

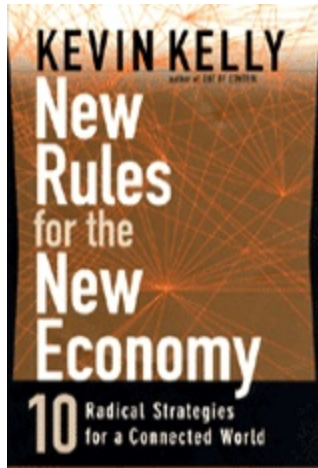
BUSINESS NETWORKS

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

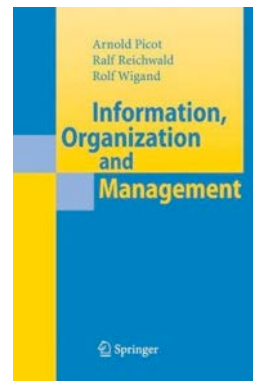
INTRODUCTION

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)

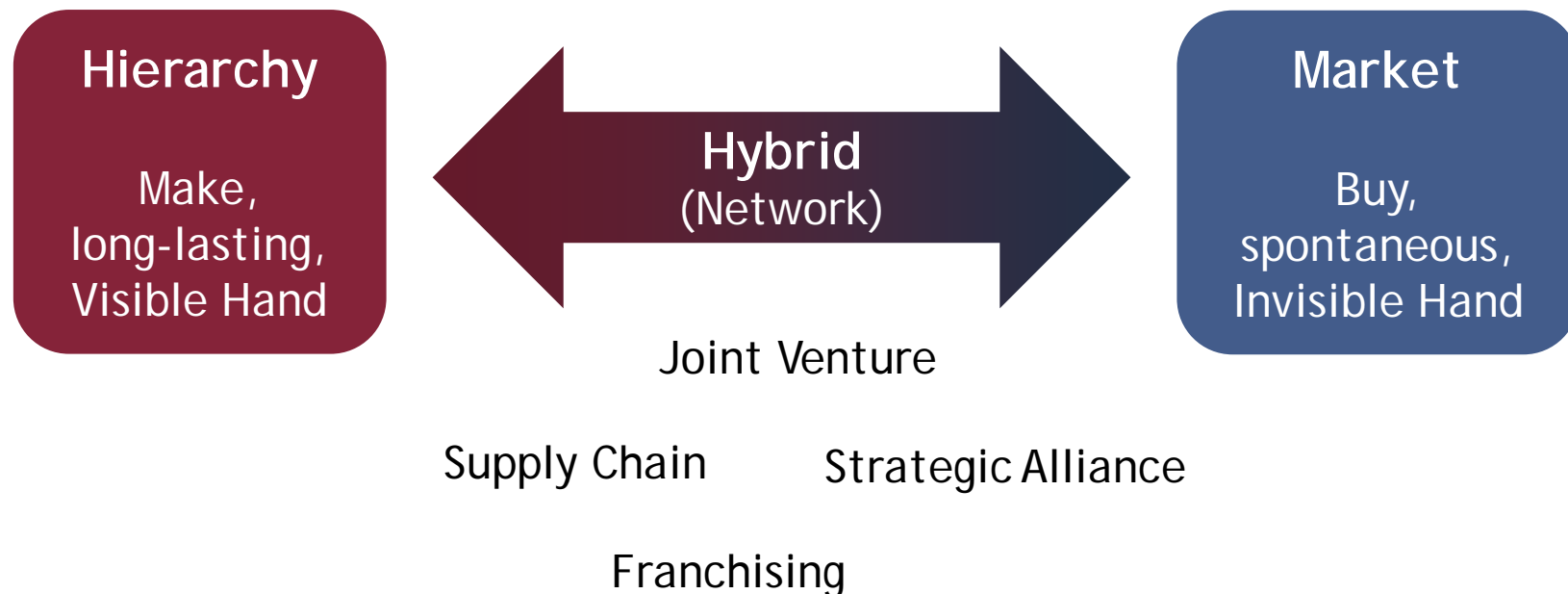


BUSINESS NETWORKS AND IOS

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

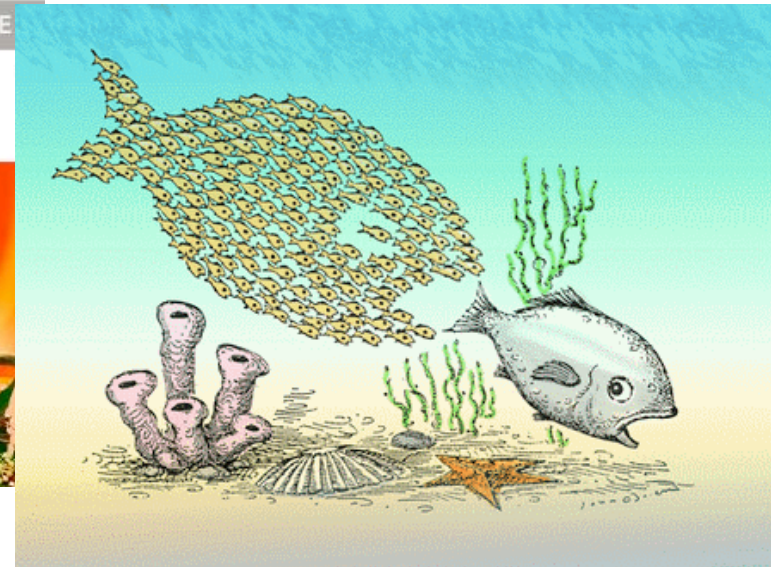


	Star Alliance^[5] 27 members Founded 1997	SkyTeam^[6] 20 members Founded 2000	Oneworld^[7] 15 members Founded 1999
Passengers per year	637.62 million	588 million	506.983 million
Countries	193	178	152
Destinations	1,269	1,064	992
Fleet size	4,338	4,467	3,324
Employees	439,232	459,781	391,968
Revenue Billion 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

EXAMPLE: VIRTUAL SIZE 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 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

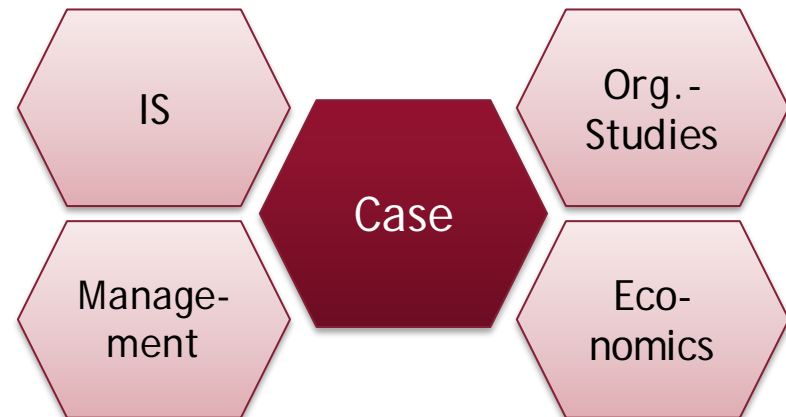


Winter semester	Summer semester
Inter-organizational Systems	Information Security
	Network Economics

Inter-organizational Systems

Seminar style with integrated lectures

Discussion of case examples from different theoretical angles



TRACK OVERVIEW

INFORMATION ECONOMICS - INFORMATION SECURITY



Winter semester

Inter-organizational Systems

Summer semester

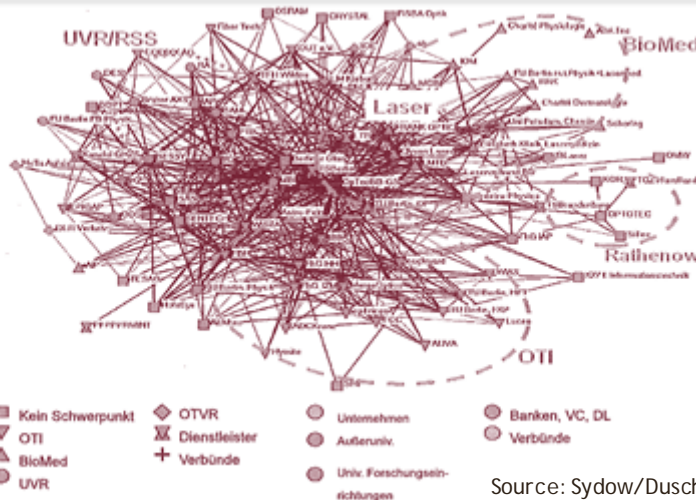
Information Security

Network Economics

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