

# METACAPITALISM

## The e-Business Revolution and the Design of 21st-Century Companies and Markets

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**MAIN IDEA**

MetaCapitalism is the optimum design for the companies and markets of the twenty-first century which will be reshaped by the e-Business revolution already under way.

In particular, there is a critical window of opportunity to participate which will only be open until the end of the year 2002. If companies have not changed their business models to align them with the imperatives of MetaCapitalism by then, they will most likely be left behind permanently by the growth achieved by those companies that do.

<b>Meta-Capitalism</b>	<b>Foundation</b>	e-Business forces companies to invert and decapitalize their business models.
	<b>Key Components</b>	Value-Added Communities (VACs) and MetaMarkets.
	<b>Process Models</b>	New business process models are required for B2B e-Commerce.
	<b>Behavior</b>	MetaCapitalist markets act intelligently.
	<b>Examples</b>	The automotive industry, chemicals, retailing and more.
	<b>Measures</b>	New performance measures are required to evaluate MetaCapitalism effectively.
	<b>Challenges</b>	The transition to MetaCapitalism will generate substantial management challenges.

**Foundation** . . . . . Page 2

The practical effect of the e-Business revolution is to invert and “decapitalize” the prevailing business model. Historically, companies needed large amounts of capital to fund inventories, purchase production assets and carry on business. In the e-Business era, however, manufacturing and production activities are outsourced to external networks. The most valuable assets have now become the brand and the customer relationship.

**Key Components** . . . . . Page 3

While the new business model looks promising, someone still has to make the products if there’s to be any business transacted. That’s the role of Value-Added Communities (VACs). And these VACs won’t exist in a business vacuum – they will evolve within a larger framework of the MetaMarket which will consolidate all the various VACs.

**Process Models** . . . . . Page 4

As more companies move to the MetaMarket world, they will need to completely revamp and redesign their business processes. In essence, decapitalized brand-owning e-Business companies will outsource many or all of their key operational and back office processes.

**Behavior** . . . . . Page 5

MetaCapitalist style markets will act intelligently and dynamically – almost organically, in fact. They will seek out hidden sources of value and maximize the creation of new wealth. In fact, MetaCapitalism will be the greatest engine for wealth creation in history.

**Examples** . . . . . Page 6

MetaCapitalism will reshape and transform every sector of the economy without exception. The revolution is still in its early stages, but has already started making inroads. All industries, and the government, will be changed permanently for the better.

**Measures** . . . . . Page 7

What are the metrics by which MetaCapitalism should be measured? The only logical way to measure the wealth creating performance of MetaCapitalism is to take the traditional approaches and complement them with modeling techniques to capture the financial, human and brand capital being created. Taken together, the target of a worldwide capital market value of \$200 trillion by 2010 becomes realistic.

**Challenges** . . . . . Page 8

The key management challenge of the next few years is how to go about building a successful e-business. Generally speaking, there are four potential approaches:

1. Incubate an e-Business within the existing enterprise.
2. Start-up a new, standalone entity.
3. Reinvent the existing business and transform it.
4. Acquire an existing e-Business.

Smart companies are already starting to make this transition, and it will become even more imperative for others to follow in the next two years.

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