

Syndication:

The Emerging Model for Business in the Internet Era

By Kevin Werbach

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Abstract:

Syndication has long been a fundamental organizing principle in the entertainment world, but it's been rare elsewhere in business. The fixed physical assets and slow-moving information that characterized the industrial economy made it difficult, if not impossible, to create the kind of fluid networks that are essential for syndication. But with the rise of the information economy, flexible business networks are not only becoming possible, they're becoming essential. As a result, syndication is moving from business's periphery to its center.

Within a syndication network there are three roles that businesses can play. Originators create original content, which encompasses everything from entertainment programming to products to business processes. Syndicators package that content, often integrating it with content from other originators. Distributors deliver the content to consumers. A company can play a single role, or it can play two or three roles simultaneously.

Syndication requires businesses to rethink their strategies and relationships in radical ways. Because a company's success hinges on its connections to other companies, it can no longer view its core capabilities as secrets to protect. Instead, it needs to see them as products to sell. FedEx, for example, is succeeding by distributing its sophisticated package-tracking capability to other companies on the Internet.

Syndication promises to change the nature of business. As this new way of doing business takes hold, companies may look the same as before to their customers, but behind the scenes they will be in constant flux, melding with one another in ever-changing, self-organizing networks.