

# **The World is Flat:** A Brief History of the Twenty-first Century *by Thomas Friedman*

Kristin Davis

December 8, 2005

INF385Q/Knowledge Management Systems

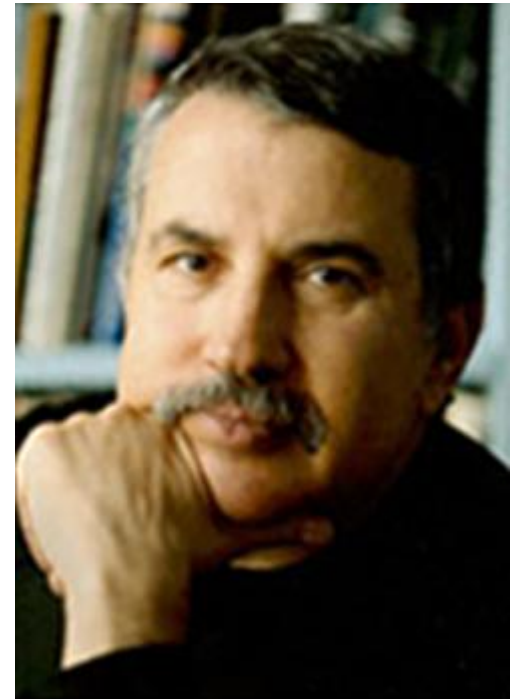


- ✚ Overview of the author and book
- ✚ Ten Forces that flattened the world
- ✚ Living in a flat world
- ✚ Thoughts on the book
- ✚ Questions?



# The World is Flat: A Brief History of the Twenty-first Century, *by Thomas Friedman*

- ✦ NYT foreign affairs columnist
- ✦ 3-time Pulitzer Prize winner
- ✦ National Book Award for *From Beirut to Jerusalem* (1989)
- ✦ *Longitudes and Attitudes: Exploring the World After September 11* (2002)





# The World is Flat

## ✦ Globalization 3.0

- ✦ Social and political forces
- ✦ economics
- ✦ Technology
- ✦ Business practices



## *Flattener #1: 11/9/89*

### ✚ Fall of the Berlin Wall

- ✚ Enhanced the free movement of best practices and common standards
- ✚ 5/22/90: Windows 3.0 shipped



## *Flattener #2: 8/9/95*

- ✦ Netscape goes public
  - ❑ First mainstream browser
  - ❑ Moving from a pc-based platform to an internet based platform
  - ❑ Digitization of content
  - ❑ Development of protocols
  - ❑ 1996: telcom deregulation
  - ❑ Fiber optic cable



## *Flattener #3: Work Flow Software*

- ✦ Inter operable systems
- ✦ Allow applications to talk to other applications
- ✦ Standards: development of languages like XML (data description)
- ✦ Next step: Automation



## *Genesis Moment*

- ✦ Mid-90's: Flat World platform emerges
- ✦ Collaboration
- ✦ The pieces are in place



## *Flattener #4: Open-Sourcing*

### ⊕ Intellectual Commons Movement

- ⊞ virtual, online, bottom-up software movement
- ⊞ blogging/journalism
- ⊞ wikipedia

### ⊕ Free Software Movement

- ⊞ Relies on open-source collaboration
- ⊞ If commercial software is built on top of free software, the commercial product need to be free



## *Flattener #5: Outsourcing*

- ✦ Moving a specific, limited business function
- ✦ Y2K: large amount of computer remediation was done in India



## *Flattener #6: Offshoring*

- ✦ Moving the whole factory somewhere else
- ✦ Off-shore production of goods, then integrate them into the supply chain
- ✦ 12/11/01: China joins World Trade Org.



## *Flattener #7: Supply Chaining*

- ✦ Automation of information flow
- ✦ Heavy investment in IT
- ✦ Wal-Mart



## *Flattener #8: Insourcing*

- ✚ Collaboration and horizontal creation of value
- ✚ 1996: UPS Synchronized Commerce Solutions
  - ✚ Toshiba
  - ✚ Papa John's
- ✚ 2003: \$2.4 billion in revenue from insourcing



## *Flattener #9: In-forming*

- ✚ Google, Yahoo!, MSN Web Search
- ✚ Search for knowledge, communities
- ✚ Search groups  $\Rightarrow$  collaboration
- ✚ Personalization, targeted ads



## *Flattener #10: The Steroids*

- ✦ Digital, mobile, personal virtual
- ✦ Amplifying collaboration
- ✦ Computing is comprised of 3 things
  - ▣ Computational capability
  - ▣ Storage capacity
  - ▣ Input/output capability



## *The Triple Convergence*

- ✦ 10 flatteners started to converge and work together
- ✦ Horizontal means of creating value gain prevalence
- ✦ New people join the playing field
- ✦ *The other triple convergence*
  - 3/01-dot-com bust begins
  - 9/11
  - Corporate scandals



# *The Great Sorting Out*

- ⊕ Movement from vertical value creation (command & control) to horizontal value creation (connect & collaborate) model
  
- ⊕ Everything changes
  - ⊠ Business
  - ⊠ Politics
  - ⊠ Identities
    - corporate
    - individual



## *And the rest...*

- ✚ America and the Flat World
  - ✚ The untouchables
  - ✚ The quiet crisis
- ✚ Developing countries and the Flat World
- ✚ Companies and the Flat World
- ✚ Geopolitics and the Un-flat World



# *Thoughts & Questions*