

DIGITAL

HARNESSING THE POWER OF BUSINESS WEBS

CAPITAL

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ALEX LOWY

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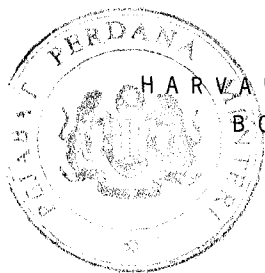
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preface

The industrial age was an age of giants, megacorporations that did everything from soup to nuts. The information age is bringing forth a new business form: fluid congregations of businesses—sometimes highly structured, sometimes amorphous—that come together on the Internet to create value for customers and wealth for their shareholders. We call these systems business webs, or b-webs.

Many other names have been given to networks of collaborating companies, such as outsourcing services, virtual corporations, extended enterprises, *keiretsu*, business ecosystems, and swarms. In our view, each of these names refers to a precursor, or special form, of b-web, the increasingly universal business platform. B-webs challenge traditional approaches to management and business strategy, and perhaps ultimately even the roles of business and government. B-webs are the mechanisms for the accumulation of digital capital, the knowledge- and relationship-based currency of the new economy. To succeed in the digital economy, every employee, entrepreneur, and manager must embrace a new b-web strategy agenda. This book is, we hope, a significant attempt to shed light on the b-web phenomenon—to describe it, and to provide the beginnings of a strategic approach to developing and implementing innovative, competitive strategies for creating value in a world of b-webs.

The book has four parts:

- Chapter 1 is an overview of the b-web phenomenon, including the driving forces and main implications for business strategy. We also introduce two core frameworks: the elements of digital capital and a new five-part taxonomy of business models.

