

Chapter LV

Balancing Business, Technology, and Global Expertise

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ABSTRACT

Recent changes in global economy have been focusing on the need for a proactive approach in the International Financial Services sector. Integrating business, the knowledge of experts, and emerging technologies are the basic components for proactive approach. The activities related to financial services are generally a complex process. The requirements for a global market need to be analyzed from various risks in business. Now organizations have to understand the value of sharing resources such as human centered assets, physical assets and the components of Information communication technology, to gain competitive advantage in virtual environment. The concept of virtual organization plays an important role in the present globalization scenario. All the virtual organizations will share the common resources for computing power and data across the globe. Grid and mobile computing concepts will be required to be integrated in the present global market.

INTRODUCTION

Financial deregulations and changes in foreign exchange controls in most countries are permitting large investors to increase their exposure to foreign capital. Financial services sector is making use of this opportunity. This has led to the belief financial assets that such as stocks and bonds are no more sheets of papers but have become digital documents. This has also made them to continue with their investment strategy in all the emerging markets also. Stock markets react on structured and unstructured information. The mix of unstructured information is more than the

structured. Here it is apt to quote the observation of Stephen H. Pen man (2001): one thing professionals do have common: “They are in the business of advising expected returns. Since expected returns are made up of normal and abnormal components they can be broadly categorized as advising on normal returns to investments or abnormal return opportunities”(p.74). Investment consultants in financial services sector have realized the need for proactive approach in global financial markets. Integrating business knowledge of domain experts and emerging technologies are the basic components of proactive approach. The proactive approach is possible by making use of the

services of global expertise forming global virtual teams. Their services can be made use through collaborative technologies. The elements of information and communication along with knowledge repositories can be considered as backbone of collaborative technologies. This chapter explains the concepts of collaborative technologies that would facilitate virtual enterprises to adopt proactive approach in their business. Further it relates the above concepts in the model GFSAG (Global Financial Services Advisory Group) discussed in Mobile Computing – An Enabler in International Financial Services (vide p.828 Hand book of Research in Mobile Business).

BUSINESS MODEL IN GLOBAL ENVIRONMENT

Concepts and Practice are generally divergent. The Challenge of developing effective business model by a global virtual organization is substantially greater than identifying relevant concepts in management and technology. GFSAG (Global Financial Services Advisory Group) is already a global virtual company. GFSAG has realized that in order to grow in global market, it is not just enough to be competitive but globally acceptable as a professional advisory group. This is very important and there is no easy route for this FIG-1 gives an overview of the concepts in the business model developed by GFSAG. Ensuing paragraphs in this chapter highlight the concepts that facilitated the development of the below model.

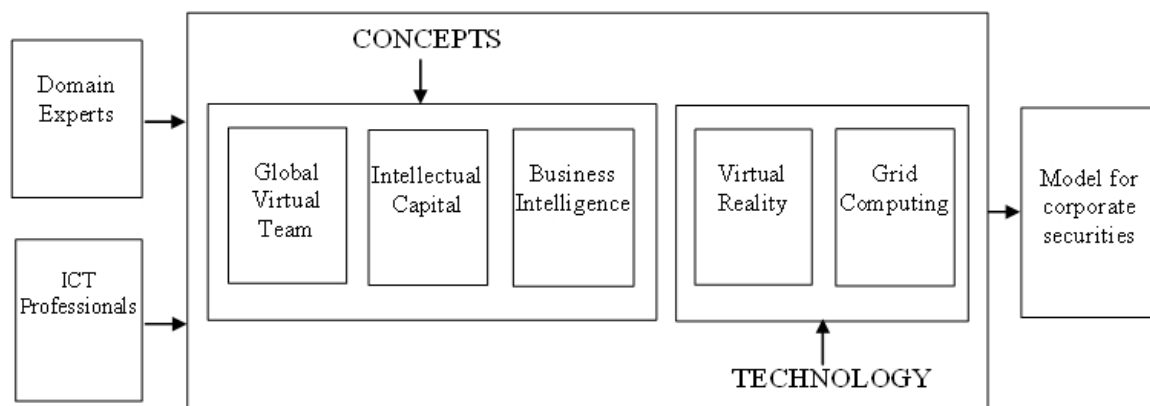
GFSAG MODEL

GFSAG (Global Financial Services Advisory Group) is a London based investment consultancy organization. GFSAG provides investment consultancy services in the areas of corporate securities, foreign exchange, metals and commodities. There are specific domain experts for each of the above areas of services. It is because of their technical and professional expertise they have made a good impact in the global financial sector. In the present fast moving global markets and fierce competition they have failed to produce results quickly. For this they need to accept proactive approach in their business activities. In this context they have formed a task force to identify the concepts related to business and ICT that would help them to implement their plan of action. The task force has recommended Grid computing and the advanced concepts of virtual reality to be used in the area of corporate securities. The task force has also identified the domain experts and ICT professionals to develop a model exclusively for advising in the area of corporate securities. The existing GFSAG model will be the base for development.

GLOBAL VIRTUAL TEAMS

Global virtual teams are those that span time zones and geographical boundaries. A complete understanding of the role and technology have to be made very clear to global virtual teams in their respective activities. This team has to be familiar with technologies required

Figure 1. Overview of the concepts in the business model



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