**Collaborative Learning Discussion 1**

The term ‘Industry 4.0’ as described by the authors (Kovaitė and Stankevičienė, 2019) refer to the 4th industrial revolution encompassing a range of technological drivers such as big data, Internet of Things (IoT), cloud computing, robotics, artificial intelligence (AI), and many more. It emphasises how communication is decentralised between people and machines. Klaus Schwab, Founder and Executive Chairman of the World Economic Forum opines that the 4th Industrial revolution is a culmination of emerging technologies fusion into the physical and biological worlds – the likes of which has not been seen before (Schwab, 2017).

Industry 4.0 was coined in Germany during the Hannover fair (Skilton & Hoysepian, 2018) as it portends revolution, and disruption within the global value chains. This industrial revolution would enable a world where virtual and physical systems of manufacturing would cooperate flexibly on a global scale – resulting in ‘smart factories’ (Schwab, 2017).

According to the authors, the revolutionary and disruptive nature of this innovation brings about some attendant risks, as they says “risk often correlates with some uncertainty, which always goes together with innovation and change”. The authors enunciated unpredictable risks on business models like:

* Value of data
* Cyber Security
* Criticality of a function
* Scalability of failure
* Misuse of ownership
* Cost of a mistake

Few real life example of the risks occurred In July 2024, where a flawed CrowdStrike update caused monumental financial loss, service and supply chain disruption for users who relied on Microsoft’s services for threat detection and prevention across various platforms (De Zoysa, 2024). Second example would be when the OECD (Organisation for Economic Co-operation and Development) policy observatory reports that McDonald’s ends its Artificial Intelligence drive through tests amid errors.

The authors agree that internet technology has brought about changes to market and business model, this is a view corroborated by Baden-Fuller and Haefliger (2013) who posit that business model framework managers, entrepreneurs, and developers hold in their heads also determine the way in which technology gets developed. They further state “technology will in itself influence business models possibilities”.

**Reference**

Baden-Fuller, C. and Haefliger, S., 2013. Business models and technological innovation. Long range planning, 46(6), pp.419-426.

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Schwab, K., 2017. *The fourth industrial revolution*. Crown Currency.

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