

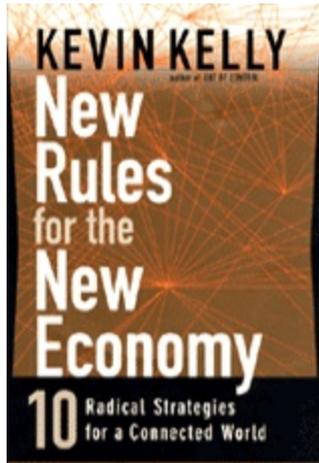
# BUSINESS NETWORKS

BN TRACK PRESENTATION  
MASTER ORIENTATION DAY

BY  
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# INTRODUCTION

## THE NETWORK ECONOMY



*the new economy is often referred to as the **Information Economy**, because of information's superior role (rather than material resources or capital) in creating wealth. I prefer the term **Network Economy**, because information isn't enough to explain the discontinuities we see.*

Kevin Kelly, editor of Wired, in: Wired 5.09

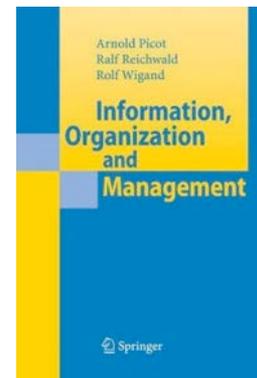
# INTRODUCTION

## THE BOUNDARYLESS ENTERPRISE



“We think of corporations as self-contained, integrated structures. They are physically located in office buildings and production plants where the corporation’s employees normally work and where the required machines, equipment, materials, and information can be found. [...] Naturally, a corporation constantly crosses its own boundaries when transferring goods to and from markets, procuring input goods, [...]. Nevertheless, this type of boundary crossing [...] denotes a clear perception of inside and outside, [...].

In today’s economy, many areas no longer match this textbook model of corporate boundaries. Network organizations, telework, cooperative networks, virtual organizational structures, and tele-cooperation are no longer buzzwords, but found in the real world. [...] Traditional corporate boundaries are beginning to blur, to change internally as well as externally, and, in some cases, to dissolve.” (Picot, Reichwald, Wigand 2008, pp. 3-4)

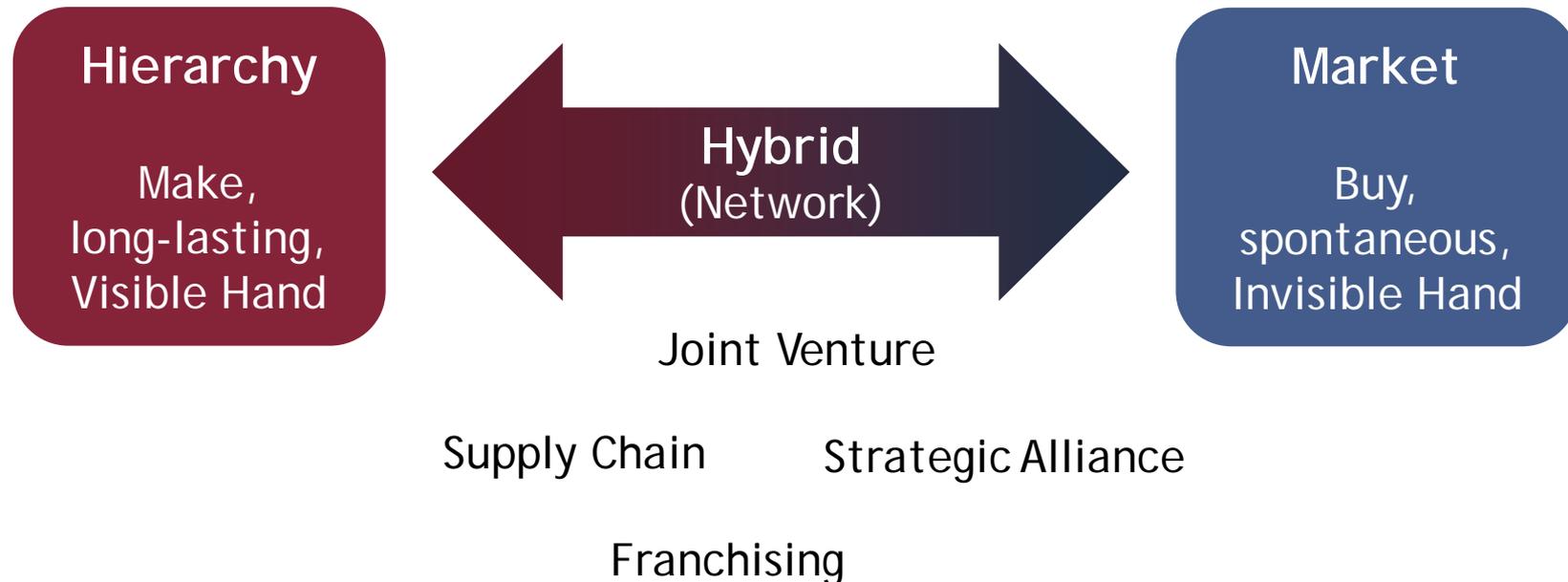


# BUSINESS NETWORKS AND IOS

HIRARCHIES - NETWORKS - MARKETS



## Transaction Coordination Mechanisms



# BUSINESS NETWORKS & IOS

## EXAMPLE: STRATEGIC ALLIANCES



„Today in London, our two companies announced plans for a broad strategic partnership that combines the respective strengths of our companies and builds a new global mobile ecosystem.“

<http://conversations.nokia.com/2011/02/11/open-letter-from-ceo-stephen-elop-nokia-and-ceo-steve-ballmer-microsoft/>



- 48% more strategic alliances used today by America's fastest growing companies than 3 years before (Trendsetter Barometer 1998)
- Yet, a precarious undertaking:
  - failure rate of business alliances 50-70% (PWC, KPMG)
  - dissolution rate of 50% (Park, Ungson 1997)

Cf. Barringer, Harrison 2000, p. 368

# BUSINESS NETWORKS & IOS

## EXAMPLE: INTER-NETWORK COMPETITION

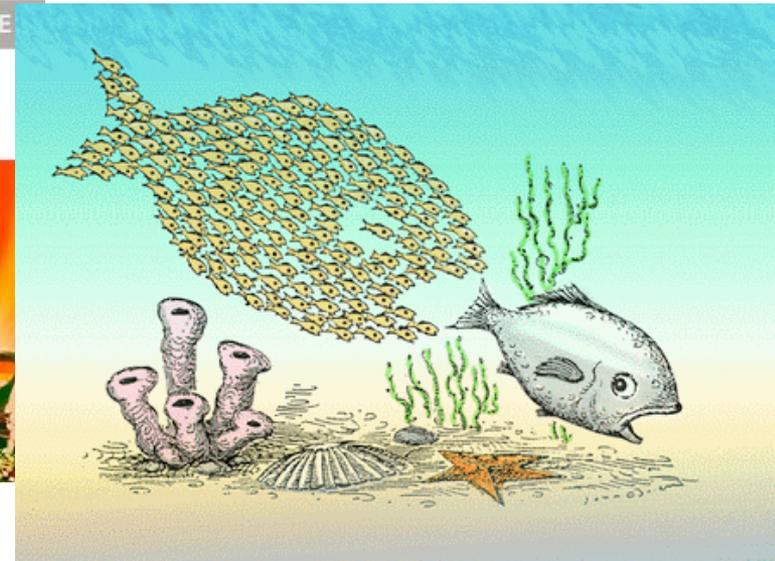


	<b>Star Alliance<sup>[5]</sup></b> <b>27 members</b> <b>Founded 1997</b>	<b>SkyTeam<sup>[6]</sup></b> <b>20 members</b> <b>Founded 2000</b>	<b>Oneworld<sup>[7]</sup></b> <b>15 members</b> <b>Founded 1999</b>
<b>Passengers per year</b>	637.62 million	588 million	506.983 million
<b>Countries</b>	193	178	152
<b>Destinations</b>	1,269	1,064	992
<b>Fleet size</b>	4,338	4,467	3,324
<b>Employees</b>	439,232	459,781	391,968
<b>Revenue Billion US\$</b>	173.12	186.331	142.571
<b>Daily departures:</b>	18,000	15,723	14,011

Source: [http://en.wikipedia.org/wiki/Airline\\_alliances](http://en.wikipedia.org/wiki/Airline_alliances)

# BUSINESS NETWORKS & IOS

EXAMPLE: VIRTUAL SIZE FOR SME



Source: [http://www.bioteams.com/images/big\\_fish\\_little\\_fish.gif](http://www.bioteams.com/images/big_fish_little_fish.gif)

Present in 150 countries,  
58.000 partners globally,  
processed over 25 million flower orders p.a.

# TRACK LEARNING OBJECTIVES



- What is the motivation of firms to engage in inter-organizational cooperation?
- In what kind of relationships do companies enter?
- What are viable network business models?
- How does successful cooperation and coopetition look like?
- What kind of IOS are required in support of these?
- How can networks and underlying IOS be managed?

# TRACK OVERVIEW

INTER-ORGANIZATIONAL SYSTEMS

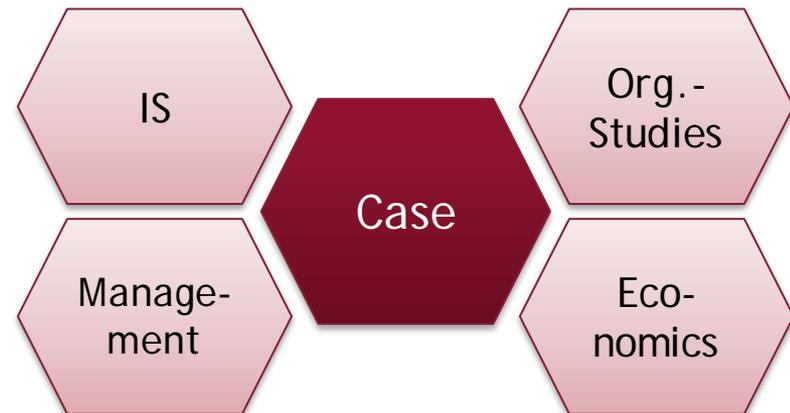


Winter semester	Summer semester
Inter-organizational Systems	Information Security
	Network Economics

## Inter-organizational Systems

Seminar style with integrated lectures

Discussion of case examples from different theoretical angles



# TRACK OVERVIEW

INFORMATION ECONOMICS - INFORMATION SECURITY

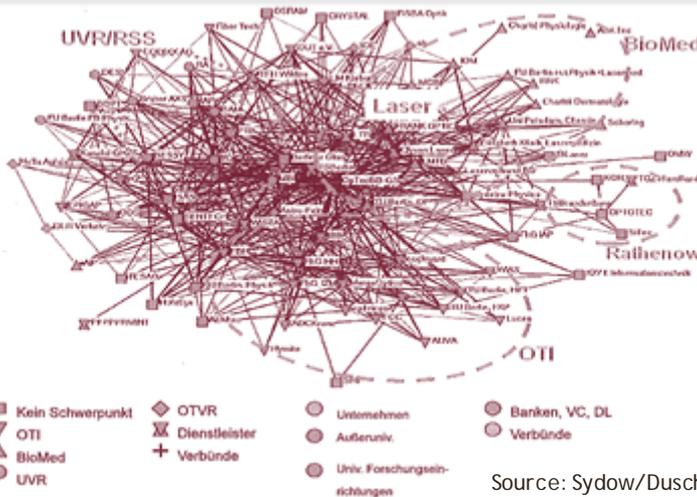


Winter semester	Summer semester
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## Network Economics

Inverted classroom model

Exploration of the fabric of BN and IOS drawing on ideas from economics, sociology, computing and information science, and applied mathematics.



Source: Sydow/Duschek 2011