The World is Flat

A Brief History of the Twenty-First Century

Thomas L. Friedman
Globalization

- Globalization 1.0—1492~1800
  - Lead by national-states, powered by wind

- Globalization 2.0—1800~2000
  - Lead by multinational companies, powered by steam engines

- Globalization 2.0—2000~
  - Lead by individuals, powered by Internet
Ten Forces that Flattened the World

1. 11/9/89
   - When the walls came down and the Windows went up

2. 8/9/95
   - When Netscape went public

3. Work Flow Software
   - Let’s do lunch: have your application talk to my application
Genesis:
The Flat World Platform Emerges

- 4. Open-Sourcing
  - Self-Organizing collaborative communities
- 5. Outsourcing: Y2K
- 6. Offshoring
  - Running with gazelles, eating with lions
- 7. Supply-Chaining
  - Eating sushi in Arkansas
Genesis:
The Flat World Platform Emerges

- 8. Insourcing
  - What the guys in funny brown shorts (UPS) are really doing

- 9. In-Forming
  - Google, Yahoo, MSN Web Search

- 10. The Steroids
  - Digital, mobile, personal, and virtual
The Triple Convergence

1. Complementary convergence of ten flatteners for multiple form of collaboration
2. Convergence of business practices and skills to best use the flatteners
3. 3 billion new players to develop new processes and habits for horizontal collaboration
The Great Sorting Out

- India vs Indiana: Who’s exploiting whom?
- Where do companies stop and start?
- From command/control to collaborate/connect
- Multiple identity disorder
- Who owns what?
America and the Flat World

- America and free trade—Is Ricardo still right?
- The untouchables
- The quiet crisis: 3 dirty little secrets
  - The numbers gap
  - The ambition gap
  - The education gap
Leadership
  Science and engineering education
Muscles
portable benefits and opportunities for lifelong learning
Good fat: cushions worth keeping
Social activism
Parenting
Developing Countries and the Flat World

- The Virgin of Guadalupe
- Introspection: developing country anonymous DCA (like AA)
- I can get it for you wholesale
  - Top-down economic reform
- I can only get it for you retail
  - Upgrade infrastructure, regulatory institutions, education and culture
- Culture matters: globalization
- The intangible things
  - Will and ability to pull itself together
  - Leadership
How Companies Cope

1. Reach for a shovel and dig inside yourself. Don’t build walls.
2. And the small shall act big…
3. And the big shall act small…
4. The best companies are the best collaborators
How Companies Cope

5. Getting regular chest X-rays and sell the results to your clients.
6. Outsource to win, not to shrink.
7. Outsourcing isn’t just for Benedict Arnold. It’s also for the idealist.
Geopolitics: The Unflat World

- Too sick
- Too disempowered
- Too frustrated
- Too many Toyotas
Geopolitics: The Dell Theory of Conflict Prevention

- The MacDonald’s Theory of conflict prevention
- The Dell Theory of conflict prevention:
  - No two countries that are both part of Dell supply chain will ever fight a war against each other.
- A silicon shield protects Taiwan from China
- India and Pakistan, 5/31/2002
- Infosys versus Al-Qaeda
Conclusion: Imagination
11/9 Versus 9/11

- eBay
- India
- The curse of oil
- Just one good example: Aramex
- From untouchables to untouchables