

Business transformation: the challenges of World 2.0



Technology, communications, and business are undergoing extensive transformations. The paradigm shift we witness in the Internet, telecommunications, and mobile technologies deeply influences the business world around us. The new paradigm that we are entering can be illustrated through the introduction of the concept of "World 2.0".

World 2.0 is defined as an interactive, hyper-connected, immersive, virtual, digital online ecosystem or mega-platform, where users:

- create and share knowledge (e.g. Wikipedia, Delicious);
- innovate and collaborate together (e.g. InnoCentive);
- have fun and entertainment (e.g. Zango, Second Life);
- interact, network or connect with each other (e.g. Facebook, Skype, Twitter);
- design new products or buy and sell merchandise (e.g. Ebay, Craigslist, Amazon);
- connect and communicate with mobile devices (e.g. iPhone, Blackberry);
- write reflection blogs (e.g. blogger);
- share photos (e.g. flickr);
- podcast presentations or make creative films (e.g. YouTube);
- develop projects (e.g. wikis or Google docs); and
- express themselves to the world.

World 2.0 is radically different from the world as we know it: the blogosphere is doubling in size every six months. The new generation of internet tools – so-called Web 2.0 tools – have fostered the growth and popularization of web-based communities, social networking sites, video sharing sites, wikis, blogs, and folksonomies.

These tools have made it possible for professionals from all over the world to collaborate, interact, and participate in the process of innovation and value creation. In our everyday lives, we have all become mobile data users – sending e-mails, sharing photos, downloading songs, and using social networking sites. Whole libraries and free MIT courses are now on the internet, as they make up the "global commons". The semantic web (Web 3.0) will allow applications to "understand" sentences and natural language.

How can companies adapt to cope with these changes? Companies facing World 2.0 are adopting new business models to harness the collective intelligence of people outside their boundaries to spur breakthrough innovation. Instead of relying on internal R&D groups, companies form trust-based long-term relationships with external innovators and customers to build vibrant new business ecosystems. They tap into the global brain and benefit from the global talent pool to spur innovation and creativity in the digital ecosystem. For example, P&G increased its R&D productivity by nearly 60 per cent and doubled its innovation success rate using these approaches.

Five shifts of World 2.0

World 2.0 ecosystem can be described through five C's:

1. creativity;

2. connectivity;
3. collaboration;
4. convergence; and
5. community.

Creativity

The first shift is the increasing importance of creativity and innovativeness in digital platforms and future business platforms to find new ways to bridge global social issues like poverty. Organizations have been trying to introduce creative ways of organizing and work, such as building connections through networked organizations, utilizing swarm intelligence or creating collective intelligence in cross-disciplinary work teams.

Pixar, for example, attracts creative talent and utilizes a peer-driven process for fostering "collective creativity" or "group genius" to come up with artistic and technological breakthroughs in the computer animation movie industry.

Connectivity

The second shift is connectivity, defined as the ability to link or connect to the internet – the global brain – providing access to world-wide online information resources just by clicking on a computer, laptop, or mobile device. Connectivity is a technological infrastructure and a mindset that links geographically remote resources to increase access to information.

The value proposition for customers is becoming more integrated and innovative as high-speed wireless internet access, wireless phones, downloadable applications, and short messaging services populate the landscape. Moreover, we are witnessing a blurring of the distinctions among learning, work, fun, and leisure. Mobile computing devices are ubiquitous, and an "always on" culture is enabled by broadband internet connectivity.

We are moving from being a fully connected society to a hyper-connected one, where the number of network connections surpasses the number of humans connected to the network.

Collaboration

The third shift is collaboration, best described in the path-breaking "Wikinomics". Wikinomics defines the new art and science of collaboration where billions of connected people collaborate and participate in innovation, wealth creation, and social development on the virtual global platform of the Internet.

This participation "has reached a tipping point where new forms of mass collaboration are changing how goods and services are invented, produced, marketed, and distributed on a global basis". Companies such as Twitter, YouTube, Flickr, Delicious, and Facebook synthesize the emerging powers of wikinomics and mass collaboration. The knowledge, brains, resources, and computing power of over one billion people online worldwide are self-organizing into a massive collective force, also denoted as the "global brain".

Never before has collaboration across time and space been so fast, easy and cheap. These millions of connected individuals can now actively collaborate and participate in innovation to advance arts, culture, science, and education.

Convergence

The fourth shift is about the convergence of new technologies, information and communications, and the global connectivity these technologies enable. Convergence is the principle that the various media (radio, TV, newspapers, CD players, video recorders, telephones, mobile devices, and the internet) are all coming together to form one global information channel.

More than one billion people are connected to the internet and the VoIP phenomenon is growing exponentially. We are living in a global village where the collapse of national economic boundaries, the bridging of distances through telecommunications, rapid technological changes, workforce mobility and cultural diversity, the spread of wireless, fiber-optic and broadband technologies, and the increasing convergence of digital technologies pose new challenges and opportunities for professionals and managers throughout the world.

Convergence enables computers, telecommunications devices and networks to work together locally, regionally and globally to share and exchange content or information. As ubiquitous computing connects people, ideas, resources, and markets; the Internet is becoming the most powerful force for globalization, democratization, and social innovation.

Community

The fifth shift is the use of Internet platforms and new media for social change and community benefits. The new media, also called "social media," has been used extensively by social movements for online activism to educate, organize, communicate, lobby, protest, fundraise, democratize information and increase social awareness.

One of the interesting trends in the merging of technology and social responsibility is the rise of innovative pedagogies such as service-eLearning. With the advance of Web 2.0 tools, service learning is applied in digital platforms and enables students to navigate in an unscripted future characterized by uncertainty, complexity, interdependency, globalization, and accelerated change.

Implications of World 2.0 for professionals and managers

The concept of World 2.0 gives managers and professionals a fresh perspective and an integrative vision of the twenty-first century business and innovation landscape. World 2.0 is an open, flexible, innovative and boundaryless global mega-platform where people share collaborative, inspirational, interactive, immersive, and multimedia experiences with people from all over the world.

Organizational strategies, for managers and professionals to cope with the unique innovation challenges of World 2.0, include:

- ***Expand the innovation ecosystem outside firm boundaries to tap into the global brain***

Collaborative innovation is more crucial than ever, particularly beyond company walls. Since external collaboration is indispensable and so many ideas come from outside, managers need to pay particular attention to strengthening collaborative capabilities outside their organizations.

Managers have tools now to collaborate with people from all over the world, but they need to move from traditional management models to network orchestration and open innovation models. They need to find the barriers preventing collaboration, eliminate them and come up with solutions that bridge the distance, language, culture, company, and department walls or barriers.

- ***Bring together the best minds from diverse disciplines and form cross-disciplinary virtual teams***

In complex R&D processes, creativity involves a large number of people from diverse disciplines working together to apply design thinking to solve integral problems. Managers need to bring together talented and motivated people to break down the walls between disciplines and maximize inadvertent encounters or serendipities. The resulting chance encounters can be stimulating and valuable. Different languages are spoken by different disciplines. Getting people in different disciplines to treat one

another as equals is important, as is bridging physical distances and psychological boundaries between departments and offices.

- ***Find and attract best global talent for innovation projects***

Creative talent is not spread equally among people. Truly innovative and creative people are rare. Competitive career opportunities and compensation packages, as well as exciting and challenging working environments, will attract and reach the brightest minds and the most creative employees. Lasting relationships are crucial so managers need to devote time and effort to identifying talented people, both before and after they are hired. For example, employees are interviewed many times before they are hired and scored on 25 different performance metrics at Google.

- ***Foster a positive climate to nurture group genius and collective creativity***

Flexible, positive, global virtual platforms allow people to collaborate. In building a sustainable creative organizational culture, managers can orchestrate positive change in an environment that nurtures trusting and respectful relationships and unleashes creativity. It must be safe for everyone to offer ideas regardless of their positions or backgrounds. People at all levels should be fully dedicated to helping and supporting each other everyone else to excel.

- ***Give employees time, opportunity, and resources to build innovative projects based on their interests and passion***

Employees should develop their own projects and budget these projects into their job descriptions, including the time and resources to implement these projects. Managers should support and recognize these projects as a way to invest and build on employee strengths and passions. For example, Google requires technical employees and managers to spend 20 per cent of their time on new projects and innovations that they are passionate about.

- ***Encourage employees to pursue lifelong and boundless learning in the digital Web 2.0 platforms***

Managers should design e-collaboration and e-learning opportunities for employees to develop new skills for the twenty-first century and utilize Office 2.0 collaborative tools and social networks to harness collective intelligence. Employees need to develop, experiment with, and use the new competences for the global digital creative era, including hypertext reading or non-linear thinking.

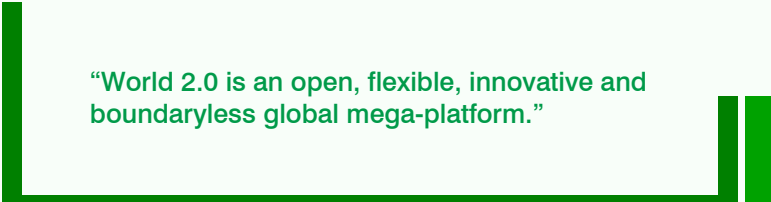
These strategies will enable twenty-first century managers and professionals to develop integral solutions and innovations for the challenges of World 2.0.

This is the right time for managers and professionals to boost competitiveness, creativity, and connectivity beyond corporate borders.

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