



INTHECASE

How Does Digital Transformation Happen? The Mastercard Case.

We will start in a few minutes at 1.00PM CET

*Wednesday
10 February 2021*

Duration: 60m

In partnership with

accenturestrategy



#INSEADforGood

How Does Digital Transformation Happen? The Mastercard Case.



Upcoming webinars

Wednesday, 24 February 2021 **The Changing Labor Market: The Role of Automation and Globalization in Shaping Employment.**

With Morten Olsen, Professor @ University of Copenhagen

Monday, 8 March 2021 **REBEL Foods: The World's Largest and Fastest Growth Internet Restaurant Platform.**

Hosted by INSEAD Deputy Dean Peter Zemsky with REBEL Foods co-founder and CEO Jaydeep Barman (MBA'06J)

Wednesday, 16 March 2021 **Career Decisions, Management, and Leadership in a Data and AI World: Setting Yourself up for Success (1/4)**

Hosted by INSEAD Professor Theos Evgeniou and Research Associate Caroline Zimmermann with Katia Walsh, Chief Strategy & AI Officer @ Levi's and Jeff McMillan, Chief Analytics and Data Officer @ Morgan Stanley

How Does Digital Transformation Happen? The Mastercard Case.



Ken Moore

*Chief Innovation Officer
Mastercard*



Andrew Shipilov

*Professor of Strategy
INSEAD*



Nathan Furr

*Associate Professor of
Strategy, INSEAD*

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AGENDA

- INTHECASE
- Webinar etiquette
- Brief presentation of the case study
- Questions to Ken from Andrew and Nathan
- Questions from the audience

INTHECASE, a live case discussion

- These webinars dive into recent cases published by INSEAD together with case protagonist(s), industry experts and presented by INSEAD faculty
- INSEAD produces about 70-80 new cases per year by INSEAD Faculty and Research Staff
- We span a wide spectrum of topics on global digital transformation and provide a unique opportunity for industry practitioners to enjoy first-hand INSEAD teaching
- INSEAD's case collection of over 2,000 cases can be visited at publishing.insead.edu

Published



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**How Does Digital
Transformation Happen?
The Mastercard Case**

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This case study was written by Nathan Furr, Assistant Professor of Strategy, and Andrew Shipilov, Professor of Strategy, with the assistance of Amelina Duzanubekie, Adjunct Professor of Entrepreneurship, all 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. Additional material about INSEAD case studies (e.g., videos, spreadsheets, links) can be accessed at cases.insead.edu. Copyright © 2018 INSEAD

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MIT Sloan
The MIT System of Management Education

**Building the Right
Ecosystem for
Innovation**

*In competitive groups with uncertainty and change, they
most collaborate to new ways with unlikely partners.*

Nathan Furr
Andrew Shipilov

Harvard Business Review

A photograph of a night sky with a bright meteor streaking across it. The bottom of the image shows a dark silhouette of a mountain range.

**Digital doesn't have
to be disruptive -**

Harvard Business Review

Case background:



How “traditional” companies (i.e. not GAFAM) transform themselves using digital tools

- “War on Cash”
- MasterCard >> Mastercard
- Innovation Lab’s role

Digital transformation with partners

Construction of adaptive ecosystems, with multiple partners in its core

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Case background



Financials

Valuation

Price/Book	Price/Cash Flow	Price/Sales	Price/Earnings
52.91	47.39	22.42	53.48

As of Feb 04, 2021

Growth (3-Year Annualized)

Revenue %	Operating Income %	Net Income %	Diluted EPS %
16.14	17.93	25.99	29.10

As of Dec 31, 2019

Financial Health

Quick Ratio	Current Ratio	Interest Coverage	Debt/Equity
1.44	1.85	24.80	2.17

As of Sep 30, 2020

Profitability

Return on Assets %	Return on Equity %	Return on Invested Capital %	Net Margin %
23.36	125.19	45.14	43.13

As of Sep 30, 2020

Income Statement

Balance Sheet

Cash Flow

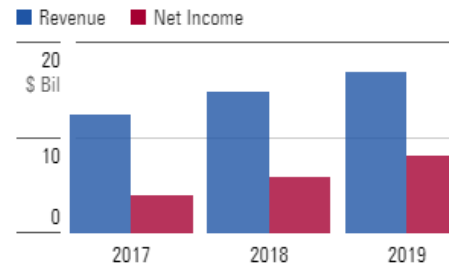
Annual

Quarterly

As Originally Reported

Restated

Details View >



	2017	2018	2019	TTM	3-Yr Trend
Revenue (Bil)	12.50	14.95	16.88	15.60	
Operating Income (Bil)	6.74	8.37	9.70	8.46	
Net Income (Bil)	3.92	5.86	8.12	6.73	
Diluted EPS	—	5.60	7.94	6.66	
Normalized Diluted EPS	—	6.35	7.75	6.71	

Fiscal year ends in Dec 31 | USD in Bil except per share data

Ken Moore: Chief Innovation Officer @ Mastercard



- Ken has 20+ years experience in International Financial Services across retail and corporate banking.
- Ken has lived and worked in over **15 countries** and held executive leadership roles in Product Management, Technology Delivery and Business Development.
- In mid 2016 Ken joined Mastercard as EVP, Head of Mastercard Labs. In this role Ken is responsible for leading Mastercard's R&D initiatives globally
- Prior to joining Mastercard, Ken was a Director at Citibank, where he established Citi's First Innovation Lab and subsequently rolled this model out globally to create a network of collaborative innovation centres across Citibank.

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