New York City beefs up innovation sector with Cornell grad school

HAVING spent more than two decades teaching at Insead, Soumitra Dutta wasn’t thinking of leaving, as he divided his time between France and Singapore, on top of running projects and setting up new programmes with partners around the world.

However, when the search committee for a new dean for Cornell University’s business school came calling, the opportunity to teach and lead at the intersection of business and technology — which Dutta sees as his forte — was something he simply could not pass up.

Thus, in July 2012, Dutta started as the new dean of the Samuel Curtis Johnson Graduate School of Management at Cornell University, one of the Ivy League institutions dotting the northeastern corner of the US.

The main draw, according to Dutta, was the chance to be involved in the establishment and running of Cornell Tech, a new graduate school that is part of Cornell University and set up with the New York city government’s grant of a 13-acre site on Roosevelt Island in the East River, less than 2km from Central Park. The project received a further boost with hundreds of millions of dollars in donations from people such as Irwin Jacobs, the founder of leading chip designer Qualcomm.

“Cornell Tech is very aligned with my research on technology and innovation,” says Dutta in an interview with Enterprise. “The opportunity to be part of this project was something I could not say no to. It is something that I believe in as a professional and something I would like to invest in more. Personally, I feel that it’s a once-in-a-lifetime opportunity to be able to be part of this unique project.”

Innovating New York

A project mooted by Michael Bloomberg, the city’s mayor between 2002 and 2013, Cornell Tech is one way New York can stay ahead in the innovation game. “The whole premise is this: Technology is a force for business transformation: for transforming financial media, healthcare and retail. So, we are creating a whole new innovation campus that is integrating engineering and business, and the primary goal is to help create leaders for the digital economy,” says Dutta.

New York is the world’s leading financial centre, and Bloomberg built its information and media empire out of serving the financial sector. Yet, the city, under him, recognises the importance of having a more robust technology industry, and it is taking big steps to achieve that goal.

According to a recent report by HR&A Advisors, the technology industry generates more than half a million jobs in New York City — or more than one-eighth of all US jobs, and not too far below Wall Street. Tech-sector workers in the city are paid a total of $108 billion (US$55 billion) a year and pay US$5.6 billion in taxes. By contrast, the city’s tax revenue from real estate was US$1.5 billion, or 38% of total collection. The technology industry has been generating nearly US$125 billion in annual economic output in New York City. The study was commissioned by a group of interested parties, including Google.

“The spectrum of tech-related occupations — from programmers to sales reps — is creating well-paying and quality jobs for New Yorkers at all levels of educational attainment,” says Kate Wittels, the report’s author. “Fostering the growth of the New York tech ecosystem will increase economic opportunities for all New Yorkers.”

Andrew Rasiej, chairman of NY Tech Meetup, a non-profit organisation (and another of the report’s sponsors) with some 38,000 members, claims that the report “confirms once and for all” that technology is not merely just a “slice” of the city’s economics pie. Rather, the technology industry is “the pan” that supports the city’s “dynamic and dynamic transformation” of all of its core industries, as they try to compete in the “hyper-connected 21st century global economy.” In short, change or be left behind.

The Cornell Tech campus will be completed in 2017, but the school is already operating in premises owned by Internet giant Google. Its first batch of students have already started classes and so far, they have been involved in real-life projects in companies such as Google, Bloomberg and Qualcomm.

With a goal to eventually have 300 faculty staff and 3,000 students, Cornell Tech is designed to teach the integration of engineering and business “in a very deep manner.” Teaching staff are hired by both Cornell’s engineering and business faculties. “To succeed in the digital world, you need to be able to work with people in the technology space,” says Dutta, whose first degree was in electrical engineering from the Indian Institute of Technology, New Delhi, before obtaining a master’s in business administration and computer science and a doctorate in computer science from the University of California at Berkeley.

Focusing on social media

With his background and academic credentials, it is not surprising that Dutta has been focusing on the impact of technology on the business environment. For an academic, Dutta established his expertise in social media quite early on. In 2008 — the previous century, at least in Internet terms — he and fellow academic and former journalist Matthew Fraser wrote a book on the impact of social media titled Throwing Sheep in the Boardroom: How Online Social Networking Will Transform Your Life, Work and World.

As early Facebook users will recall, “throwing sheep”, together with “poking” are some of the quirky applications that users can do to one another within their social networks. The book, with its catchy title, is an attempt to tell the business audience, and beyond, how online social media platforms of the Web 2.0 era will democratise identities and status and result in power. The book predicts how social media will change the way people organise their lives, the institutions they belong to and society in general.

Earlier this year, Dutta, together with Lutz Finger, a director at LinkedIn, published another book on the social media titled Ask, Measure, Learn: Using Social Media Analytics to Understand and Influence Customer Behavior. This time around, Dutta shares his views not only as an academic but as a practitioner.

In 2009, Dutta, together with Fingers and Ashwin Reddy, founded online intelligence firm Fisheye Analytics, whose client list includes the International Olympic Committee and FIFA. The firm sets out to help its clients answer some key questions: What is being said about me? Who and what are important? Is my media strategy working? How do I compare with others? Am I being heard? When should I care?

In December last year, Fisheye Analytics, of which Dutta is chairman, was acquired by Kantar Media, a global market research company.
a business intelligence firm that is a subsidiary of WPP, one of the world’s largest advertising, marketing and public relations groups. The purchase price for the 14-person outfit wasn’t disclosed, but when WPP announced the acquisition, it stated that Fisheye’s revenue for the year to Oct 31, 2013 was US$782,871.

Even if Dutta no longer owns Fisheye, he is still in a good position to impart the skills needed by today’s digital economy to the Cornell community. Not only do students need to understand technology better, they need to have a heightened sensitivity towards other areas such as cultural nuances too. “If you don’t really understand how a 13- or 14-year-old Chinese, Indian or Brazilian behaves, you won’t understand the differences in customers’ behaviour,” Dutta points out.

Similarly, Microsoft, for all its army of brilliant engineers and top-quality brains, is finding it difficult to remain as a leader with the new technology trends, Dutta says. ‘I think this is a challenge and this is a natural process of creative destruction.’

Meanwhile, even as Cornell classrooms are abuzz with discussions, old ways of doing business are continually being “disrupted” by either technology or changes in market dynamics. When companies face such disruptions, one of their first reactions is to experiment, develop new models and find new ways of doing things.

For example, the leading social media platform was MySpace. Now, it is Facebook. Even though Facebook has garnered a user base of more than a billion, it is not content to remain still. It made a huge bet by acquiring WhatsApp for US$19 billion when the latter does not even have a revenue model. Another notable recent Facebook acquisition was the US$2 billion purchase of Oculus VR, which is in the seemingly unrelated field of virtual reality (VR) technology.

Dutta explains that Facebook is trying to predict what people will do. “We don’t use VR right now, but Facebook is trying to be two steps ahead of what people might do. Now, that’s the challenge: The reality is that maybe people will not use VR, maybe there will be something else and maybe this acquisition is not the best choice. However, they don’t have a choice, they have to keep experimenting and trying to find ways to predict how people’s behaviours will change. [It’s] a challenge [and] very hard to get right, in the light of technological advances.”

Thus, Dutta stops short when asked to name the winners in the tech field currently. “If I could, I would make a lot of money, that’s the reality. And the reality is that it is very difficult to predict.” Some of the previously successful companies, the “best” in the business, such as Yahoo!, are now struggling relative to other newer companies.

Similarly, Microsoft, for all its army of brilliant engineers and top-quality brains, is finding it difficult to remain as a leader with the newer technology trends, he says. “I think this is a challenge and this is a natural process of creative destruction. Some companies will not survive, some companies will; some companies will emerge and be new winners. This is a Darwinian process of survival.”

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