Chapter 5.13
Teams of Leaders Concept (ToL) and E-Business Operations

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GLOBALIZATION 3.0

Information Technology (IT), and the subsequent broad acceptance of Information and Knowledge Management (IM/KM) methods revolutionized the way business is thought of and practiced. With e-business facilitating the ability to do more, more, faster, at a wider range, and to influence ever larger and more diverse consumer groups, the impact of technology on commerce, finance, and global economy has been frequently compared to the “paradigm shift” that Kuhn (1970) proposed as the essence of scientific revolution. Yet, despite the transformational influence of modernity on the ancient art, the fundamental principles of business have not changed: overreliance on the facilitation of business operations as the substitution for the adherence to the soundness of their conduct fuelled rampant growth of corporate laissez faire, and already twice brought the world to the brink of economic disaster (Stiglitz, 2003; Steingart, 2008).

Ultimately, a new realization begins to emerge: e-business makes cut-throat competition, winning at any price, and “devil take the hindmost” philosophy (Chancellor, 1999) not only obsolete but perceived by the increasing number of business leaders as harmful if not even dangerous (e.g., Greenwald and Kahn, 2005; Mittlestaedt, 2005; Prahalad and Ramaswamy, 2004). Instead, the notion that “we are in this boat together” is gaining an ever wider acceptance: under the influence of technology the world has, indeed, changed (e.g., Canton, 2006). It started to converge, and now some even conceive it as “flat” (Friedman, 2005). In reality, the world is probably not “flat” but far more three-dimensional and textured than it has ever been before. Technology converted point to
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point interactions into a complex set of relations that, based on networks where knowledge is the most sought commodity (Wickramasinghe and von Lubitz, 2008), and we now live embedded in a rapidly evolving, globe-spanning mesh of a “network of networks” (von Lubitz, 2009; see Figure 1). Simultaneously with the development of new technology-based transaction platforms, another major technology-facilitated transformation began to occur: subtly, but with an ever increasing force, business interactions begun to move away from the traditional concept of ownership and its transfer as the basis of transaction between firms, firms and their customers, and even among customers themselves. Instead, access to goods and services among organizations became the increasingly prominent form, and Friedman’s era of Globalization 3.0 (Friedman, 2005) became synonymous with Rifkin’s “Age of Access” (Rifkin, 2003). Individuals rather than state and corporate bureaucracies acquired unprecedented power, and started to actively shape the world. In contrast to the first and second stage of Globalization, the process of change altered its direction, the flow now moving upward, from the bottom up, instead of hierarchically sanctified top-down descent of orders, commands, and directives. The boost for the change was provided by the intensification of horizontal exchanges conducted across boundaries of time, space, and specialization among individuals and groups of increasingly diverse character. Technology not only altered the way we do business but caused a fundamental transformation in the way we think about business. While Globalization 2.0 (Friedman, 2005) had the characteristics of Kuhnian “paradigm shift” (Kuhn, 1970), the forces that induced Globalization 3.0 induced business mutagenesis – a permanent alteration in the hitherto immutable “genetic” structure of the organism.

Figure 1. The network mesh consists of several network layers (e.g., financial, reporting, logistics, etc.) each associated with its data/information/knowledge storage facilities, analytic centers, and entry portals. Within each layer activities are conducted using a wide variety of computing and analytic platforms (grid and cloud computing, network-centric operations). All layers are interconnected, and data/information/knowledge flows are omnidirectional, i.e., the output of one entity (or network layer) may provide input to another one. User-oriented outputs consist predominantly of actionable information and actionable knowledge.