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ON THE ART OF VALUE-WEBBING

Today, it is often difficult for organizations to maneuver the future single-handedly. Surviving the challenges brought about by the emerging Information Society requires the Strategist to transcend the age-old zero-sum-driven mindset wherein gain for one must result in an equal loss for other competitors.

Let us sift through the paradigm changes in the global economy over the millennia with the agricultural leading to the industrial that is paving the way to the information-based economy.

Consider the agricultural economy where people toiled with the land creating products again from the land with purely physical means implying a focus that was centered on 'physical' activity and well-being. Individuals and tribes fought and competed for more arable land and water – 'physical' possessions that implied power and control over one's present and future.

With the industrial economy, the focus scaled up to create synergies of flows of raw physical material along with human resources and information to create products and services for mass consumption. Here, financial results determine the power and well-being of the organization. Here, we witness heightened emotional or 'vital' complexity vis-à-vis operations and control in terms of planning, competition, collaboration and marketing with other individuals and organizations specializing in different functions.

In the emerging information-based economy the focus shifts to the realm of ideas and concepts. Organizations have already begun to redefine their ope-

rations such as procurement and marketing, by applying contextually focused information to nurture their partners, suppliers and clients while smartly leveraging upon Information Technology. Here, we sense an increased 'mental' focus wherein perhaps immediacy, globalisation, digitisation and virtualisation are beginning to emerge as its cornerstones.

At a 'physical' level, where all customers, processes, products, markets and strategies are relatively fixed, the Strategist sustains the organization by continuing to compete with other organizations in yesterday's market space. The same attitude can be attributed albeit perhaps with greater complexity at the 'vital' level where focus shifts to financial figures that percolate down to market share, investment and sales numbers. It is only when the organization rises to the 'mental' level with a concept-led mindset that the raison d'être for Value-Webbing emerges when the Strategist realizes that for long-term sustainability competition and collaboration have to occur simultaneously.

Perhaps at this level, the notion of 'competitors' changes from rivalry, as in preceding levels, to 'co-opetitive-agents', where each organization brings its unique value to the table with the aim of widening the size of the market and gamut of products and services offered, through co-sustenance. In this mode, the market space is proactively weaved with synergetic relationships whereby hybrid multi-organizations co-opt the resources of competitors.

If competition is all about increasing one's market share then collaboration could be defined as creating new opportunities and enlarging the existing market fringes. These two diametrically opposing stances are fusing to form the phenomenon termed 'Value-Web' – wherein any single process is co-owned and co-operated by several distinct organizations.

Empirically, the process of Value-Webbing is not just taking shape between organizations of distinct industries but interestingly enough even between apparent competitors in the same market space. To illustrate the first instance, observe Fedex renting out its competency of logistics to other firms in such a manner that it seems that the renters' logistics function is their own. An example of Value-Webbing between competitors is exemplified by the collaborative effort of Indian steel giants Tata Steel and Steel Authority of India Limited who have forged a joint e-venture called metaljunction.com wherein they primarily facilitate e-selling in the metal and mineral market space.

In the context of concurrent collaboration with competition or 'co-opetition', collaboration between competing organizations typically takes place at two levels – horizontal and vertical.

In the horizontal collaborative model, competing organizations tend to create a platform of mutualism to form new extended markets. This is perhaps best illustrated by observing technology-driven initiatives in any given industrial sector, wherein consortiums are formed by competing organizations so

that they may strive to create and evolve new standards on which the member organizations and others can compete in a larger and sometimes altogether new market space. The development of SET (Secure Electronic Transaction) standard for secure financial transactions across the Internet by archrivals VISA and MasterCard is a relevant example. Another case is that of the European Broadcasting Union (EBU) that acts as broker through which even competing broadcasters exchange radio and television services.

In the vertical collaborative model, organizations competing in one market space collaborate in another market space at a different position in the product or service spectrum. Such collaborative efforts take place typically among players who are already well entrenched in their chosen areas but form synergetic relationships to exploit unexplored lacuna market opportunities. Microsoft/Intel's WINTEL standard on PCs competes with Apple's Macintosh/MacOS platform while interestingly enough Microsoft Office products from Microsoft are still successfully marketed on the MacOS.

No matter which industry one is in, the primordial perspective for the Strategist is to sense at what level the organization is essentially operating at – whether 'physical', 'vital' or 'mental'.

Next, one has to realize and accept the premise that for any individual or organization to be self-sustainable and therefore successful in the long run, it must be unique. Developing such insight will also provide an important lever by which the participating organization's evolutionary power may be developed. This aptitude becomes imperative for long-term sustainability in the case of a Value-Web system that typically involves multi-ownership processes.

In all, it seems it is now time for the Strategist to transcend the individualistic-driven win-lose mindset and consider leveraging the increasingly perceptible Value-Web phenomenon by realizing the uniqueness in organizations. This operative mode is a means to build a platform of mutualism that will eventually benefit any organization to sustain and grow organically in an increasingly complex marketplace.