

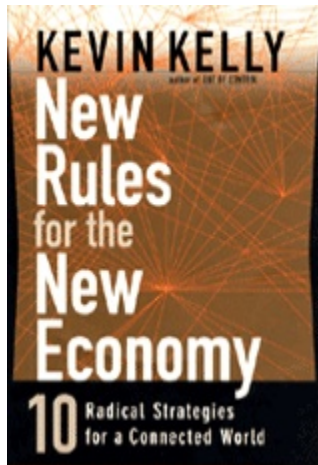
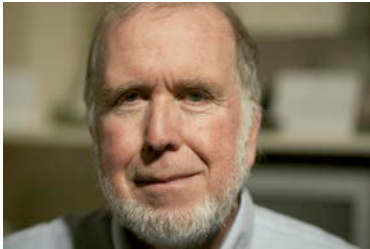
BUSINESS NETWORKS

BN TRACK PRESENTATION
MASTER ORIENTATION DAY

BY
DR. ALEXANDER TEUBNER

INTRODUCTION

THE NETWORK ECONOMY

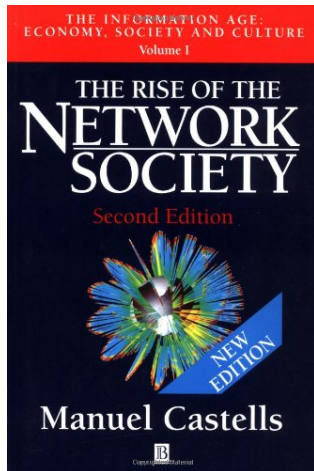
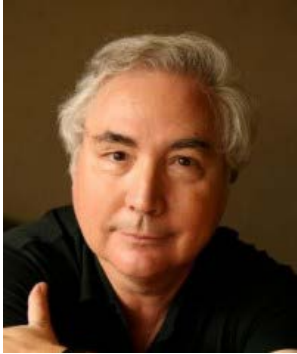


*the new economy is often referred to as the **Information Economy**, because of information's superior role (rather than material resources or capital) in creating wealth. I prefer the term **Network Economy**, because information isn't enough to explain the discontinuities we see.*

Kevin Kelly, editor of Wired, in: Wired 5.09

INTRODUCTION

THE NETWORK SOCIETY



“I contend that around the end of the second millennium of the common era a number of major social, technological, economic, and cultural transformations came together to give rise to a new form of society, the **network society** ...
”

Manuel Castells, foreword to the 2010 ed.
of his book „The Rise of the Network Society“

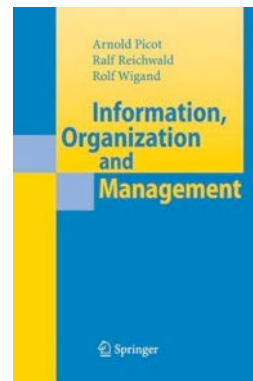
INTRODUCTION

THE NETWORKED ORGANIZATION



"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)

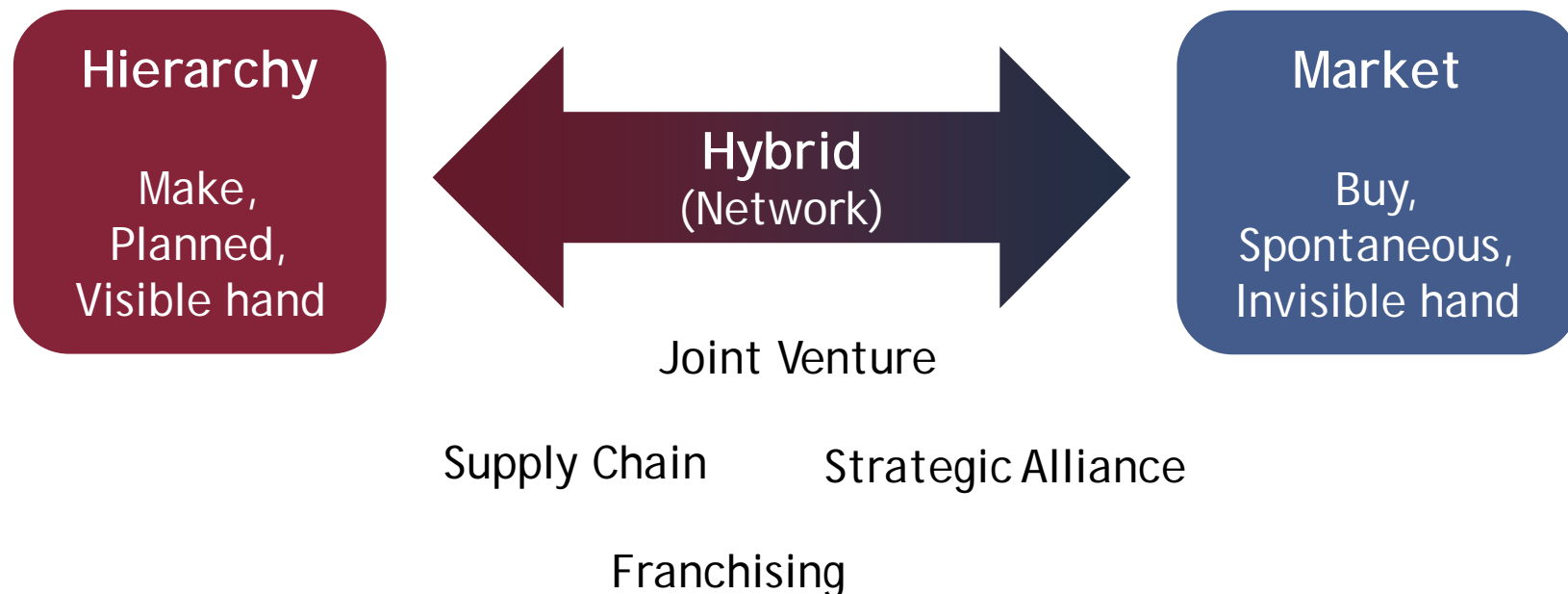


BUSINESS NETWORKS AND IOS

HIRARCHIES - NETWORKS - MARKETS



Transaction Coordination Mechanisms



BUSINESS NETWORKS & IOS

EXAMPLE



„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

COMPETITION: NETWORK VS. NETWORK

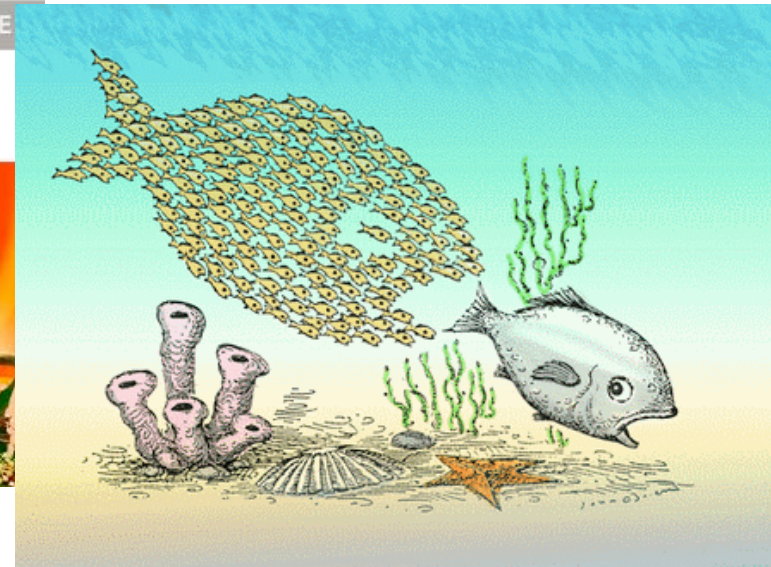


| | Star Alliance^[5] 27 members Founded 1997 | SkyTeam^[6] 20 members Founded 2000 | Oneworld^[7] 15 members Founded 1999 |
|-----------------------------|--|--|---|
| Passengers per year | 637.62 million | 588 million | 506.983 million |
| Countries | 193 | 178 | 152 |
| Destinations | 1,269 | 1,064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

Source: http://en.wikipedia.org/wiki/Airline_alliances

BUSINESS NETWORKS & IOS

STRATEGIC ALLIANCE FOR SME



Source: 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 are motivations for firms to engage in inter-organizational co-operations?
- In what kind of relationships do companies enter?
- What are viable network business models?
- How does successful cooperation and coopetition work?
- How can networks be managed?

TRACK OVERVIEW

INTER-ORGANIZATIONAL SYSTEMS

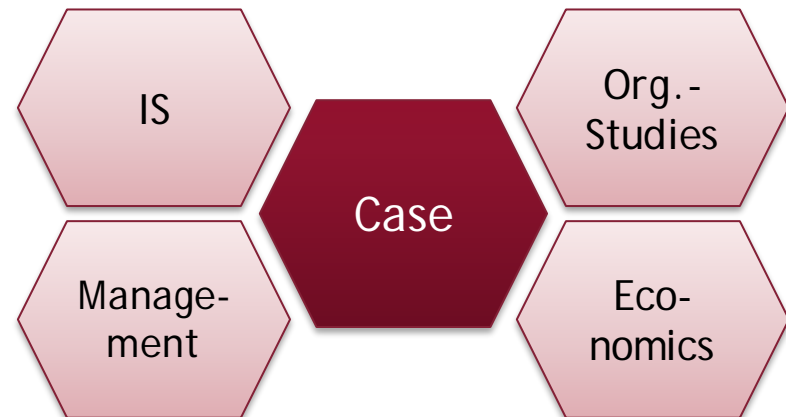


| Winter term | Summer term |
|------------------------------|----------------------|
| Inter-organizational Systems | Information Security |
| | Network Economics |

Inter-organizational Systems

Seminar style with integrated lectures

Discussion of case examples from different theoretical angles



TRACK OVERVIEW

INFORMATION ECONOMICS - INFORMATION SECURITY



Winter term

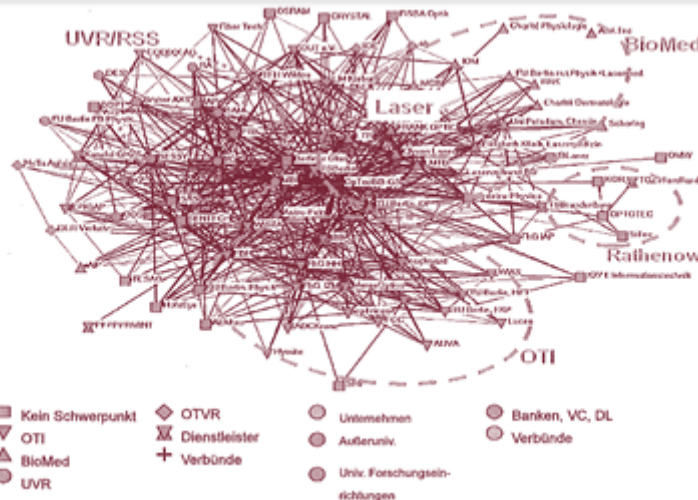
Summer term

Inter-organizational Systems

Information Security

Network Economics

Network Economics



Inverted classroom model

Exploration of network phenomena based on the notion that network graphs form the fabric of BN and IOS

Source: Sydow/Duschek 2011