Harnessing the Power of Business Webs

DIGITAL CAPITAL

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MAIN IDEA
Business webs (“b-webs”) are the new platform for competition and the new creators of value in the twenty-first century.

Simply put, a b-web is a partner network of up to five key constituents, linked via digital channels:

B-webs are important in the digital economy because they are the only means by which digital capital can be accessed, increased and ultimately converted into market value. Digital capital is the sum of three knowledge assets:

- Human Capital – what the people within your b-web know
- Customer Capital – who you know and how those people value your contribution
- Structural Capital – how what you know is built into your b-web and systems

The central challenge of business in the digital economy is to form and build reserves of digital capital by harnessing the power of business webs. Specifically, b-webs allow you to gain human capital without having to own it, to access customer capital through the formation of mutual relationships and to benefit from the structural capital other parties provide. To that end, there are now five well-established b-web models which are proving to be successful in the creation of digital capital:

- Agoras – Open marketplaces where people come together to discover prices
- Aggregations – Online intermediaries who organize and coordinate a marketplace
• Value Chains – Integrators who manage the supply chain efficiently
• Alliances – Pools of knowledge shared by many working towards a common goal
• Distributive Networks – The backbone and infrastructure systems of the digital economy

In the years ahead, participation in b-webs will become an imperative rather than an option. In the era of digital customers, only those firms which are leading or actively participating in a b-web will have a sustainable competitive advantage.

About of Author

DON TAPSCOTT is chairman of Digital4Sight, Inc. (formerly the Alliance for Converging Technologies) and president of New Paradigm Learning Corporation. He is the author of seven books, including The Digital Economy, Growing Up Digital and Paradigm Shift. Mr. Tapscott is widely regarded as an authority on information technology in business.

DAVID TICOLL is managing partner and CEO of Digital 4sight, Inc. Mr. Ticoll is a speaker and consultant on the impact of the Internet, wireless computing and e-business on issues such as competitive advantage, organizational effectiveness, digital supply chains and the future of government.

ALEX LOWY is managing partner of Digital 4sight, Inc. He lead’s the firms consulting business and specializes in the development and application of innovative business web design principles.

This is the second book jointly authored by Don Tapscott, David Ticoll and Alex Lowy, the first being Blueprint to the Digital Economy. Their company’s Web site is at www.digital4sight.com.
Main Idea
Business webs are replacing industrial-age corporations as the commercial entities for creating wealth in the digital economy. B-webs are inventing new value propositions, changing the rules of competition for entire industries and combining people and resources together in new and productive ways. In doing so, b-webs are creating a new form of capital called digital capital – the currency of the new economy and the driving force behind the market valuations awarded Internet companies by stock markets around the world.

In short, creating and then harvesting digital capital is rapidly becoming the key challenge of business, and the most effective vehicle for creating more digital capital is the b-web business model.

Supporting Ideas
The key question in business today is not: 

“What’s driving the changes in the economy?”

Instead, business leaders should be focusing squarely on an entirely different question: 

“What should I and my organization be doing now to respond to all those changes taking place?”

The industrial economy was built around the production and movement of physical goods and services – a scarcity mindset. By contrast, the new economy has an abundance mindset, brought about by the fact many offerings are knowledge based and embedded in the design and production processes.

Therefore, to win in the new economy, the formula is simple – deliver better value than everyone else at a lower price. But no single company can be the world-class lowest cost provider of everything it needs. Therefore, standalone companies are giving way to an entirely new commercial entity where companies work together to create added value – b-webs.

A business web is a distinct (yet flexible) combination of suppliers, distributors, service providers, infrastructure providers and customers that use the Internet as their primary means of communication and transactions.

Companies may participate in several b-webs, each of which competes fiercely for the same customers. An industry space (for example, the software industry) may have several b-webs competing within it.

The key features of all b-webs are:
■ They use the Internet as their primary infrastructure.
■ They deliver innovative new value propositions.
■ They have many participating business enterprises, all cooperating and competing with everyone else.
■ They focus on customer value – not making and selling.
■ They are lead by a context provider – who manages customer relationships and
coordinates the value creating activities.

- They have rules and standards everyone knows.
- All participants exchange data in depth.
- There are five classes of value contributors:
  - Customers – who receive value and contribute value.
  - Context providers – who manage the b-web.
  - Content providers – who develop the goods and services.
  - Service providers – who provide enabling services.
  - Infrastructure providers – who provide resources.

Business webs are of commercial significance because they create digital capital. In the new economy, digital capital is transforming entire industries and creating wealth in entirely new ways.

Digital capital adds a new dimension to the three types of capital which have traditionally been classified as intellectual capital:

- Human capital – the combined capability of every person within an organization to create value for customers. It includes the skills, knowledge, intellect, creativity and know-how of each individual in an organization. In the industrial economy, each business enterprise attempted to build as much human capital as it could afford. In a b-web, the human capital of all participants can be accessed by everyone – dwarfing what was possible in the old economy.

- Customer capital – an organization’s established relationships with customers and suppliers. When internetworked through a b-web, the customer capital of each participant combines to form the relationship capital available to the entire b-web. In other words, multidirectional links form which provide marketing benefits for everyone.

- Structural capital – the business processes and marketplace know-how by which an enterprise meets customer requirements. Once again, a b-web enhances and extends the structural capital of each participant – by allowing the knowledge, processes and tools provided by any participant to flow to the point of need. B-webs also change the rules of market leadership, which has direct implications on the impact of structural capital.

In summary, b-webs are the most productive engines available in the new economy for creating digital capital. They redefine the boundaries of the traditional firm and revolutionize the idea of partnering.

The Internet is rapidly becoming the most efficient infrastructure for all business activity. As it becomes the backbone of the new economy, all sectors of the business world are being transformed. Those companies which can accumulate the largest reserves of digital capital will have market valuations that reflect a premium for that digital capital.

That’s part of the reason why, at present, the combined market valuation of new economy public companies far eclipses the market valuation of the traditional titans – auto, steel, energy, manufacturing and finance.

Significantly, however, this is still the early days of the b-web as a new corporate form. It’s not yet clear how b-webs will demand new types of thinking, behaving and being.
Nor is it yet clear to what degree the new economy will transform the everyday lives of people around the world.

What is clear, however, is that b-webs are part of the process of learning how to maximize the creation of digital capital. While the Internet has grown at an impressive rate in its lifetime, it has not yet even reached the mainstream – it’s still made up mostly of the early adopters. In that environment, it’s to be expected that many early b-web experiments will fail. On the other hand, some b-webs (like Cisco and MP3) have already been spectacular successes. One thing, however, is already clear, even at this early stage of development. B-webs offer such compelling and abundant opportunities for the creation of digital capital that businesses will ignore them at their own peril – they will either adopt effective b-web strategies or fade away into commercial irrelevance.

So how do you go about building a new b-web? It’s usually a six step process:

**Step 1 – Describe**

*For the marketspace you’re targeting, analyze and articulate the customer value proposition currently in use – and why this proposition now exists.*

In asking this question, you’re aligning your thinking with the customer’s perspective and challenging the conventional products and services that have met this need until now.

**Step 2 – Disaggregate**

*Look at all those businesses which currently create value meeting that value proposition. What are their strengths and weaknesses? How do they compare with your b-web?*

In this step, you’re attempting to uncover any human, relationship or structural capital that could be brought into the new b-web. Specifically, you’re looking for opportunities to create digital capital within the current value system.

**Step 3 – Visualize**

*What new value proposition will your b-web propose and deliver on?*

Essentially this step asks you to identify how you can apply digital technologies to enhance the value proposition – in the process creating entirely new competencies, new product and new service offerings.

**Step 4 – Reaggregate**

*What are the processes, contributors, applications and technologies you’ll need to deliver on the new value proposition? And who, therefore, must be part of the b-web?*

You are now designing the b-web model required to deliver on that new value proposition. Part of this will be deciding who contributes what amongst all b-web participants, and how the rewards will be split amongst those delivering the various components.

**Step 5 – Value Map**

*Design a visual map showing all requisite*
value exchanges within the b-web

Value maps graphically represent the flow, within the b-web, of:

- Goods, services and money.
- Knowledge, including strategic information.
- Intangibles, such as brand names, customer loyalty, etc.

The value map helps clarify the key relationships and value exchanges that will take place within the b-web.

Step 6 – Fine-tune your b-web mix

Select which b-web model you’ll run with, and customize a basic model to fit your requirements.

Armed with your value map, you can now decide on which b-web model to start with. Take that general model as a core organizing approach, and fine tune your specific b-web. Retain some flexibility and ability to alter your b-web as planning moves forward, since not every proposed relationship will fall into place as planned. Put together a complete b-web that will:

- Deliver on your new value proposition.
- Create enhanced value for the end customer.
- Provide differentiation from everyone else.
- Deliver a sustainable competitive advantage.
- Reduce costs for all b-web participants.
- Have clearly identifiable sources of profit.
- Achieve what you set out to do.

The three key challenges and opportunities of building a new b-web are:

- Managing the people involved
- Using relationship capital effectively
- Selecting the right business model

Challenge #1 – Managing the people involved

The network makes it feasible and realistic for people beyond the normal boundaries of the firm to participate in the process of creating digital capital. In other words, each member of a b-web can access and apply the human capital available from all other parts of that b-web. In turn, the internetworking and virtual pooling of all the human capital of the entire b-web creates a fertile environment for high performance. In the central value creating activities of the digital economy, those b-webs with the greatest access to broad and deep amounts of human capital will have a significant competitive advantage.

Challenge #2 – Using relationship capital effectively

In a b-web, customer capital (established relationships) becomes relationship capital.
That's because b-webs change the nature of marketing completely. Since everyone in a b-web communicates actively with everyone else, marketing is no longer a matter of projecting a brand name through mass media placements. Instead, customers become more empowered. Customers become actively involved in two-way marketing, and even participate in the price fixing processes. And since transaction costs are lowered in a b-web, marketing becomes more of an interactive communications exercise. That is, the job of the marketer changes from selling products to accumulating and growing the relationship capital reserves within the b-web.

That means:
• Shopping will take place anytime, anyplace, anyway.
• Two-way communication will replace promotions.
• Prices will become flexible and personalized.
• Customers will pay for experiences, not products.
• The creation of relationship capital will drive revenues.
• Prospects become candidates for relationships, not markets.

Challenge #3 – Selecting the right business model
In the digital marketplace, companies adopt the optimum business models as competitive weapons. Therefore, selecting the right business model – and remaining agile enough to move to a different model if necessary – can be a determining factor between success and failure. There are five general types of b-web business models, each of which is developed around a different organizing principle:
• Agora – dynamic pricing
• Aggregation – selection and pricing
• Value Chain – process integration
• Alliance – creativity
• Distributive Network – allocation / distribution

The key challenge in building a successful b-web is to design a b-web mix that enhances customer value, provides competitive differentiation as well as a sustainable competitive advantage and reduces costs for all participants. Achieve that and a vast amount of digital capital can be generated.

Main Idea
An Agora is an open marketplace where buyers and sellers come together to collectively discover the market price for any good or service. The Internet makes it feasible for an efficient market with dynamic pricing to emerge for anything and everything.

Supporting Ideas
The name of this type of business Web comes from ancient Greece, where the Agora was an open marketplace convened by the king or one of his nobles. The Internet equivalent is an open marketplace where multiple buyers and sellers can together discover what the going market price is for anything.
Each Agora typically uses one (or more) of several mechanisms for discovering a price:
1. One-on-one negotiations between buyers and sellers – which tends to work well for unique goods and business negotiations. (Monster.com)

2. Sell-side auctions where the seller specifies the minimum bid, the timing and a reserve price. (eBay)

3. Buy-side auctions where each potential buyer submits a sealed offer. (FreeMarkets Inc.)

4. Exchanges, as in stock and commodities, where multiple auctions are ongoing using ask-and-bid mechanisms. (Optimark, Industry to Industry, NASDAQ)

Arguably, robust and well disciplined exchanges are the most sophisticated and powerful pricing mechanisms, although eBay’s business model has attracted a lot of attention and more than $200 million in revenues in 1999 alone.

In eBay’s business web, the buyers and sellers do most of the work, incur all the costs and take any risks. eBay:
■ Has zero inventory – since sellers acquire and stock their own goods and services.
■ Incurs no marketing or merchandising costs – as each seller provides their own sales materials and illustrations.
■ Has zero distribution costs – as each buyer and seller makes their own arrangements.
■ Incurs no product liability – as the auction format means it is buyer beware.
■ Creates no content of its own, but simply uses whatever the seller has prepared.
■ Has zero marginal growth costs – since each new customer will simply use up a little more space on eBay’s Web server.
■ Collects its transaction fee in advance – lowering any costs of collection or likelihood of bad debts.

In short, eBay uses its business model to create digital capital from structural and relationship capital that cannot be replicated outside the Internet environment. By acting as the effective referee of an array of online auctions, the business builds trust (by helping to weed out deadbeat buyers and sellers) and authentication – that you’re getting what you expect at a price which other people are also willing to pay.

Founded in 1995, eBay is unique for an Internet company in that it is highly profitable and debt-free. Ebay handled around $350 million in auctions during its first three years of existence. In 1999, transaction volumes soared to $3 billion.
Opportunities for a digital Agora exist wherever:
- There is an existing market which operates inefficiently.
- A lot of pent-up frustration exists over current pricing mechanisms with an absence of competitive bidding.
- A new, high profile market emerges for Internet based goods or services.
- Regulatory intervention opens up a market.

The key success factors in building an Agora b-Web are:
1. Develop a way to improve the price discovery mechanism utilizing the unique capabilities of the Internet.
2. Build critical mass quickly since liquidity generates value through network effects.
3. Continue to refine and improve your Agora b-Web to match the preferences of your users.

4. Develop enforceable rules that create a truly level playing field for everyone. Find ways to offset insider advantage.

5. Add sophistication. Use smart software to customize your rules and differentiate between classes of participants.

6. Create an audit trail for all participants. You must be able to monitor the history and profiles of participants and provide transparent enforcement of the rules if you’re to have credibility and confidence.

7. Allow for digital agents and intermediaries to participate. They will create many opportunities in the future.

8. Pay close attention to the factors which impact directly on credibility – trust, privacy, taxation, regulatory issues.

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**Business Web Model #2**

**Aggregations**

**Main Idea**
Aggregations are online intermediaries. They organize and coordinate the selection, pricing and delivery of goods, services and information. They generate revenue by capturing or retaining a part of the added value they bring to the marketplace.

**Supporting Ideas**
In the Internet age, why would anyone use an Aggregation?
Simply because they present their customers with an optimized (and personalized) combination of six key elements:

1. **Selection**
The vast vendor knowledge of an Aggregation has always been a powerful attraction, although the Internet does empower consumers to do better searching on their own. To offset that, Aggregations now tend to electronically cross traditional product, industry and geographic boundaries to organize by consumer needs more than by historical distinctions.

2. **Organization**
Physical Aggregations (like supermarkets) arrange goods logically and for convenience. Digital Aggregations perform the same function through providing embedded hyperlinks to other products, tracking of preferences to make additional suggestions and the presentation of dynamic, interactive sales materials.

3. **Price**
In addition to offering better prices because of reduced transaction costs, online Aggregations can also do something new and innovative like:
- Offer better pricing to long-term, loyal customers.
- Combine and price bundles of products and services.
• Develop pay-only-for-results advertising systems.

4. Convenience
A digital Aggregation, in addition to being ready to do business whenever you are, can remind you when you’re low on regular purchase items and even replenish your supplies automatically. Ultimately, a good Aggregation will be able to tell consumers what they’re just about to develop a need for before they even realize that need themselves.

5. Matching
Historically, Aggregations have only benefitted financially when consumers purchase something they have in stock. An online Aggregation can structure all sorts of other financial arrangements easily – making it possible for them to generate fees from everyone who benefits from a transaction.

6. Fulfillment
Aggregations oversee the fulfillment process every step of the way. That allows them to benefit from bulk buy arrangements, predict future demand with more accuracy and prioritize the overall fulfillment process.

In short, there are compelling reasons for the existence of Aggregations in both digital and physical world formats. They have existed and survived through history because they bring added value to the exchange of goods and services. The last major change Aggregations underwent was during the Industrial Revolution, when new technologies became available. They will also undergo dramatic reinvention and redevelopment in the digital business era.
The key success factors in building an Aggregation b-web are:

1. Personalization. Let customers design a way of doing business that suits their preferences and behaviors rather than meeting a vendor's needs.

2. Physical Aggregations use information about their products to create efficiencies and improve customer service. Online Aggregations do the same by treating every consumer as an information provider. They make it easy to capture, store and share customer experiences.

3. Since digital content can be customized, online Aggregations add value by increasing control options. In other words, content should be matched to shopping behavior exactly and precisely.

4. Build a community of users. Allowing consumers to help each other solve problems instills a huge amount of customer loyalty in Aggregations.

5. Focus on the fulfillment process intensively. Make certain the delivery mechanism echoes the quality of the online experience for consumers.

6. Find effective ways to actively engage consumers. Offer them value-added services that simplify their lives – such as product recommendations based on the purchases of other like-minded consumers.

7. Empower consumers. Give them digital tools which are sophisticated and useful – which typically were previously available only to specialists in that field.

8. Watch out for cost inefficiencies that exist in the physical world which can be replaced by more effective, digital equivalents.
Main Idea
Value chains used to be supply driven – consumers could buy only what the producers wanted to make. Value Chain Integrators turn that around to deliver whatever products customers want – in customized and service enhanced forms.

Supporting Ideas
Value chains create value by:
• Identifying and defining specific customer needs.
• Designing products and services that provide solutions.
• Delivering those products and services.

In every value chain, some activities add more value than others. Most frequently, the greatest value resides in the design process and relationship management areas. Digital Value Chain Integrators are proving to be highly adept at securing those functions for themselves and letting partners do everything else.

Specifically, there are four key questions which Value Chain b-web developers focus on to create leverage:
1. What's the essence of the end user value proposition? Usually, the key point of differentiation from everyone else is the best part of the value chain to own.

2. Which contributions assume leadership – by adding the most to the overall value proposition?
By securing the leadership role for your own business, you will maximize the amount of digital capital you own – using the structural capital provided by partners and collaborators.

3. How can we design a b-web as a customer fulfillment network – with everything focused on end customers?
Smart Value Chain b-webs integrate seamlessly with the customer, effectively allowing the customer to create their own value by ordering customized products and services through the b-web. Because customers – rather than vendors – are driving the system, they can input precise demand information and configure according to their own needs and preferences. That way, a Value Chain b-web becomes responsive and intelligent.

4. How can we work with suppliers to develop win-win partnerships while also enhancing quality and efficiency?
Knowledge sharing between partners in a b-web adds structural capital to the customer capital provided by customers themselves. By increasing the quality and timeliness of information, partners can better manage their own inventories and supply chains to enhance their responsiveness. Since partners have an undistorted view of demand, they can increase their own efficiency. By linking all suppliers to a common information system, everything becomes better aligned. That alignment, in turn, allows even better deals to be offered to customers in the future.

In essence then, Value Chain b-webs are wealth generators. They not only identify and define needs but they also design solutions to those needs, and manage the sequence of steps by which raw materials are transformed into finished goods and services. Value
is added each step of the way as the b-web participants respond to unique customer demands. The b-web follows all the steps required to create a satisfied customer – from the extraction of raw materials through design and manufacture to the delivery of goods to end customers. Value is added with each and every step when a Value Chain b-web is set up and functions correctly.

The key success factors in building a Value Chain Integrator b-web are:

1. Focus on delivering a customized solution which is enhanced by services – the things that really make a product useful. That way, you add genuine value.

2. Get to know and respond to the needs of your customer better than everyone else. You can only do that if you’re electronically connected with every customer.
3. Focus. Keep your attention riveted solely on those activities that deliver the most value. Put in place a network of partners to do everything else required to provide a complete multi-dimensional product or service offering.

4. Develop expertise in the area of managing and building business relationships. The more fully you bring partners and customers into your inner circle, the better. Be prepared to invest loads of energy into building strong relationships.

5. Share rather than hoard knowledge. Make it possible for each of your partners to operate efficiently and profitably. That maximizes the amount of trust they have in you—which, in turn, increases your effectiveness over the longer term.

6. Be ready to embrace the next generation of Web architectures and Web applications as they become available. Stay at the leading edge of delivering customized, Web-powered business applications.

7. Think customer fulfillment networks. Everything a Value Chain Integrator does should be moving towards enhancing and building on the customer experience. Everything and every system should be oriented, calibrated and designed to be customer focused. In short, the capacity to deliver customized solutions to unique demands must be inbuilt.

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**Business Web Model #4**

**Alliances**

**Main Idea**

Alliances have no hierarchy in control. Instead, a few rules and standards evolve which governs how the Alliance works. Everyone in an Alliance b-web is both a producer and a consumer of products and services. They're also a contributor to the knowledge found within the Alliance.

**Supporting Ideas**

The Internet has powered some stunning Alliances – such as Open-Source Linux, MP3, the Human Genome Project and developers of Palm Pilot software. Despite that, not many people fully understand how Alliances create value.

Value can be captured from an Alliance b-web by:

- Linking multi-way relationship capital, cross b-web human capital and structural capital together synergistically to actually create and distribute valuable products. (Example: The Wintel Alliance between Microsoft and Intel).

- Exploiting the increasing returns in market value derived from network effects. (Example: America Online).

- Understanding intentional emergence – where a community of users work together towards an agreed upon outcome that maximizes rewards rather than simultaneously heading off in a number of different directions. (Example: Linux).

- Exploiting a new design paradigm where:
  - Users are treated as codevelopers and debuggers.
2. Frequent releases and updates are made.
3. Anticipate that someone, somewhere will see solutions. (Examples: Sun Microsystem’s Java or Netscape’s browser).

- Encouraging a reciprocal gift economy to form – where participants receive something in anticipation of the fact they have an unstated moral obligation to repay the gift with interest at some stage in the future. (Example: MP3)

How value can actually be extracted from an Alliance b-web varies, but some of the common means are:
- Charge fees to participate in an event related to the Alliance.
- Charge user fees for online forums or games.
- Charge fees for technical support services.
- Produce and sell a tangible product – research report, etc.
- Sell the software developed by the Alliance.

Exactly what the best strategy for converting the digital capital created by an Alliance into revenue is will depend, in part, on the specific variety of Alliance. As a general rule, Alliances come in six types:
- Social alliances – chat groups and forums.
- Discussion alliances – tightly focused on a specified subject.
- Help alliances – where people exchange advice & experiences.
- Design collaborative alliances – developing a product.
- Production alliances – exploiting a technical standard.
- Online and video games alliances

The Internet is an incredibly fertile environment for new Alliances to take root and grow. Alliance b-webs can form quickly around a value proposition of creative collaboration. The key is to direct those collaborative efforts towards a common goal in the absence of a traditional management structure. Make it possible for participants to commercially exploit the outcomes of the work of the entire Alliance and you’ll soon find a community of passionate, motivated and highly involved users will form. This can be a powerful force in the creation of new digital capital.

Prosumers = Producers and Consumers
The key success factors in building an Alliance b-web are:

1. Ensure that everyone who participates in the Alliance derives benefits they value.

2. Define whether the Alliance is going to be commercial or non-profit and use proprietary or open standards.

3. Share power among participants so everyone participates in the leadership role.

4. Award stature within the Alliance on the basis of contribution, not entitlement.

5. Keep innovation moving forward at a lively, engaging pace.

6. Disseminate information widely and completely.

7. Use public recognition, financial rewards and greater responsibility to reward exceptional contributions.

8. Keep any rules and the process by which rules are made and enforced open, democratic and flexible.

9. Make sure all contributors understand how recognition of added value will be acknowledged and rewarded.

10. Configure the output of the Alliance in a modular format – so participants can configure it or embed it into other things they do.

11. Find ways to harness network effects whenever and wherever possible. That harnesses the power of the Internet productively and intelligently.

12. Since creative collaboration is the goal, use every effort to communicate and strengthen the goal which is shared across the entire Alliance. In essence, get everyone
Main Idea
Distributive Networks are the b-webs that provide the backbone for the digital economy – infrastructure, communications bandwidth, delivery services, banking services, etc. All such networks are in a constant state of flux and change.

Supporting Ideas
Simply put, Distributive Networks are mediators or enablers facilitating digital or commercial transactions. Both producers and consumers of goods use networks to conduct their transactions. Historically, the power grid was the best example of a Distributive Network but in the digital economy, the Internet itself is the ultimate network.

The two driving forces behind the growth of Distributive Networks are:
1. Deregulation – many governments have dismantled monopolies and let free market forces empower the set up of new networks to provide infrastructure needs.
2. The network effect – the bigger the network, the more value there is in additional users joining the network.

The key Distributive Networks of the digital economy are:
• Telecommunications
• Financial services
• Distribution and logistics
• Air travel
• Power

Savvy network builders are currently in the process of setting up broad Distributive Network b-webs that:
■ Make it easy for other b-webs to join in and derive benefits.

■ Become enablers of e-commerce applications.

■ Provide visibility, speed and agility to companies who are developing new e-commerce capacities.

■ Cross traditional business categories – for example, linking a bank, a telecom provider, a delivery service and an oil company together in a network which uses neighborhood gas stations as a shopping, delivery and pickup kiosk.

■ Bring together the partners needed to provide turnkey solutions for supply chain management – probably in association with software, telecom, distribution, consulting and financial services providers.

■ Capture information from customers to find ways to manage it to derive added benefits in the future – in effect, making the network function as an infomediary.
Come up with entirely original digital applications – such as combining a telecom company, an airline, a limousine service, a travel agency and a delivery service to create a concierge service for frequent travelers.

Operate as “Investomediaries” – broad financial services providers who will work to maximize the return on investments and utilization of available funds and savings for consumers.

The key success factors in building a Distributive Network b-web are:
1. Make it easy for other b-webs to use you as their commerce or infrastructure provider.
2. Make a decision whether to focus on a commodity infrastructure approach or target a value-added niche.
3. Whenever an arbitrage opportunity arises, share the profits with customers. That will generate a substantial ramp-up in volume.
4. Make certain you provide event-driven optimization capabilities and responsiveness. It's the basic price of admission in the digital economy.

5. Ride the network effect. Maximize the number of points of presence you have. Find ways to serve more customers in more locations. The more value you deliver, the more your network is worth and the greater the incentives for others to join.

6. Don’t have an asset mindset – where you try and own the entire network yourself. Instead, think b-web partnerships. Utilize, but don’t own, as many assets as possible.

7. Keep searching for new ways to facilitate the exchange and delivery of products, services and information. As the Internet expands, more opportunities will open up on an ongoing basis. Keep up with the play and evaluate every new development from the perspective of building the network.

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