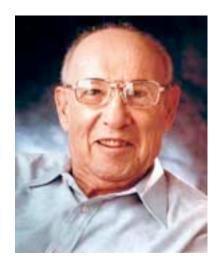
The Business of Uncertainty

A moment of Crisis and Opportunity

It's about Liquidity

How to build for the Future

A moment of crisis and opportunity



"We are not in the middle but at the beginning of a transition with the high probability of a long period of dramatic changes.

Higher

Perceived Degree of Uncertainty

Higher

Perceived Risk of Action

ower

Bust

Risk/Cost-Driven Scale is Safe Everyone's an Idiot Bet on Dinosaurs

Build Standards Sweet Spot

Change-Driven Scale is Still Safe Everyone's a Survivor Bet on Disruptors

Binge

Herd-Driven Scale is Irrational Everyone's an Expert Bet on Mind Leaders

Boom

Innovation-Driven Scale is Slow Everyone's a Player Bet on Newcos

"The greatest perceived value of standards will result from a context of prolonged uncertainty."

Not all systems are uncertain.

There are many cases where an outcome can be predicted with high certainty

Call these closed systems

However, open systems, are inherently uncertain.

©2004 Delphi Group It is a world of change in which we live, and a world of uncertainty.

Frank Knight 1921



What would happen if your opponent drew the cards you had?

You would have several choices:

- 1) Confront him as a cheat
- 2) Lose trust in the deck itself
- 3) Question your own judgment (did I really have four aces?)

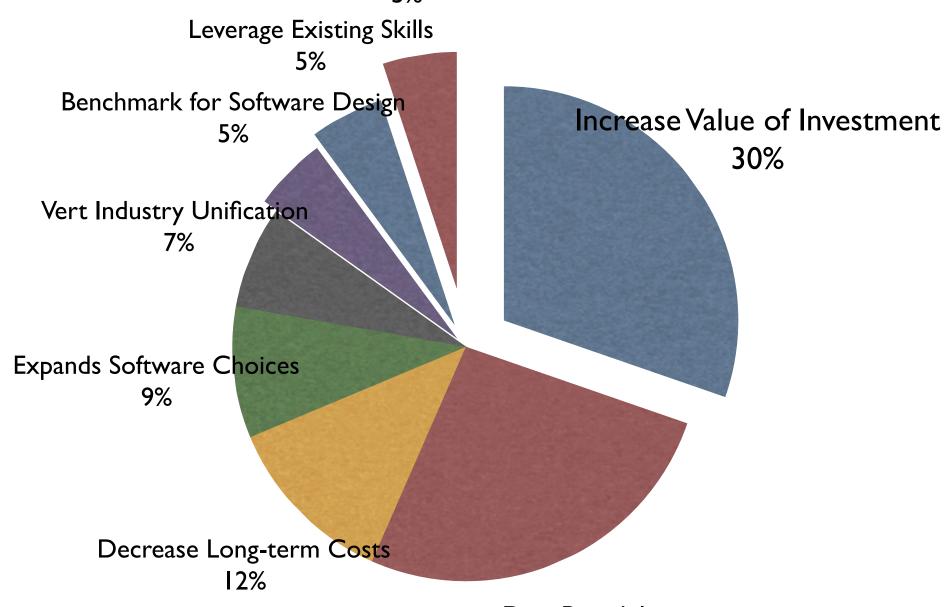
Fewer and fewer systems will be closed

The reason for the increase in open systems and standards stems from technology entanglement the increasing capacity of networking technologies to integrate otherwise disparate and separate systems.

It's about Liquidity

Greatest benefit offered by software standards

Overcomes Lock-in 5%



Data Portability 26%

Compliance with standards in software development is not simply a strategic direction, but a business imperative.

Standards = Liquidity

The Climate

Economic constraint and risk aversion

Mandate to integrate systems
Increasing business uncertainty

Standards create liquidity: the ability to leverage IT investment in unforseen ways.

Internal Awareness:

The ability to quickly identify skills, competencies, and resources needed to perform a task, achieve an objective or react to an opportunity

Awarenes

External Awareness:

The ability to quickly incorporate the market's response to current offerings into future products and services

External

Internal

Internal Responsiveness:

The ability to quickly coordinate and align resources

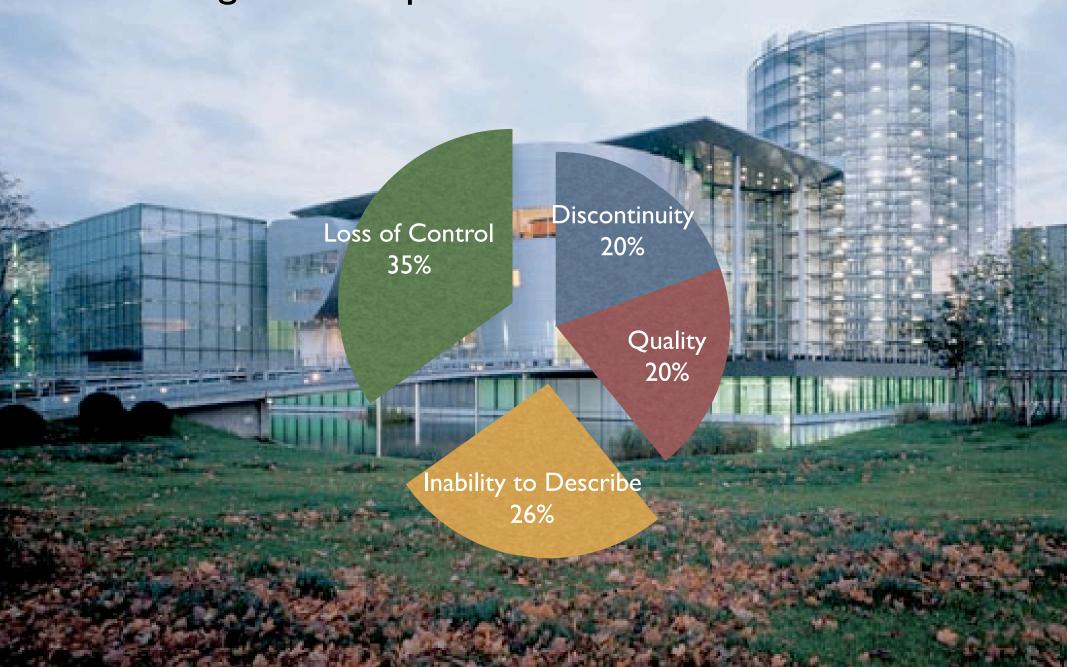
Responsiveness

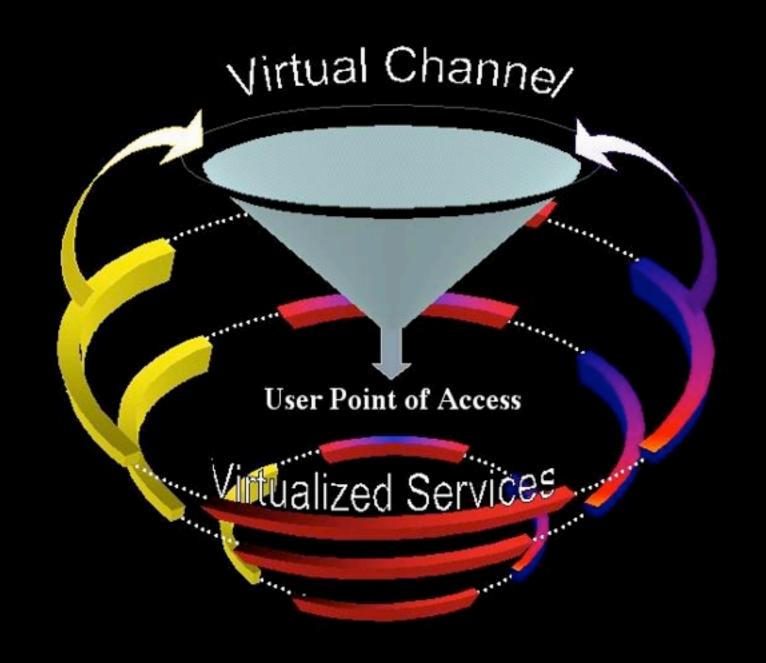
External Responsiveness:

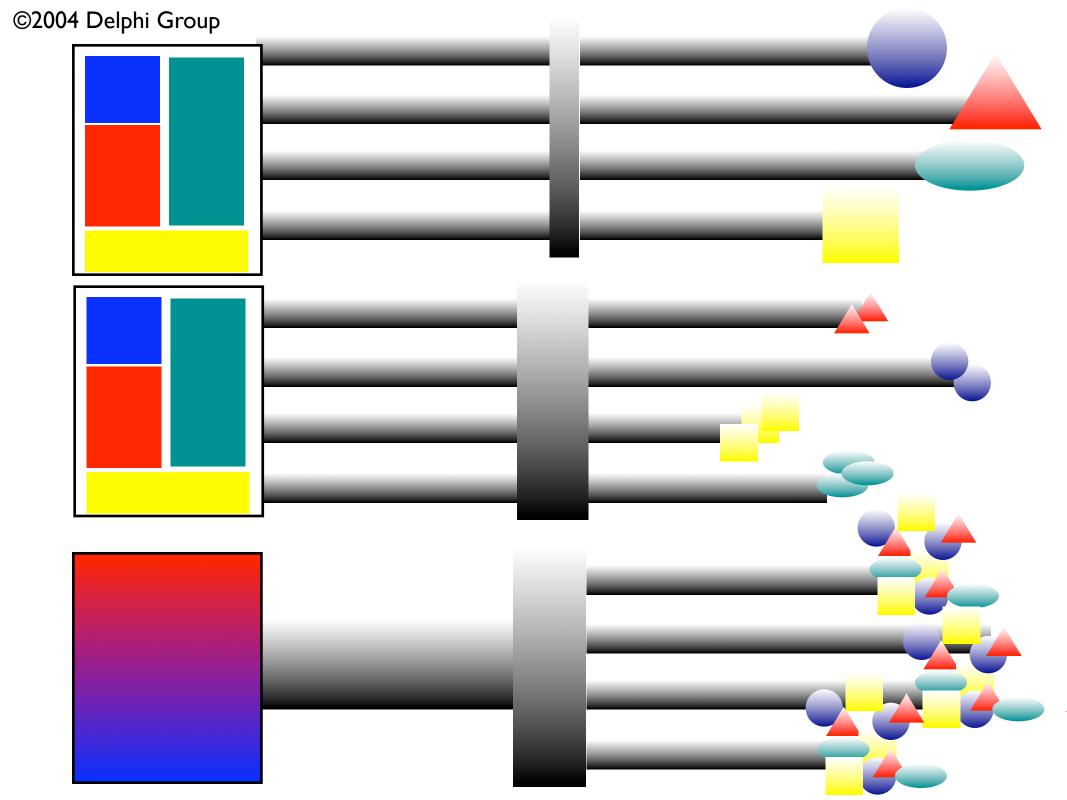
The ability to quickly bring to market a new product or service

Building the Future

What is are the Biggest Obstacles to Process Outsourcing for Enterprise On-Demand?







Don't try to build structures that will anticipate the future.

Build structures that will withstand it.

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