Starting a New Data Leadership Journey at Tron Corporation (A)

This case study was written by Caroline Zimmerman, INSEAD MBA ‘13, and Theodoros Evgeniou, Professor of Decision Sciences and Technology Management at INSEAD. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

The case was supported with funding from the Hoffmann Global Institute for Business and Society.

To access INSEAD teaching materials, go to https://publishing.insead.edu/

Copyright © 2021 INSEAD

Copies may not be made without permission. No part of this publication may be copied, stored, transmitted, translated, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owner.

This case is part of the INSEAD free case collection. This complimentary copy is authorized for teaching/training purposes.
Jumping on the Personalization Bandwagon

In 2015, the executive board at Tron Corporation was buzzing with the term “personalization.” Digital platforms like Spotify and Netflix were seeing explosive growth in subscribers due in part to content recommendation algorithms – each user was served content tailored to their tastes and browsing history – and the Tron board was convinced that *Downtown*, the jewel in the crown of Tron Corp's media empire, needed to adopt similar methods to accelerate its digital transformation. *Downtown* was the most prestigious pop culture, current affairs and fashion magazine in the world.

Tasked with building a personalization capability, the CEO, Thomas, had made an offer to Kunal to become the first-ever VP of Data Science. At the time, Kunal was leading a small team of data scientists at Hoop, the video streaming platform. Impressed with Kunal’s experience and advanced degrees in computer science and statistics, Thomas had offered him a blank canvas and a budget of $2 million to create personalized experiences for readers over the next couple of years. Since it was at the top of Tron Corp.’s agenda, the role would report directly to the CEO.

Hard-Earned Lessons

It was an exciting opportunity for Kunal, who would have strategic oversight of an initiative for the first time in his career. However, he was careful to do some due diligence before accepting the role. In his time at Hoop, he had learned the hard way how, even with sponsorship from senior leadership, a lack of alignment with business stakeholders could spell disaster for an AI initiative (and for the promotion prospects of the person leading it). Over the last year, he and his team, working under Hoop’s CTO, had designed an algorithm to help producers forecast demand for new shows in advance of any negotiations. However, though the algorithm outperformed manual forecasts in testing, adoption rates were low. They found that production teams (who traditionally did the forecasting) mistrusted the predictions and complained that it performed poorly for shows with a different tone or theme than existing content. While tweaking the algorithm to allow manual overrides had helped, its reception remained lukewarm. This had been discouraging for his team and one of his data scientists had resigned in frustration. In Kunal’s mind, it was ‘the beginning of the end’ for him at Hoop.

Over the last year he had become increasingly disillusioned with Hoop's work culture and found the idea of working for an iconic brand like *Downtown* more appealing. There was a downside to reporting to a CTO – even when the CTO was strategically important, which was invariably the case in consumer tech. Though Hoop had a steady stream of VC funding and a splashy brand that enabled them to hire some of the best technical minds on the market, it often felt like they built AI tools with a great investment case on paper that then yielded little value, either because adoption was challenging, or the AI-enriched solution didn't perform significantly better than a simpler approach. Even in the world of tech startups, it seemed, people could fall victim to the hype.
Kunal had noticed that adoption was not an issue when he improved or automated the parts of people’s jobs that no one wanted to do, or those that were already being performed by a machine. For example, his team at Hoop had redesigned an algorithm that was more accurate at predicting how closely a show matched users’ taste profile based on their viewing history. They’d upgraded the model from a series of simple models, including linear regression, to their first neural network and it had been a roaring success. It was not easily explained, but no one cared; it did the job better than the previous version and everyone loved it. He had learned that if an AI solution touched on the professional identity of its users, adoption would be an uphill battle even if the company was a confirmed ‘digital native’. 

In his next role he wanted to report into a function that was closer to the business – a boss that may not understand the ins-and-outs of the technical challenges but could help him navigate the political and organizational landscape. Under a ‘commercial’ umbrella – such as product or sales – he felt he would prioritize initiatives with a clearer understanding of how to position data and AI as a friend rather than a threat.

A New Beginning

So, when a former classmate mentioned that Downtown was looking for someone to lead their foray into personalization and that the role reported directly to the CEO, Kunal asked for an introduction. His interviews with Thomas and the senior leadership team had been positive – they were all firmly behind the personalization idea. Within days he received an offer.

The last box to tick was to ensure that the editorial director, Vanessa, whose team was responsible for manually curating the homepage, was equally on board. She reported to Thomas, who organized a three-way meeting. During the discussion, Vanessa demonstrated enthusiasm for the personalization push, and with that ‘green light’ from the person who would be his most important business partner, Kunal accepted the job.

He spent his first weeks in his new role recruiting best-in-class data scientists and engineers from e-commerce and consumer tech companies and met with various potential technology partners to build a cost-effective stack to work with. Kunal was excited. He was lining everything up to deliver best-in-class personalization capabilities ahead of schedule and within budget.

The First Crash

When the time came to get to work with Vanessa’s team to develop a simple personalization prototype for the homepage that they could iterate upon, he arranged to meet with her and some of her top journalists to launch the initiative. This time around, Thomas wasn’t in the room. To Kunal’s dismay, the conversation soon turned negative: Vanessa shot down every proposal he made. He suggested that the editorial team walk them through how they currently chose what content to display, but she said they had pressing deadlines for other projects and didn’t have the time.
He thought it might be helpful to ask her team to do less of the work upfront. At Hoop, personalization solutions had often involved ‘popularity’ as a feature, so he suggested that his team could start simply by testing how much ranking articles by popularity could improve engagement. “You do realize that that means someone could be shown a cat video instead of our feature on the Charlie Hebdo attacks?” Vanessa asked. Touché. It hadn’t dawned on Kunal that, in this line of business, personalization could have vast implications – some of them ethical in nature – on Downtown’s brand identity, far beyond anything that had come up in his time at Hoop.

He tried a different tack. What if they prioritized major features and current affairs pieces, but ranked the rest by popularity? The senior journalists were unanimous in their dissent; such an algorithm could do irreparable damage to Downtown’s brand.

As he met resistance to each successive proposal, Kunal realized that despite his best efforts, his Hoop experience was repeating itself. Vanessa and her team had shown support for his work, but when ‘the rubber hit the road’ – and the CEO and the Tron Corp board weren’t around – they were harder to convince. Why, he wondered, hadn’t this come up sooner?

One possibility was Downtown’s culture. It was pretty hierarchical. People didn’t openly challenge their superiors, particularly when the mandate came from the parent company. The board was committed to building a personalization capability and those further down the chain of command weren’t going to question their directive – but that didn’t necessarily translate into widespread support when it came to implementing a solution.

Were there early warning signs that could have alerted Kunal to the stumbling blocks ahead in his new role? What other questions could he have asked the leadership team before accepting the job to avoid this situation? What changes might he have asked them to make to his job description and mandate? What could he have done differently in his “first 100 days” to achieve positive outcomes? What skills did he need to succeed at Downtown, and were they the skills he had been hired for? Was the CEO the right person to report to?

How would you advise him to proceed?