

Connect for Success

What's the future net worth of your business?

The answer to this may be unclear, but what we do know is that the geography of wealth is being reshaped by the new tools we are using. Under the veil of techno-gadgetry, a new economy is being created by how we use computers and communications.

New business has three distinguishing characteristics:

- It is global
- It is focussed on intangibles
- It is intensely interlinked

Networking is the central metaphor around which our thinking, business organisation and economies are being built.

In the old economy, buildings were the physical hubs for trade. Now all this is changing. How will we measure the contribution of facilities in the future? Do we as managers fully understand the logic of the network economy? If we don't, can we help our companies profit from the way value adding is being transformed?

Messy Complexity

The old economy was based on clearly defined cause and effect relationships which were measurable because they were clearly visible. Less effort in, lesser results out. More in, more out and so on, with the benefits generally flowing to single organisations or entities following the law of diminishing returns. Simple!

The networked economy, on the other hand, is based on a web of ill defined causes and effects that gives rise to messy complexity. Now benefits can be shared by all members of the network - this acting as an attractor drawing more players in, feeding a virtuous cycle of increasing returns. Quite a different way of working.

On line value adding

Certainly much of the "CIR" information moving through an organisation will be networked in the future.

It also means that, unlike industrial age companies which tended to exploit innovation for their own advantage, the value of creative thought will extend beyond single businesses to others in similar fields.

Another important aspect of value adding that the threshold at which a new initiative reaches critical mass and begins to explode rapidly through the network is much lower than for industrial age companies. This is because online information enables a higher degree of real time connectivity.

The real value of the "net-working" is in the relationships which result from the connectivity between "nodes" or participants.

Value (V) expands exponentially as the number of nodes (n) capable of connecting increases. $V=n^n$

New technologies now enable intermediaries to be bypassed, supply chains to be replaced by value nets and information critical to CIR success to be accessed when it's needed using the internet.

The time to get online to increase the net worth of your business is now.

Brian Purdey
Managing Director
KODO
The Ark Workspace
Level 2 50 York Street
PO Box Q1585 QVB
Sydney NSW 1230 Australia
T: 612 82431116
F: 612 82431122
M: 0410 483 922

Creativity Vision Leadership