



CHALLENGES OF MANAGING IN A NETWORK ECONOMY

Market Structure, Industry
Dynamics, Business Models,
IT Impact, Project
Prioritization, and Risk
Management

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INTRODUCTION TO THE NETWORK ECONOMY

- A digital-driven economy based on connectivity, information exchange, and technology.
- Enabled by internet technologies, cloud computing, and mobile connectivity.
- Key features: Real-time data sharing, platform-based business models, globalization.

MARKET STRUCTURE & INDUSTRY DYNAMICS

- Traditional markets vs digital markets: Shift to online and hybrid business models.
- Network Effects: The more users, the greater the value (e.g., Social media, e-commerce).
- Digital Disruption: How companies like Netflix, Airbnb, and Uber redefined their industries.
- Oligopolies & Monopoly Risks: Big tech dominance (e.g., Google, Amazon, Apple).

EVOLVING BUSINESS MODELS IN THE NETWORK ECONOMY

- Subscription-based models (e.g., Netflix, Adobe Cloud)
- Platform economy: Matching buyers and sellers (e.g., Uber, Airbnb)
- Freemium models: Basic services for free, premium features for a fee (e.g., LinkedIn, Spotify)
- Data Monetization: Selling user insights and personalized advertising (e.g., Facebook, Google).

IMPACT OF IT ON BUSINESS AND SOCIETY

- Automation & AI replacing traditional workflows.
- Cloud computing enabling remote access and business continuity.
- Big Data Analytics driving better decision-making.
- Ethical concerns: Privacy, digital divide, and AI biases.

PRIORITIZING IT PROJECTS IN A NETWORK ECONOMY

- Align IT initiatives with business goals and industry trends.
- Use ROI and cost-benefit analysis to justify IT investments.
- Adopt agile methodologies to ensure flexibility in execution.
- Balance budget constraints, resource allocation, and risk management.

PROTECTING IT ASSETS & MANAGING RISKS

- Cybersecurity threats: Data breaches, phishing attacks, and ransomware.
- Risk mitigation strategies: Firewalls, encryption, and multi-factor authentication.
- Regulatory compliance: GDPR, CCPA, and industry-specific standards.
- Business continuity planning: Disaster recovery strategies.

CASE STUDY: UBER AND THE PLATFORM ECONOMY

- How Uber leveraged network effects to disrupt the taxi industry.
- The role of data analytics in demand prediction and pricing.
- Regulatory challenges and legal battles in different markets.
- Future threats: Autonomous vehicles and competition from other ride-sharing platforms.

CASE STUDY: NETFLIX VS BLOCKBUSTER

- Netflix's transition from DVD rentals to online streaming.
- How data-driven content recommendations improved user engagement.
- Blockbuster's failure to innovate and adapt to digital disruption.
- The impact of subscription models on content consumption.

CASE STUDY: EQUIFAX DATA BREACH

- One of the largest data breaches in history (2017).
- How poor cybersecurity practices led to exposure of 147 million records.
- Lessons learned in data protection, risk management, and transparency.
- The role of government regulations in preventing future breaches.

CASE STUDY: AMAZON WEB SERVICES (AWS)

- AWS's dominance in cloud computing services.
- How AWS supports startups, enterprises, and government organizations.
- The competitive landscape with Microsoft Azure and Google Cloud.
- Challenges in scalability, security, and energy consumption.

FUTURE TRENDS IN THE NETWORK ECONOMY

- Increased AI and automation adoption in business processes.
- Expansion of decentralized finance (DeFi) and blockchain applications.
- Growth of the Metaverse and virtual economies.
- Ethical AI, sustainability, and green computing trends.

CONCLUSION: MANAGING IN A NETWORK ECONOMY

- Agility and innovation are crucial for businesses to survive.
- IT investments should be strategically aligned with business goals.
- Cybersecurity and ethical considerations must be at the forefront.
- Future success depends on responsible, data-driven decision-making.