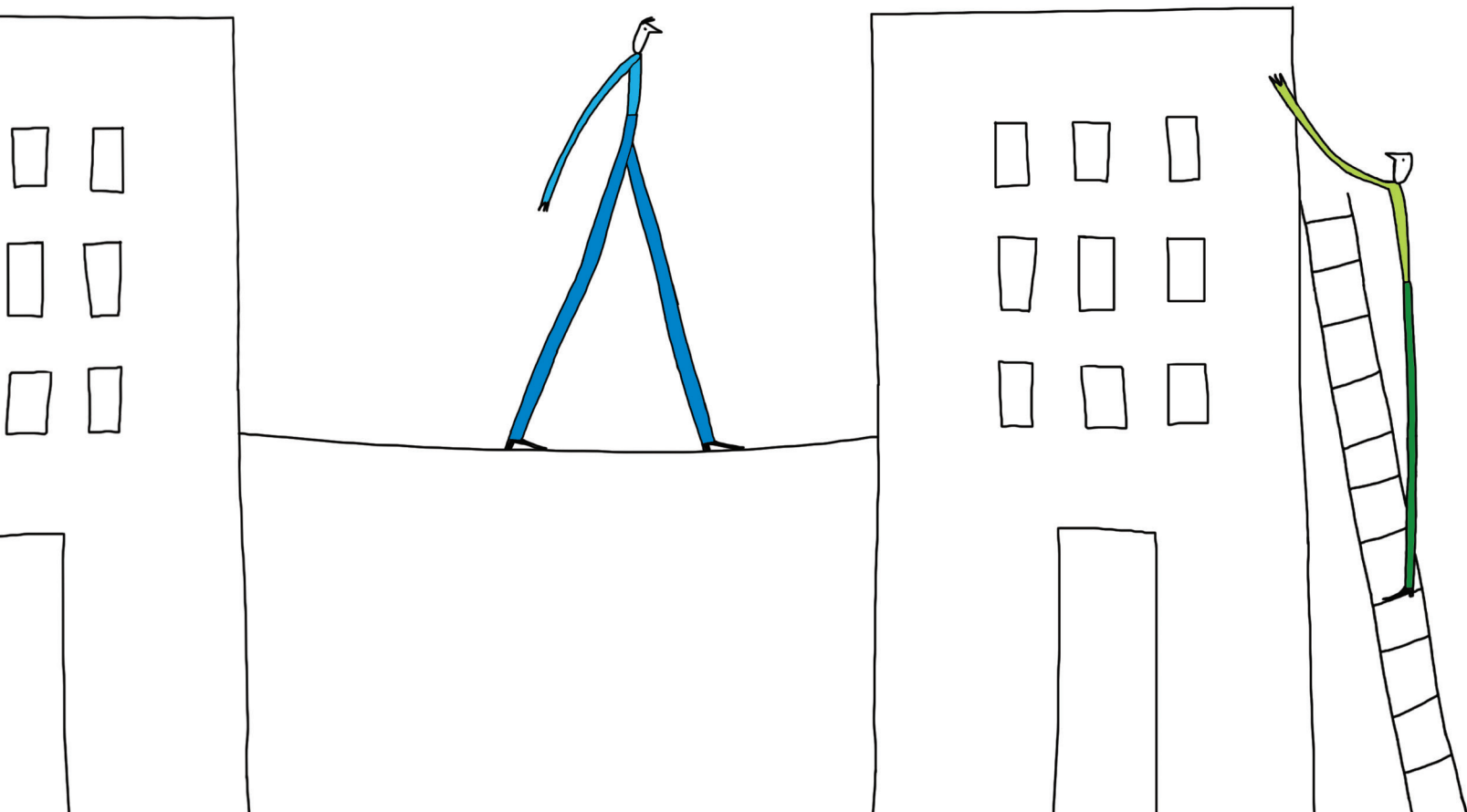


# Business Networks

While billions of dollars have been spent on perfecting processes within the four walls of a company, huge inefficiencies persist in how companies buy from and sell to each other. But things are changing quickly.



*The SAP Center for Business Insight discovers and develops new research-based thinking to address the challenges of business and technology executives.*

Personal Empowerment

The Customer's Customer

Resource Optimization

Business Networks

Business networks for trading and collaboration are transforming business as dramatically as the assembly line did. We see three areas where companies can realize enormous benefits from participating in business networks:



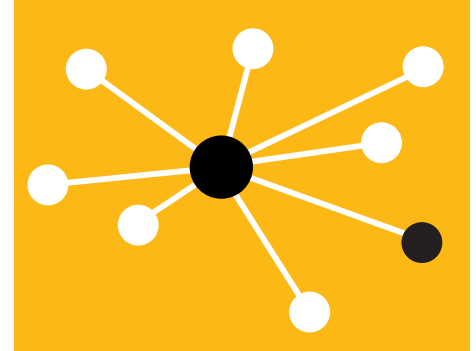
- **Personal engagement across the value chain.**

In today's global, networked economy, companies must connect with complex and ever-increasing webs of partners, from customers and suppliers to employees and business partners. Building on the early days of trading networks in the late 1990s, when the promised benefits were primarily discovery and efficiency, social and mobile technologies are enabling new levels of engagement, transparency, collaboration, and trust. These developments are attracting more and more businesses, accelerating the network effect of ever-increasing value as the number of participants rise.



- **Intelligence gathered from the network.**

As technology atomizes value chains into digital pieces that can be quickly recombined into disruptive innovations, organizations will be able to act with the speed and direction required to be competitive. Companies will use business networks to quickly discover and onboard partners and suppliers with the resources they require, find and transact with customers to build new markets, and collaborate with and gain insights from community interactions.



- **The emergence of the commerce graph.**

Just as a social graph maps one's personal network of friends and peers, business network participants will be able to create their own commerce graph – a visual analysis of the unique connections and information flows between the array of business partners required to run and grow their business. Using cloud-enabled big data analytics, businesses will extract new insights from these connections to better coordinate processes across their entire value chains, maximize sales, hold down costs, and optimize cash flow.

The capability to successfully operate within business networks will be the difference between winning and losing. These networks will be the platform on which successful businesses innovate, collaborate, grow, and continually evolve – at both speed and scale.

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# Why We Wrote This Series

Throughout history, breakthrough innovations have pushed individuals and civilizations forward. Today's technologies – mobile, social, big data, and cloud – are the modern-day equivalents of Gutenberg's historic printing press, giving individuals new ways to express themselves and interact with their worlds. Whether as customers, employees, partners, citizens, or consumers, **individuals are once again at the center of massive change.**

Yet even the most basic changes can arrive unnoticed. If you'd asked a typical Venetian in the 1400s if he was feeling the Renaissance yet, you'd have been met with a blank stare. Change was everywhere, but its true importance wouldn't be understood for generations.

Fast-forward to today and we find ourselves living in a new renaissance: an era when the availability of vast amounts of real-time information promises a better-run world. In this new world, businesses will be able to drive higher economic output, and society, connected globally as never before, has the potential for significant improvement for all of its citizens, from the

wealthy to the impoverished. Just as the Renaissance propelled civilization out of the darkness of the Middle Ages and into the Enlightenment, today we have the possibility to be thrust into a new kind of enlightenment, one that balances the needs of a global citizenry and business community with the resources of a healthy planet.

In this series, we examine how new technology is reshaping the way businesses and governments engage with their customers and citizens, empower and inspire their employees, optimize their resources in real time, and harness the potential of social and business networks.

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