

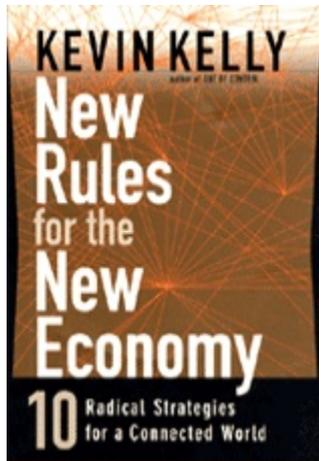
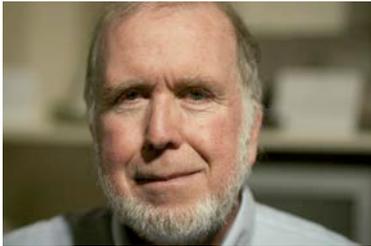
# BUSINESS NETWORKS

BN TRACK PRESENTATION  
MASTER ORIENTATION DAY

BY  
DR. ALEXANDER TEUBNER

# INTRODUCTION

## THE NETWORK ECONOMY

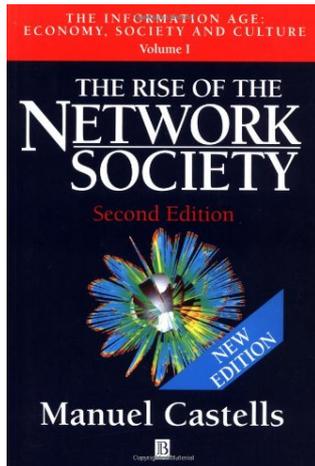


*the new economy is often referred to as the **Information Economy**, because of information's superior role (rather than material resources or capital) in creating wealth. I prefer the term **Network Economy**, because information isn't enough to explain the discontinuities we see.*

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“

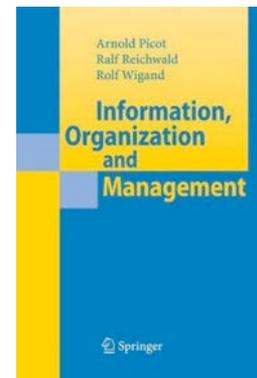
# INTRODUCTION

## 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)

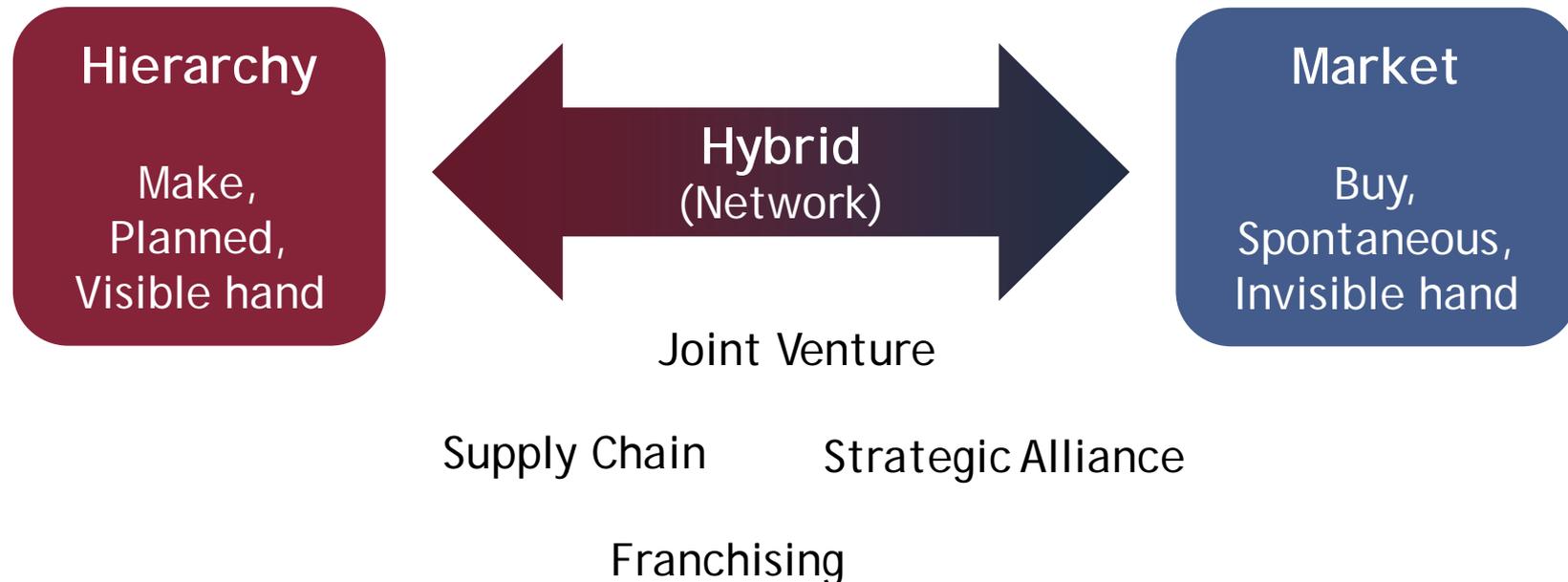


# BUSINESS NETWORKS AND IOS

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



	<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

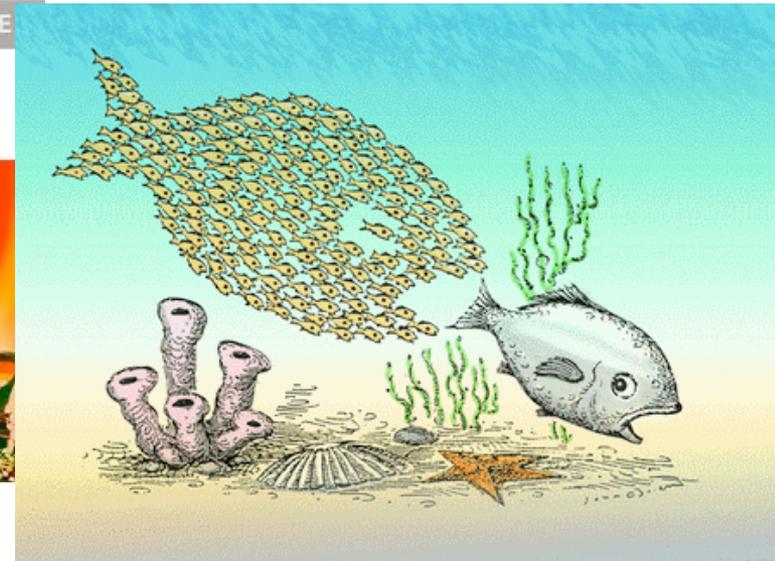
Source: [http://en.wikipedia.org/wiki/Airline\\_alliances](http://en.wikipedia.org/wiki/Airline_alliances)

# BUSINESS NETWORKS & IOS

STRATEGIC ALLIANCE FOR SME



A screenshot of the Fleurop.com website. At the top, it says 'Fleurop.com Interflora' with the Interflora logo (a yellow circle with a black silhouette of a person running) and the tagline 'CREATING EMOTIONS SINCE 1908'. Below this is a navigation menu with links for 'Home', 'About us', 'Customer Service', 'Member Club', and 'All about Flowers'. On the left, there are dropdown menus for 'Flower delivery to:' (set to Germany) and 'Currency' (set to Euro). Below these are 'All products' and 'Good reasons' with a list of occasions like 'Congratulations', 'Get well', etc. The main content area features a banner for 'FLOWERS &amp; GIFTS: GERMANY' with the text 'The Beauty of AUTUMN...' and 'Best Sellers' over an image of autumn flowers. A 'Buy now' button is visible at the bottom of the banner.



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 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

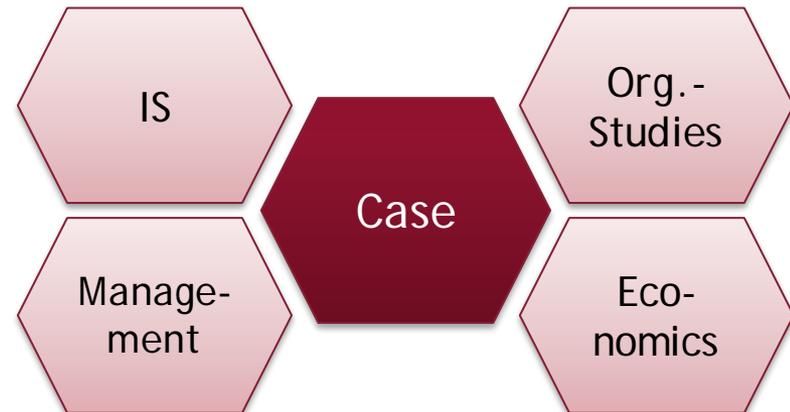


Winter term	Summer term
Inter-organizational Systems	Information Security
	Network Economics

## 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

