

Unleashing the Power of the Global Web - By: NITISH SINGH

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UNLEASHING THE POWER OF THE GLOBAL WEB

Today's economy is characterized by increased connectivity of global markets, resource mobility, shifts in global production, unfettered global competition and turbo charging of emerging economies like China, India and Brazil. To thrive in this volatile and dynamic global economy people need high-end knowledge skills which can prepare them to respond to these changes in a global economy. One way to envision and then acquire skills for the future marketplace is to understand the emerging global megatrends.

Global megatrends are overarching global forces that were mainly nascent in the past, are being shaped as we speak and will transform our probable future. These forces will impact our geopolitical, social, cultural, economic and technological years to come. Megatrends have the power to influence consumers' lives across countries, industries, social classes and age groups (Florin et al., 2007). They are used by progressive corporations to systematically analyze future market scenarios and then develop effective strategies to anticipate and leverage future opportunities in the global marketplace.

The ability to forecast future megatrends can make all the difference between taking advantage of global business opportunities as they arise, and just chasing the competition for the next best idea. Becker and Freeman (2006) of McKinsey & Company share this sentiment when they emphasize that the importance of global megatrends should never be underestimated, and that growth and profits of corporations depend on their ability to continually shift the corporate portfolio to best align it with the favorable trend. This is also true for an individual who wants to acquire skills to succeed in the dynamic global economy. Six megatrends are outlined below that may shape the new global economy.

Megatrend-1: The Web will be critical to achieving global expansion.

Megatrend-2: Innovation in the new economy will be driven by the blurring of disciplinary boundaries.

Megatrend-3: Hyperconnectivity will redefine how people and

organizations communicate.

Megatrend-4: Value systems will compete globally.

Megatrend-5: Smart organizations will harness the power of "Collective Intelligence."

Megatrend-6: Economies of China, India and Brazil will be future engines of growth.

The remaining discussion shows how the Web can be used to effectively harness the power of these six megatrends and what skills might come in handy to succeed in the new global economy.

The Global Web

Global e-commerce is expanding rapidly, and based on industry estimates, several trillion dollars are being exchanged annually over the web. The global online population is also increasing substantially and by 2012, Jupiter Research (2008) estimates that there will be 1.8 billion Internet users world wide. The highest growth in Internet usage is anticipated in countries like Brazil, Russia, India and China, together sometimes referred to as BRIC. According to Internet World Stats, as of 2008, North America only accounts for 17.5 percent of global Internet users. Asia now has the largest number of Internet users, accounting for almost 37 percent of the global online population, followed by Europe with 27 percent (Internet World Stats, 2008). Another interesting trend in global Internet usage is that almost seventy percent of these users are now non-English speaking (Internet World Stats, 2008). Thus, besides English, other languages like Chinese, Spanish, Japanese and French have significant online usage. Thus the web is emerging as a great unifier in the new global economy. Let's see how the global web is shaping the megatrends and impacting the global economy.

Megatrend-1: The web will be critical to achieving global expansion.

A Born Global is defined as "the firm that is heavily involved in exporting at inception or shortly after establishment" (Knight and Cavusgil, 1996). Born Globals are specially becoming more common due to the global nature and the connectivity of Internet-based mediums. Since inception Amazon.com has been shipping goods internationally, as do many other e-tailers even without having international sites or international presence. The inherently global nature of the Internet is not only allowing large e-tailers like Amazon.com to start selling from their inception but also allows

small and medium-size companies to take their business global from the day they launch their web site. For example, StepStone of Norway started as a HR company and was Born Global due to its instant reach via the web. Stepstone now operates in more than 13 country markets. Thus, if you are an Internet-based company you have the advantage to tap the global online markets and seek out almost one billion online users residing outside the U.S. However, for a U.S. Born Global Internet firm to just have an English web site catering to the U.S. market is not the most effective way to attract international visitors. The firm must decide on creating localized content for different country markets to be able to effectively tap them.

Megatrend-2: Innovation in the new economy will be driven by the blurring of disciplinary boundaries.

The new economy is characterized by the blurring of disciplinary boundaries and convergence of nanotechnology, biotechnology, business, Internet and the IT revolution. The Web provides an effective medium for collaboration and convergence of inter-disciplinary knowledge. The Web allows global centers of research excellence to collaborate with each other and innovate and exchange ideas and technologies. The Web also provides a fertile medium for companies to globally connect with their workforce and also tap global markets. However, companies and individuals are finding out that to succeed in the networked global economy they not only need skills related to the Web and IT but also other interdisciplinary skills like translation, inter-cultural communication, international business, marketing, etc. to effectively leverage the Web to tap global markets.

Megatrend-3: Hyperconnectivity will redefine how people and organizations communicate.

The proliferation of the Web, the emergence of new ways of communicating over the web, and the emergence of a new generation of Web 2.0 technologies are changing how business is being conducted. These Internet-based technologies are transforming the whole value chain. Now companies like Wal-Mart and others are integrating their global supply chain using a web-based platform, accessible around the world. The number of network connections will exceed the number of human beings using them. Networks will facilitate delivery of all kinds of media content on a variety of mobile and desktop devices. Already companies are using the connective power of services like Skype (www.skype.com), to do instant messaging and webcasts. Ebay expects that Skype will become an adjunct, or maybe even a

replacement, for the business phone system.

Megatrend-4: Value systems will compete globally.

With the acceleration in the pace of globalization, consumers are facing cultural flows unimaginable a decade ago. This trend will continue and will be complemented by rising consumerism, ethical consumption, and even nationalistic and religious consumption. Already products like "Mecca Cola" and versions of Muslim adaptations of Barbie are a reaction against global homogenization of consumption and values. A resurgence of nationalistic and religious values to counteract the trends of global consumerism is happening. The inherent interactivity on the Web allows marketers to effectively communicate with global consumers in their language and culture. Companies that do not effectively localize their communications to global consumers may see lack of customer loyalty and declining revenues due to high localization expectations of global consumers.

Megatrend-5: Smart organizations will harness the power of "Collective Intelligence."

The global megatrend of open innovation relates to a convergence of like minded individuals, corporations, competitors, corporate suppliers, customers, and human networks working toward co-creating and innovating products and services. Organizations view this collective intelligence as a powerful means to pursue open-market innovation. This trend is also known as "Crowdsourcing", where the crowd takes on production tasks. Companies are increasingly investing in Web 2.0 technologies that can harness collective intelligence (McKinsey survey of Internet Technologies, 2007.)

Megatrend-6: Economies of China, India and Brazil will be future engines of growth.

The acronym BRIC stands for emerging economies of Brazil, Russia, India and China. It is expected that by 2047 these economies will overtake the G6 in terms of GDP and will become a global economic powerhouse (Celi and Millar, 2008). We are already seeing this with the GDP of countries like China and India soaring and the massive economic expansion. For western companies these economies will pose both a competitive threat and a huge opportunity to sell to the growing consumer class. Specifically, China will lead the economic expansion in this century. The Web is allowing companies to effectively tap the markets in BRIC economies and the pace of internet diffusion in these economies is also increasing

exponentially.

Thus, based on the above discussion, the Web could be a powerful tool to effectively tap the emerging global megatrends. However, at an individual level we need skills that can help us use the web in creative ways to fully exploit the potential of these megatrends. The Executive Certificate in Web Globalization Management offered by John Cook School of Business at Saint Louis University is an innovative academic program that equips you with such high end knowledge skills. So, take a look at how the Executive Certificate in Web Globalization can help you take advantage of emerging global megatrends:

Megatrend-1: The Web will be critical to achieving global expansion. This is one of the only programs that prepares you to effectively understand the dynamics of conducting global e- business.

Megatrend-2: Innovation in the new economy will be driven by the blurring of disciplinary boundaries. This program will provide you with a unique mix of skills from international business, language technology, IT, marketing, management, e-business and intercultural communications.

Megatrend-3: Hyperconnectivity will redefine how people and organizations communicate. This program will provide you with skills to harness the power of hyperconnectivity to thrive in the networked economy.

Megatrend-4: Value systems will compete globally. This program will equip you with knowledge to "Think Global but Act Local"

Megatrend-5: Smart organizations will harness the power of "Collective Intelligence." This program will teach you to leverage collective intelligence for global efficiency gains.

Megatrend-6: Economies of China, India and Brazil will be future engines of growth. This program will teach you how to effectively tap these markets using the Internet.

The Executive Certificate in Web Globalization Management is a 110 hour, self-paced online program for professionals involved with any aspect of conducting global business and e-commerce. Participants will learn strategies to leverage the Web for tapping global markets, conducting international e-commerce, managing virtual teams, developing network alliances, obtaining high search engine rankings, attracting and retaining global consumers, achieving culturally consistent global communications, and much more. Founded in 1910, the John Cook School of Business is the 15th

oldest business school in the nation and has been a pioneer in recognizing the need for global business education. This vision has led to a highly recognized Executive Education Program. www.globalizationexecutive.com

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