



THE CENTER FOR  
GLOBAL ENTERPRISE

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SEPTEMBER 15, 2014

## The Center for Global Enterprise Announces Inaugural Research Program

The Center for Global Enterprise (the CGE) [www.thecge.net](http://www.thecge.net), a new non-profit organization based in New York City, today announced its inaugural 2014-2015 Research Program. Founded by Sam Palmisano, former Chairman and CEO of IBM, and Chris Caine of Mercator XXI, the Center is grounded by a commitment to applied research regarding the challenges of globalization and the establishment of the management science for leading a globally integrated enterprise (GIE). Each research project will be co-led by a CGE staff member and a renowned academic partner from universities across the world. The four research areas that the CGE has chosen to pursue are:

- Business Models for Speed & Scale
- Computational Enterprise Analytics
- Measuring Organizational Capital
- The Emerging Platform Economy

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### *Business Models for Speed and Scale*

#### **Project Leaders:**

**Pankaj Ghemawat**, Global Professor of Management and Strategy, New York University, Stern School of Business

**Christopher Caine**, President CGE

**What are Business Models for Speed and Scale?** Business Models for Speed and Scale are management practices and processes that enable operating execution of an enterprise. Speed - the management behaviors that accelerate agility and innovation - and scale – management behaviors that create breadth and optimize productivity of enterprise operations.

**Why this line of Research?** This project was born from discussions with leading executives who have attended CGE programs. CEOs from an array of businesses have discussed the global challenges facing their enterprises. Enterprise speed and scale emerged repeatedly as a challenge for large and small, public and private, companies alike. Many businesses know how to do one or the other with precision, but few have carried out both successfully or merged the two optimally together in management. An important force shaping the intersection of these two fundamental operating elements is the growing availability of cloud computing. This project will use cloud computing as an initial lens to explore the search for speed and scale against a backdrop of increasing global integration and demands for transparency and responsiveness to shifting customer expectations. A primary focus of this project is to provide actionable management methodologies and advice to CEOs and senior organizational leaders.

**The 2014-2015 Business Models for Speed and Scale Roadmap:** Professor Pankaj Ghemawat of NYU Stern will drive this research project along with other leading academic researchers such as Juan Alcacer of Harvard Business School. The CGE will commission papers from leading authorities on six separate management elements. The preliminary drafts of the six papers will be discussed among

academics and business practitioners in the spring of 2015. The conference will be hosted by the CGE and the Center for Global Education and Management (CGEM) at NYU Stern. The CGEM conference will be followed by a rapid revision phase that will take on board the discussions at the conference and, ideally, field visits to relevant companies, with the finalized research due by summer 2015.

These results will be integrated into an overarching series of recommendations that will be presented at a 2015 CGE planned worldwide gathering of CEOs in China.

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## ***Computational Enterprise Analytics***

### **Project Leaders:**

**Rahul Basole**, PhD, School of Interactive Computing Associate Professor and Director of the Tennenbaum Institute, Georgia Institute of Technology

**Peter C. Evans**, Vice-President CGE

***What are Computational Enterprise Analytics?*** Computational Enterprise Analytics (CEA) are visual analytic tools designed to reveal the characteristics of complex global business ecosystems.

***Why this line of research?*** This project will help businesses identify their most important economic and business relationships through the use of novel visualization techniques. These tools will enable management and analysts to explore, discover, and understand inter-firm networks for an enterprise, specific market segments or countries, and the entire business ecosystem. The project will seek to transition tools developed in an academic setting to the practical management setting of the enterprise. The goal will be to enhance decision making for CEOs and their management teams as they make the transition to being a globally integrated enterprise.

***The 2014-2015 Computational Enterprise Analytics Roadmap:*** Professor Rahul Basole of the Georgia Institute of Technology and Peter C. Evans of the CGE will collaborate to drive this research project. A “think paper” will be developed to assess applied CEA with special attention to how these tools can enhance and augment strategic decision making for business leaders running large complex global operations. The CGE and the Tennenbaum Institute at Georgia Tech will host a workshop in early 2015 to gather a select group of business executives and academics to discuss the current state of analytics and where strategic applications are likely to have the highest payoff. A draft of the “think paper” will be presented to the participants at the workshop who will collaborate to revise and refine the document, which will ultimately be made available to the public.

This project will also seek to engage a group of companies to field test applications of CEA based on the existing ecosystem intelligence software. Insights from these applied applications will inform revision and enhancements to the tool to make it both relevant and user friendly to senior executives. Special attention will be paid to the potential for different learning approaches and diverse data requirements needed for deep business ecosystem analysis.

Finally, these activities will support the development of robust CEA tools that will be presented at a 2015 CGE planned worldwide gathering of CEOs in China.

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## ***Measuring Organizational Capital***

### **Project Leaders:**

**Baruch Lev**, Professor of Accounting and Finance at New York University, Stern School of Business

**Peter C. Evans**, Vice-President CGE

**What is Organizational Capital?** Organizational Capital has been defined as the “knowledge used to combine human skills and physical capital into systems for producing and delivering want-satisfying products.” Organizational capital consists of the processes, systems, and other assets that companies have aside from their financial reports.

**Why this line of research?** Measuring Organizational Capital is known to be important in an enterprise, but unlike physical capital, its value does not appear on the balance sheet of a firm. When companies make substantial organizational changes it is typically treated as “consumption” rather than an increase in the assets of a firm. It is proven that organizational capital is essential to competitive advantage—enterprises with more and higher quality are likely to be more profitable and have higher market shares—yet businesses find it an intangible that is difficult to measure. This project will seek to develop firm specific measures of organizational capital. Measuring organizational capital will be useful in quantifying the benefit of a GIE architecture.

**The 2014-2015 Measuring Organizational Capital Roadmap:** Baruch Lev of NYU Stern and Peter C. Evans of the CGE will collaborate to improve the ability of leadership teams to measure and manage organizational capital. To do this, the CGE will first commission a comprehensive review of the literature on organizational capital literature and the current state of practice. This survey will assess the current state of knowledge concerning definitions and quantitative measures of organizational capital. This “stock taking” effort will form the basis of a white paper.

The CGE will also assemble an organizational capital advisory group. A small group of leading academic experts and business leaders will be invited to contribute their experience and expertise to the project and guide the research agenda.

The project will aim to develop quantitative measures of how organizational capital relates to the management science of the GIE and more specifically how it can inform CEO strategy, board engagement and strategy, engagement with investors, and engagement with media, policy makers, and the broader public. These recommendations will be shared at a 2015 CGE planned worldwide gathering of CEOs in China.

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## **The Emerging Platform Economy**

### **Project Leaders:**

**William P. Barnett**, Professor of Business Leadership, Strategy, and Organizations, Graduate School of Business, Stanford University

**Peter C. Evans**, Vice-President CGE

**What is the Emerging Platform Economy?** A platform business can be defined as a medium which lets others connect to it. Platform businesses can be found in a growing number of industries including social networking (Facebook, LinkedIn); internet auctions and retail (Amazon, eBay, Angie’s List); on-line financial and human resource functions (Workday, Elance-oDesk, Freelancer, WorkFusion), urban transportation (Uber, Lyft, Sidecar), mobile payment (Mahala, Square) and clean energy (Sungevity, SolarCity, EnerNOC).

**Why this line of research?** What is the implication of platform companies like AirBnB, Uber, Car2Go, and Amazon on legacy, precedent businesses such as Hilton and Walmart? Once small and novel, platform businesses have grown substantially in recent years to become a much larger part of the economy. In

addition, many platform businesses have moved from being domestic in focus to operating in multiple countries. Understanding the power and value of these multi-sided enterprise models in contemporary management will be the focus of this project. The CGE will build the first global database of platform enterprises facilitating several areas of analysis. It will support analysis of the scale of platforms in the global economy and the industry dynamics that they engender. It will provide the basis to ascertain platform companies' relevance and impact to the enterprise and society on such things as payment systems, logistics, and transportation. Finally, it will also provide a basis for strategic management insights into the evolution of platform businesses on a global level.

***The 2014-2015 Emerging Platform Economy Roadmap:*** The CGE and Stanford Business School will establish an advisory group to provide guidance and contributions to developing a global platform database. Candidates for the advisory group will include leading academics with expertise in platform business as well as practitioners who work directly with key sectors where platforms are making inroads, such as e-commerce, healthcare travel, energy, and transportation.

The CGE will commission a working paper that will review the existing platform academic and practitioner literature to assemble leading definitions of platforms. It will focus, in particular on boundary conditions to help determine what is and is not considered a platform business. It will also review other efforts to build company databases to reveal lessons learned and best practices in constructing such databases. This paper will serve to define the construction of the database as well as serve as documentation that explains the scope of data that it contains.

With the database methodology established, CGE, Stanford and its partners will collect and populate data on platform businesses worldwide. As much historical data as possible will be collected including data on failed platforms. There will also be a special effort to collect data not only on US platform companies but also those from Europe, Asia, Latin America, the Middle East, and Africa. The data will be stored in the CGE's World-Wide Reference Library (WWRL).

The information collected in the CGE-Stanford Global Platform Database will be analyzed and visualized to capture and share key findings. The database will also be available to members of the platform advisory group to encourage further analysis and data visualization. Tools developed in other CGE projects such as the Computational Enterprise Analytics project will be deployed to explore the inter-firm ecosystems associated with platforms.

The results of the global platform database development will be presented at the 2015 CGE planned worldwide gathering of CEOs in China.

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## About the CGE

### *What is the Center for Global Enterprise?*

**The Center for Global Enterprise (CGE)** [www.thecge.net](http://www.thecge.net) is an exciting new "do-tank." It is a New York-based, non-profit organization that is dedicated to deepening awareness among business leaders and societal stakeholders around the world about what it means to be a globally integrated enterprise. The Center will develop operational and practical learning to help companies and societies benefit from globalization and management best practices.

Never has there been a more important time to understand the management complexities involved with global business. In a world defined by the accelerated movement of goods, services, people, and capital -- both physically and digitally -- how enterprises and societies will succeed is the primary focus of the CGE. Many Fortune 500 companies are attempting to transform globally, but most face challenges. This is

where the CGE intends to make a difference.

### ***What is a Globally Integrated Enterprise?***

A **Globally Integrated Enterprise (GIE)** is not a fixed state, but rather an aspiration that is continually transforming. Unlike multinational corporations, GIEs acknowledge that skills drive functions, not location. Within the framework of what will enable enterprises and societies to thrive, there are a number of targeted operating elements that are fundamental to the management of a company operating as a GIE. One of the most pressing objectives of the CGE is its creation of a Worldwide Reference Library (WWRL) of management best practices. The library is utilizing six management elements as its information architecture. They are:

- Global versus local sales and marketing
- Supply chain market access and distribution efficiency
- Creating, managing, and protecting intellectual property (IP)
- Company culture, leadership identification and development
- Economic and financial management (treasury/accounting/cash management)
- Building government trust for market access and freedom of action

The CGE program announced today focuses on these “horizontal” elements by initiating four core research projects with leading academic institutions and researchers from around the world. The four projects will be grounded in applied research and what constitutes management best practices.

While there are many questions to answer, what we know is that businesses and societies are changing in fundamental ways – structurally, operationally, culturally – in response to the imperatives of globalization and technology. There is an opportunity for leaders in business, government, education, and all of civil society to come together to develop a comprehensive understanding of the emerging dynamics shaping the corporation. Through its commitment to worldwide collaboration, programs, research, and “Millennial Point of View program” the CGE is dedicated to engaging, educating, and involving business leaders from all cultures, industries, ages, and professional backgrounds.

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### **For More Information**

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