

# Chapter 1

## Emerging Business Models: Value Drivers in E-Business 2.0 and towards Enterprise 2.0

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### ABSTRACT

*Many writers and researchers do not make a clear distinction between the technological enabler aspect and the social aspect. Introducing and developing a concept of e-Business 2.0 and having it implemented in the outmost circle of the figure help provide a better overview and framework for this research. The objective of this research is to further develop Entrepreneurship and strategic management theory on value creation in e-Business, by providing first insights in value drivers in e-business companies that use Web 2.0. To reach this goal this research tries to give first answers to the central research question: are value drivers associated with Web 2.0 different from known value drivers in e-business? This research clearly defines the enabler aspect of Web 2.0 technologies that influence companies in e-Business, and allows a development of the concept 'e-Business 2.0'. Since the Internet bubble, Web 2.0 with its core applications and enabling technologies has become popular and successful influencing e-Business. Successful start-ups created a new area in e-Business where Web 2.0 was a key factor in creating value. The focus in this research is on these companies that embrace Web 2.0 enabling technologies and core applications that cause a behavioural shift.*

*This chapter, therefore, develops in scientific literature, the concept of e-Business 2.0 where e-Business companies are actively using Web 2.0 to create and appropriate value from, for, and with stakeholders. This research also makes a distinction between an internal and external focus. This research looks at*

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*e-Business 2.0 and has an external focus. E-Business 2.0 pure players depend on Web 2.0 to create and appropriate value with a focus to external customers, instead of internal organisations. There is a new wave of business communication tools including blogs, wikis and group messaging. There are new digital platforms for generating, sharing and refining information that are already popular on the Internet. These platforms are collectively labeled Web 2.0 technologies. The term 'Enterprise 2.0' focuses only on those platforms in which companies can buy or build in order to make the practices and outputs of their knowledgeable workers visible. Enterprise 2.0 looks at Web 2.0 technologies and practices within organisations and businesses and is therefore, referred to as internal focus. Enterprise 2.0 is the term used to describe how a Web 2.0 approach can be used to work more collaboratively together in business. Enterprise 2.0 is the use of emergent social software platforms within companies or between companies and their partner or customers. However Enterprise 2.0 is much more than just 'Web 2.0 for business'. Moreover, the study proposed a case study of Enterprise 2.0 to demonstrate by a detailed KPI analysis, how collaboration platforms (and related HR management) can drastically improve the global performance of an international group. Furthermore, the study was to further propose another case study of e-gov 2.0. Enterprise 2.0 is an evolutionary step forward releasing employees from the constraints and limitations of the legacy communication and productivity tools. The study concludes the challenges of the Enterprise 2.0: ten facts and Six Enterprise 2.0 - Myths. Enterprise 2.0, being more a philosophy than a technology, can truly create huge added value for organizations in any sector and it is often remarkable to see in what way the Enterprise 2.0 methods are used to solve specific problems.*

## **INTRODUCTION**

Market volatility makes understanding—let alone predicting strategic movements—very difficult. Practicing managers, consultants, investors, and students all face the problems associated with analyzing a dynamic market environment. As the environment changes, it becomes important to ask the following fundamental questions:

1. Do we understand the emerging business models?
2. Are we investing in the right business opportunities?
3. Are we attacking these opportunities using the right business model?
4. Are these opportunities ever going to be profitable?

In today's environment more than ever, managers of "old economy" companies need the right tools to support and improve their effectiveness

when making major strategic moves, allocating scarce resources, and managing risk. Why? Because the large "old economy" companies from consumer products to industrial manufacturing have begun to see relatively small pieces of their markets taken away by new, Web-enabled firms. As a result, they're waking up to the e-business threat (and opportunity) and have started to push toward more efficient digital strategies based on optimizing customer experiences, integrating their value chains, and accelerating information flow. Clearly, we're in the early stages of a revolution that's changing the business landscape. As with any revolution, there will be moments of extreme optimism when the potential reveals itself; there will also be moments of extreme pessimism when skepticism rules. However, one thing is certain. E-business is creating new opportunities for companies willing to adapt. For other companies, this same revolution represents a destabilizing threat to the status quo of "business as usual."

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