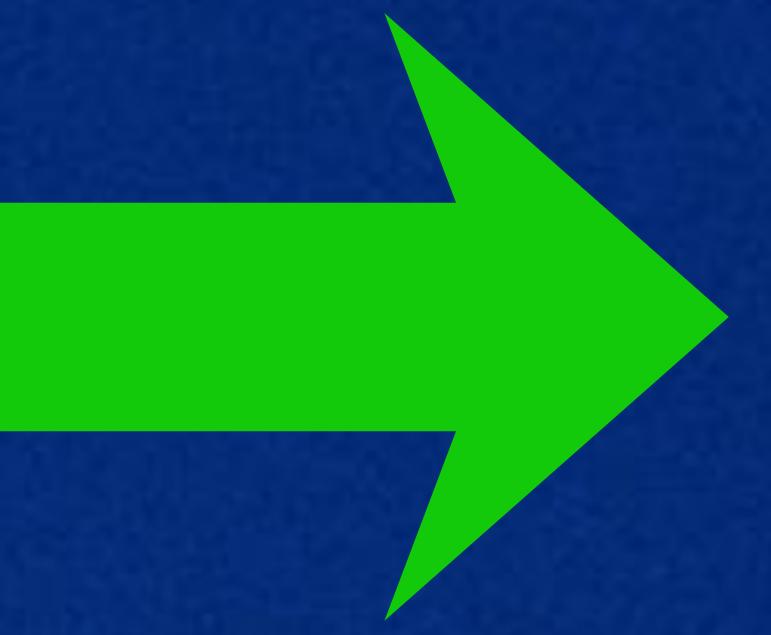
SCALE

**Physical
Assets**



**Information
Assets**

**Production based
Scale**



**Data based
Scale**

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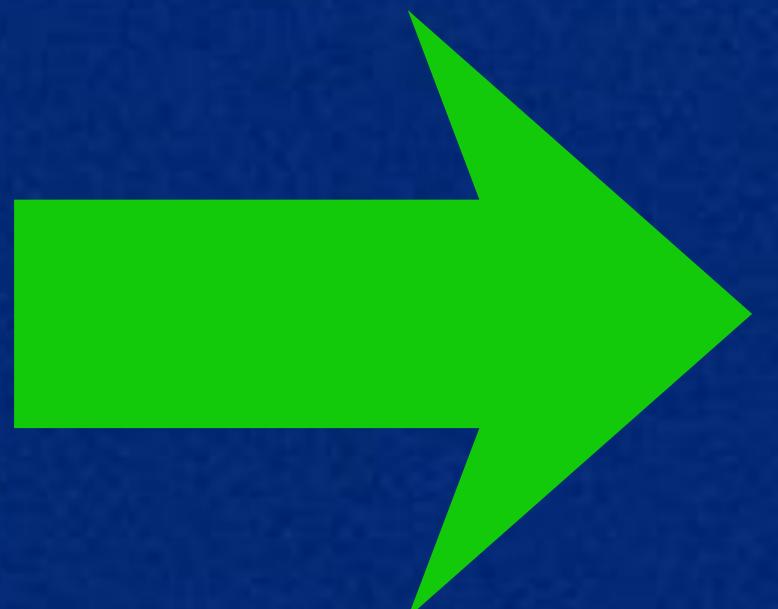


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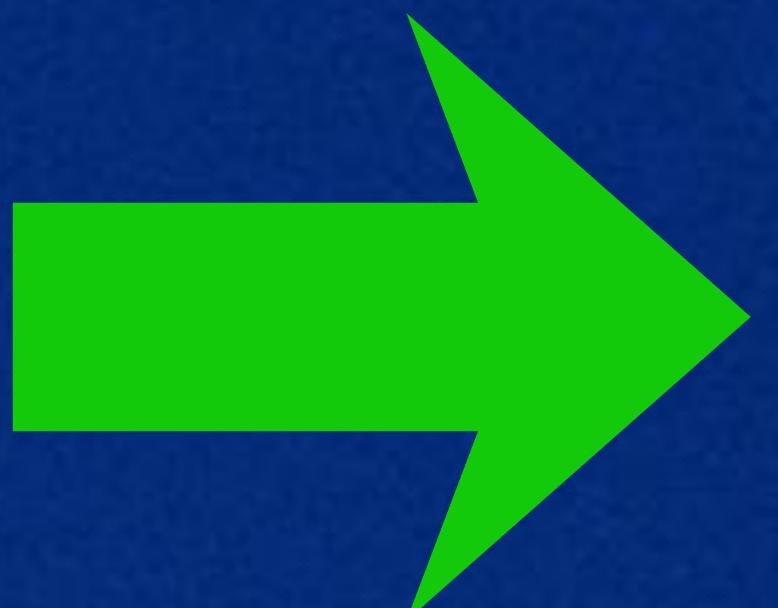
SCOPE

Adjacencies



Any
Industry

Vertical
Integration



Virtual
Integration

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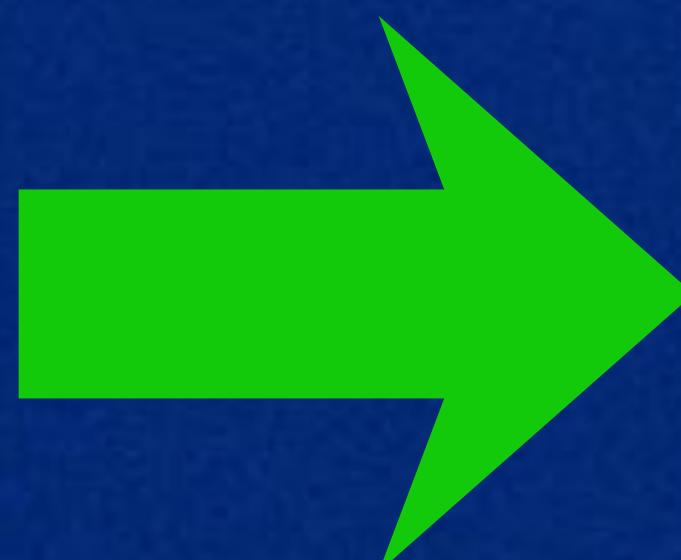


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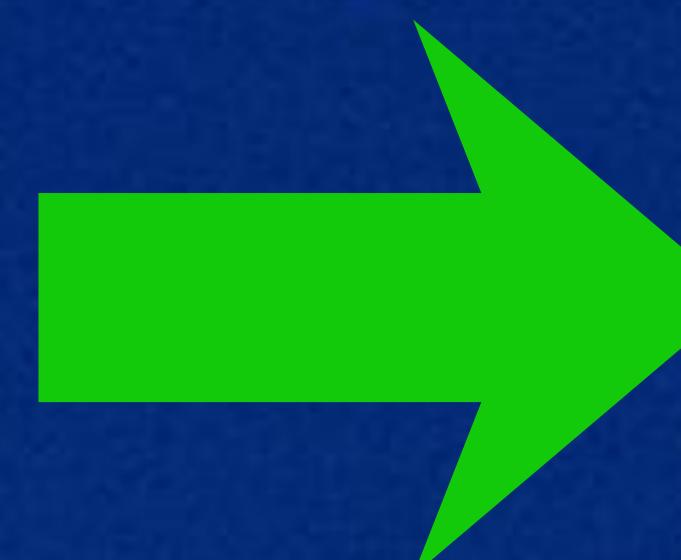
VALUE DRIVERS

Products as Sold



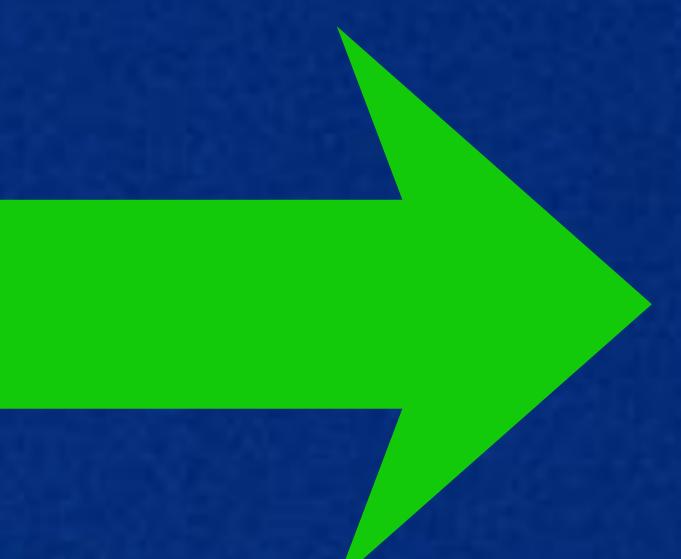
Products as Used

Products



Solutions

Made by US



Solved by US

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Three box balance



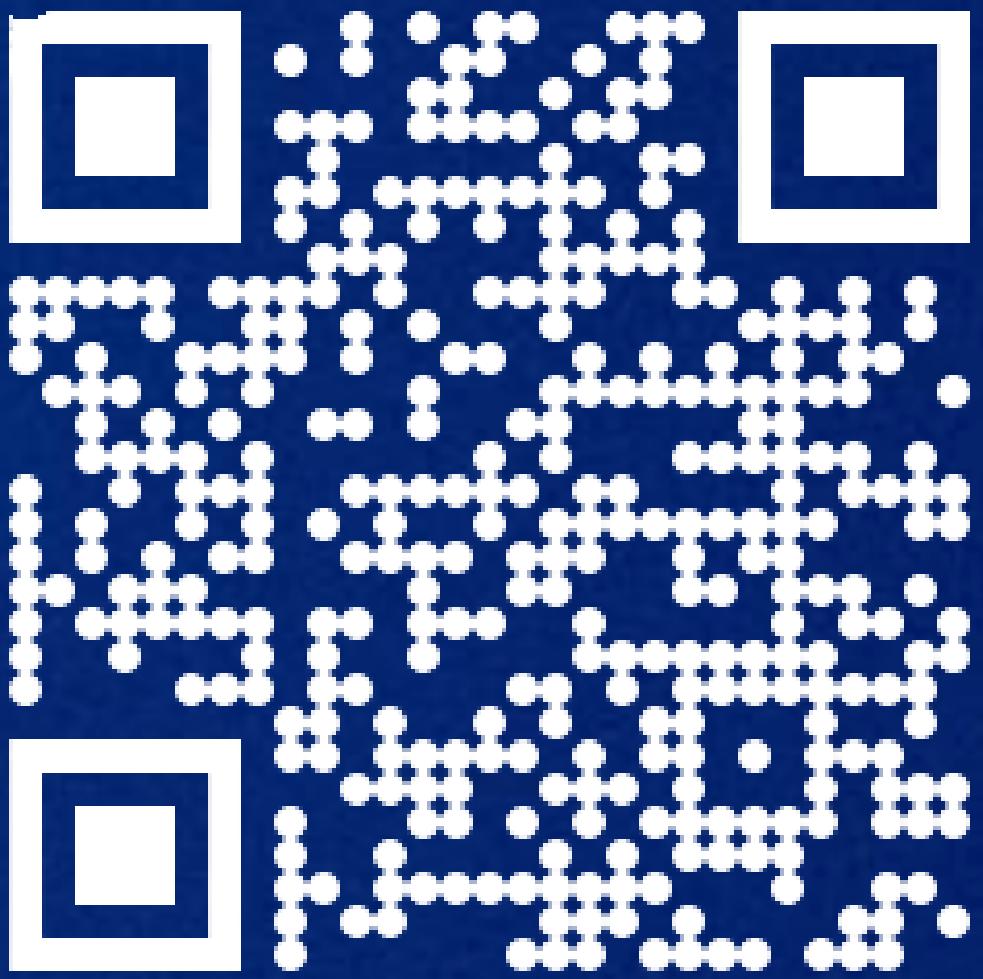


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Thank you

Connect with me on LinkedIn
for updates on my work on innovation and
execution



<https://www.linkedin.com/in/vg-govindarajan/>