



Synopsis: *The World is Flat* by
Thomas Friedman

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[Flattening Forces]

- 11/9/89 – Berlin Wall Falls
 - Opened up closed systems
 - Happened in conjunction with development of PC and Windows
 - Internet / Modem early on begins to change how people communicate
 - Dot-com bubble created almost unlimited “bandwidth”

[Forces cont'd]

■ Netscape

- In the 1990's the closed academic Internet opens with the introduction of Mosaic
- Netscape radically opens Internet to the public "at large"
- Development of digital device protocols begin to standardize interfaces

[Forces cont'd]

- Work Flow Software
 - Standardized data description language allows divergent programs to “talk” to each other
 - Common standards foster common practices
 - All this allows work to be done independent of physical location

[Forces cont'd]

- Open-Sourcing

- The movement to develop software in a transparent environment (Linux)
- This allows for competition in a world community of collaborative development
- Free tools foster free expression and creativity

[Forces cont'd]

■ Outsourcing

- Second & third world countries are developing their people as a “capital resource”.
- India – English, highly motivated workforce, and new digital infrastructure allowed for their ability to compete on a world basis

[Forces cont'd]

- Offshoring
 - Global, digital communications allows for “real time” supply chain control...no matter the location
 - China – conformed to WTO practices and thus ensured its manufacturing practices conformed to world standards
 - This combination created a platform for any country to compete for business

[Forces cont'd]

- Supply-Chaining
 - Retail – Wal-Mart standardized three processes:
 - Buy direct, cut out the “middle man” (forces the lowest price)
 - Centralize distribution (re-supply stores item by item in real time = robust IT)
 - Utilize the latest tracking technology = RFID
 - Integrate information with Suppliers (Retailer drives production)

[Forces cont'd]

- Insourcing
 - UPS – transports packages
 - Redefined itself as a “supply-chain manager”
 - Expanded business based on core competencies, defining and engineering distribution of goods/services
 - Key skill – knowing where something is at any given point in time

[Forces cont'd]

- In-forming
 - Provides transparent sources of information accessed by anyone/anyplace/anytime
 - Transforms expectations about knowing about the world into an individualized set of search protocols

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- Steroids

- Digitized data combined with wireless communications and personal access devices have created a “virtual world”
- The ability to store data and manipulate it independent of location creates a world of global work

[Convergence]

- Forces enabled multiple forms of collaboration independent of time and location
- Collaboration (independent of location) creates a paradigm shift in organizational structuring
- First, Second and Third worlds are “flattened” (empowered) when their populations are able to compete from their home locations (one global market), thus work goes where work can best be done

[Convergence cont'd]

- Masking behaviors:
 - Dot-com bust hindered globalization
 - Politicians caught up in 9/11 and Enron (scandals) ignored global movement (short-term vs. long-term strategic planning)
 - The problem is that changes are global and cannot be ignored

[Sorting Out]

- Creating the “frictionless marketplace” can tend to create cultural homogenization
- The needs of nation states hinder and warp “flattening” movement
- The desire to maintain long held power relationships becomes national over-riding concerns

[Sorting Out]

- International companies act independently of national boundaries
- Management comes from around the world
- Leadership communications is “flattened” (leaders Google their own information, they call each other directly...no administrative “middleman”)
- Creative ownership exclusivity (copyright/patent) becomes blurred

[Sorting Out]

- Reaction to change will create dominant behaviors:
 - Walling Out (Guardian) vs.
 - Webbing In (Commercial)
- These behaviors are transformed into national foreign policies

[National Reaction]

- Commercial companies, acting globally, logically seek international stability
- Free trade fosters excellence, protectionism fosters limited potential for human development and meeting needs is never ending
- There is “no limit to the number of idea-generated jobs in the world” p. 230.

[Untouchables]

- People whose work is:
 - Special – unique individuals (Gates, Bono)
 - Specialized – knowledge workers whose work is not “fungible” (easily digitized and transmitted)
 - Anchored – work required in a specific location (policing)
- People who are “adaptable” – life long learners open to change

Critical Questions

- If Friedman's arguments are valid, what conditions are required to sustain them?
 - High national and international commitment to quality education
 - Increased openness and decreased acceptance of intolerance (think racism, religious extremism)
 - A culture of global transparency and rejection of policies that arbitrarily impose one's will on another (giving voice to everyone, not just elites)
 - **International stability** and shared common purpose to elevate the "human condition" driven by a vision of *trust*

[Reference]

Friedman, T.L. (2005). *The world is flat: A brief history of the twenty-first century*. New York: Farrar, Straus and Giroux. ISBN-13: 978-0-374-29288-4