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.
Build

Higher Perceived Risk of Action

Lower Standards
Sweet Spot

Bust

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

Build

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.
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%
- Leverage Existing Skills: 5%
- Benchmark for Software Design: 5%
- Vert Industry Unification: 7%
- Expands Software Choices: 9%
- Decrease Long-term Costs: 12%
- Data Portability: 26%
- Increase Value of Investment: 30%
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

External Awareness:
The ability to quickly incorporate the market’s response to current offerings into future products and services

Internal Responsiveness:
The ability to quickly coordinate and align resources

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?

- Loss of Control: 35%
- Inability to Describe: 26%
- Quality: 20%
- Discontinuity: 20%
Don’t try to build structures that will anticipate the future.
Build structures that will withstand it.