

DAVOS BRIEFING

This year's annual meeting of the World Economic Forum at Davos will set the business agenda for 2006. Entitled "The Creative Imperative", Davos runs from 25-29 January. But, while the big names at Davos attract the headlines, many of the preoccupations of the great and the good assembled in Switzerland are already being researched by fellows of the Advanced Institute of Management Research (AIM), the UK's research initiative on management.

To cut through the packed Davos schedule, AIM has identified some of the key sessions and its experts who can offer unique insights adding research rigor to the debate:

The big issue: Innovation

Even the most successful corporations can fail during periods of innovative turmoil and discontinuity. But it doesn't have to be this way. "Companies should adopt parallel routines for managing innovation related to discontinuous events, alongside their routines for managing innovation in stable conditions," says Professor John Bessant (j.bessant@imperial.ac.uk), Senior AIM Fellow and Professor of Innovation and Technology Management at Imperial College, London. "Developing parallel routines is not easy but the companies that succeed in doing so will have a significant advantage over those that do not." Read more at: <http://www.aimresearch.org/publications/discontinuityrpt.pdf>

Key Davos session: Innovating in innovation (28 January)

The big issue: Delivering value

UK firms must stop competing on cost and start competing on value. "Innovation is not simply about new ideas," says Dr. Tim Edwards (EdwardsTJ@cardiff.ac.uk), AIM Scholar and lecturer at Cardiff Business School. "It is also about implementation – the successful absorption and exploitation of ideas. Companies must ensure that the necessary conditions exist – in terms of skills, resources, and the ability to absorb new ideas." Read more at: http://www.aimresearch.org/publications/exbr_pathways.pdf

Key Davos session: Powering a creative economy (27 January)

The big issue: Outsourcing

Offshoring gets a bad press, so it's worth remembering that the UK is a net *exporter* of business services. Moreover, the increase in the business services industry in the UK has been very beneficial for the UK economy. Business services have accounted for over 50 per cent of UK job growth over the last 20 years. "The message is that, to date, offshoring has made a small but positive impact on the UK business service industry," says Dr. Rachel Griffith (rgriffith@ifs.org.uk), Senior AIM Fellow and deputy director at the Institute of Fiscal Studies. "On the evidence, the idea that offshoring is damaging an increasingly uncompetitive UK business services industry is a myth."

Read more at: http://www.aimresearch.org/publications/exbr_offshoring.pdf

Key Davos session: Outsourcing everywhere (27 January)

The big issue: 21st century organisations

Ambidextrous organisations effectively combine two diametrically opposed organisational qualities: adaptability and alignment. Adaptability is about focusing on the future -- the ability to respond to change, to be nimble, to progress. Alignment is about maximising the present - - leveraging existing ideas, and exploiting markets. "Organisational ambidexterity allows companies to manage the present and the future at the same time," says Julian Birkinshaw (jbirkinshaw@london.edu) AIM Senior Fellow and Professor of Strategic and International

Management at the London Business School. "Over the long term, these organisations outperform companies that do not."

Read more at: <http://www.aimresearch.org/publications/ambidexterousrpt.pdf>

Key Davos session: Organisational design meets creativity and innovation (27 January)

The big issue: Where does strategy come from?

According to research covering over 1,300 executives, despite the expense and time spent on strategy workshops by senior management teams, few measure their impact. Many also report that these away days fall short of expectations: 10 per cent say the workshop they last attended failed to meet its objectives and over 40 per cent report either no or a negative impact on a range of measurable outcomes including productivity, profitability and innovation. This poses fundamental questions about how companies create strategies and the wisdom of investing millions of pounds on strategy workshops. "There is a lot of research about the nature of strategy development in organisations," says Senior AIM Fellow Gerry Johnson (gerry@gsb.strath.ac.uk). "Twenty or thirty years ago some large companies had hundreds of centralised corporate planners. Now they might have a dozen or so. Some of us would question whether strategy was ever really formulated by those strategic planning processes but what has become clear in the light of research over the last two decades or so is that it, if it did, it no longer does. So understanding how it does come about matters; and strategy workshops clearly play a part, maybe an important part, in this."

Key Davos session: Who has time for strategy anyway? (27 January)

The big issue: Innovating new management ideas

AIM Fellow Julian Birkinshaw (jbirkinshaw@london.edu) is working with Gary Hamel (who is running a session at Davos) on management innovation. "Researchers have traditionally paid relatively scant attention to the dynamics of management innovation – the processes through which organisational principles and practices evolve and, perhaps, advance over time. While many of the landmarks of management innovation are familiar to every business scholar – think of GE's development of the modern research lab or GM's development of the multi-divisional organisation – there is no general model of management innovation as a dynamic process," says Professor Birkinshaw.

"One of the things we are doing is drawing up a list of 30 of the most influential management innovations in the last century."

Key Davos session: innovation everywhere....except in management (28 January)

Notes for Editors

Set up in 2002 to look at ways to improve the UK's productivity and performance, AIM now includes more than 200 of the UK's leading business school academics and researchers -- making it larger than the management department of any university in the world. AIM Research is funded by the Economic and Social Research Council (ESRC) and the Engineering and Physical Sciences Research Council (EPSRC). For more information on AIM visit www.aimresearch.org

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