

# THE VALUE FACTOR

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How Global Leaders Use  
Information for Growth and  
Competitive Advantage

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P R I N C E T O N

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## Foreword

Ask children what they know about the Brachiosaurus and chances are you'll learn it is the dinosaur that had two brains. The idea of an animal so huge that it handed off control of its back legs and tail to a second brain is just about irresistible to young people. They are caught up, no doubt, by the opportunities it presents for denial of responsibility. While paleontologists these days prefer to play down the second brain as no more than a lump on the dinosaur's spinal cord, it's too late to take back the image. A giant body with two minds that wrestle for control is too handy a metaphor.

It is a metaphor often applied to firms, and not without cause. A large enterprise learns a lot in the course of a day, and must act on much of it right away. Sometimes it acts before there is time to form a single coherent picture of events, and the image of a dinosaur with its head at cross-purposes to its hindquarters springs irresistibly to mind.

This book is about organizations that have decided to be single-minded. Its stories show what can be achieved when corporations put the very highest priority on pulling together all available information to form one, and only one, picture of what's going on. No matter how vast their scale, how much information they must digest, or how dispersed their decision-making, these modern global firms take care not to fall victim to multiple contradictory interpretations of reality. They see the best possible view of their markets, their supply lines and themselves, and they give that view to every decision maker who needs it. The result, as you will see in the stories that follow, is not merely efficiency, though that's not to be scoffed at. The result of superior vision is often a radically superior business model. In the land of the blind, everyone flies the airline with the one-eyed pilots.

Better information, then, transforms the business. The transformation stories in this book that I like the most, given my own particular research interests, are the customer ecosystem stories. They show what happens to markets when customers discover that they are no longer undifferentiated ciphers in crowded marketplaces and workplaces, but are remembered and can command a vendor's attention for who they are, what they alone want and what they are worth to the vendor. Customers want identity. They don't want to be members of segments—they want to be acknowledged for their quirks, for themselves. The vendors with the best information systems give customers just that—the richest, most validating identities.

Better information also transforms the terms of collaboration between businesses. From these stories we learn that the more we can see, the less we have to own to be in control. We see how a single accurate and complete view of the supply chain has liberated enterprises from the burdens of massive vertical integration. “The supply chain has dissolved into a series of inter-company relationships,” write the authors, pointing to the inevitable result of a single common view of what's going on.

Read these accounts of life on the frontier of the information economy, for inspiration, for edification and for an exhilarating sense of how the liberating power of information can do for our world what mechanical power did for the world of previous generations. Mark Hurd and Lars Nyberg show us the future, and it is amazing!

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