

Chapter 48

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 point interactions into a complex set of relations that, based on networks

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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 fig. 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.

THE CONSEQUENCES OF CHANGE

While transformation in global relations that Friedman (2005) termed as Globalization 1.0 and

2.0 took place over approximately 200 years, the second stage—Globalization 3.0—occurred within less than ten, at a pace unprecedented in the history of humanity. The new political and economic realities of the “global world” (Haas, 2005; Sachs, 2005) provided fertile ground for the development of new customer- and knowledge-driven concepts of doing business (Wickramasinghe and von Lubitz, 2008) conducted by the growing number of learning organizations (Senge, 1990) able to both understand better and respond with a much greater agility to the shifting demands of markets. The concomitant intensification of consumer-generated pressures altered the nature of competition: “the hunter became the hunted” (Prahalad and Ramaswamy, 2004; Greenwald and Kahn, 2005). Size and power-based quest for market dominance that characterized earlier stages of globalization transformed into customer-driven need for innovation, adaptability, and highly innovative approaches to product development, marketing, and sales. Ultimately, business strategies based on collaboration, knowledge sharing, and increasing level of organizational transparency became increasingly the norm rather than exception (Christensen et al., 2004; Kim and Mauborgne, 2005; Evans and Wurster, 2000). Increasingly, and in a curious similarity to political confrontation and conflict (Smith, 2007), modern business operations became increasingly conducted “amongst the people.”

Technology shrunk the world in both physical and temporal sense (Friedman, 2005.) It simplified processes, reduced bureaucratically-imposed loads on business, and increased efficiency. Yet, because it also increased the range of operational permutations, escalated the number of direct and indirect actors, intensified their mutual relationships, and introduced technology-specific complexities, technology also led to the emergence of a tightly coupled, highly intricate global system of mutual dependencies and vulnerabilities. With the chances of failure depending exponentially on system’s complexity, and with the resulting

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