

Transformation through the usage of Smart Business Networks

Münchener Kreis
Smart Business Networks Conference

Theo Bouts, Allianz SE
Munich, November 22, 2012

Allianz 

Agenda

- 1** What is an SBN?
- 2** How to establish an SBN?
- 3** How to make an SBN work? (examples)
- 4** How to incentivize an SBN?

What is an Smart Business Network?

What it is ...



- § Groups of participating businesses, organizational entities or “actors” ...
- § Linked together via one or more communication networks ...
- § With compatible goals ...
- § Interacting in novel ways ...
- § Perceived by each participant as increasing its own value ...
- § Sustainable over time as a network ...
- § To enhance value for customers!!!

Advantages

- § Competitive advantage created by the network greater than with each individual organization
- § Accelerates network’s ability to act
- § Releases intelligence embedded in the OEs
- § Fosters modularization, thereby increasing flexibility



What it is **not** ...



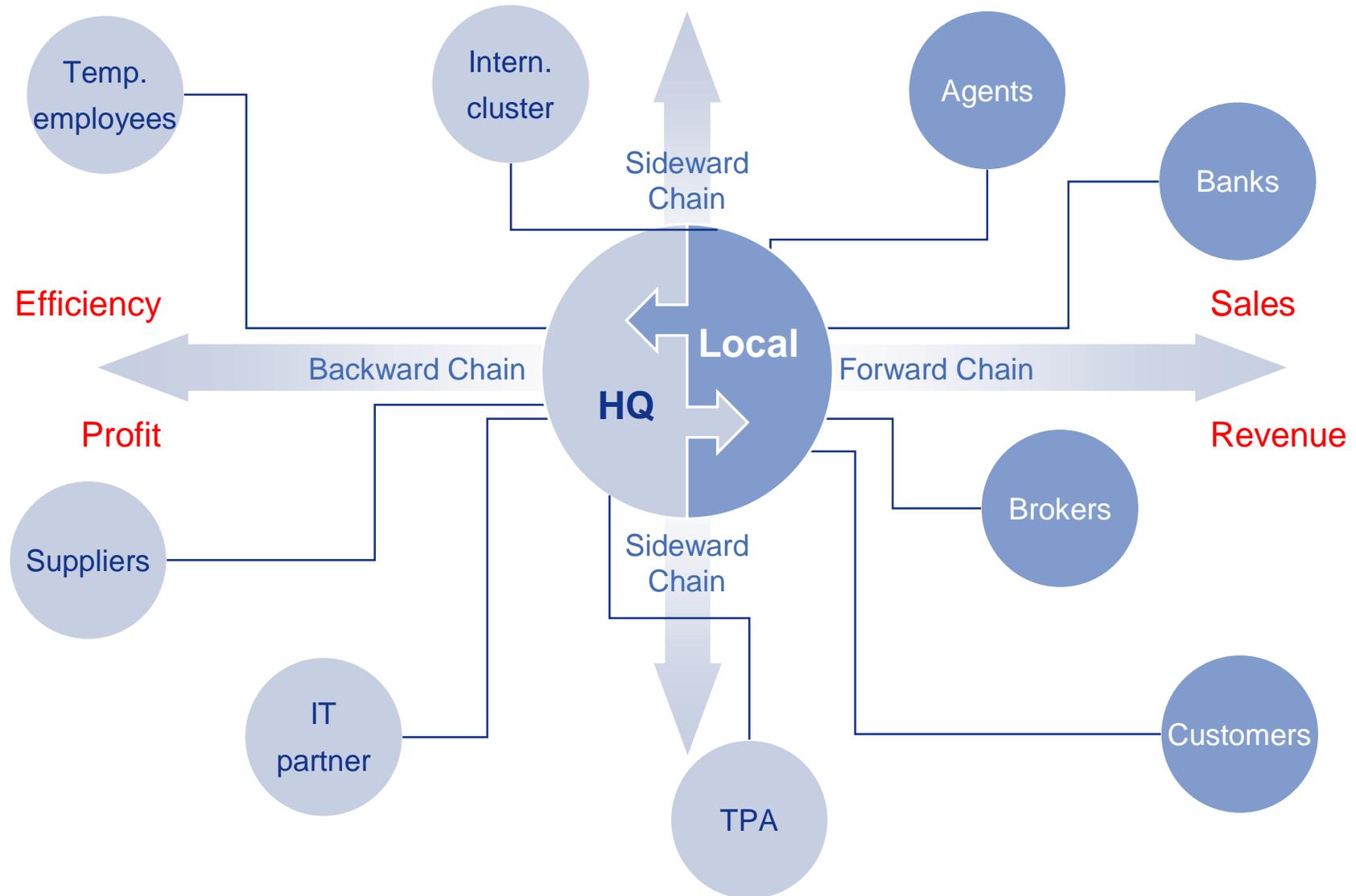
- § A supply chain
- § A hierarchical entity
- § An IT-driven process
- § A marketing trick

Capabilities

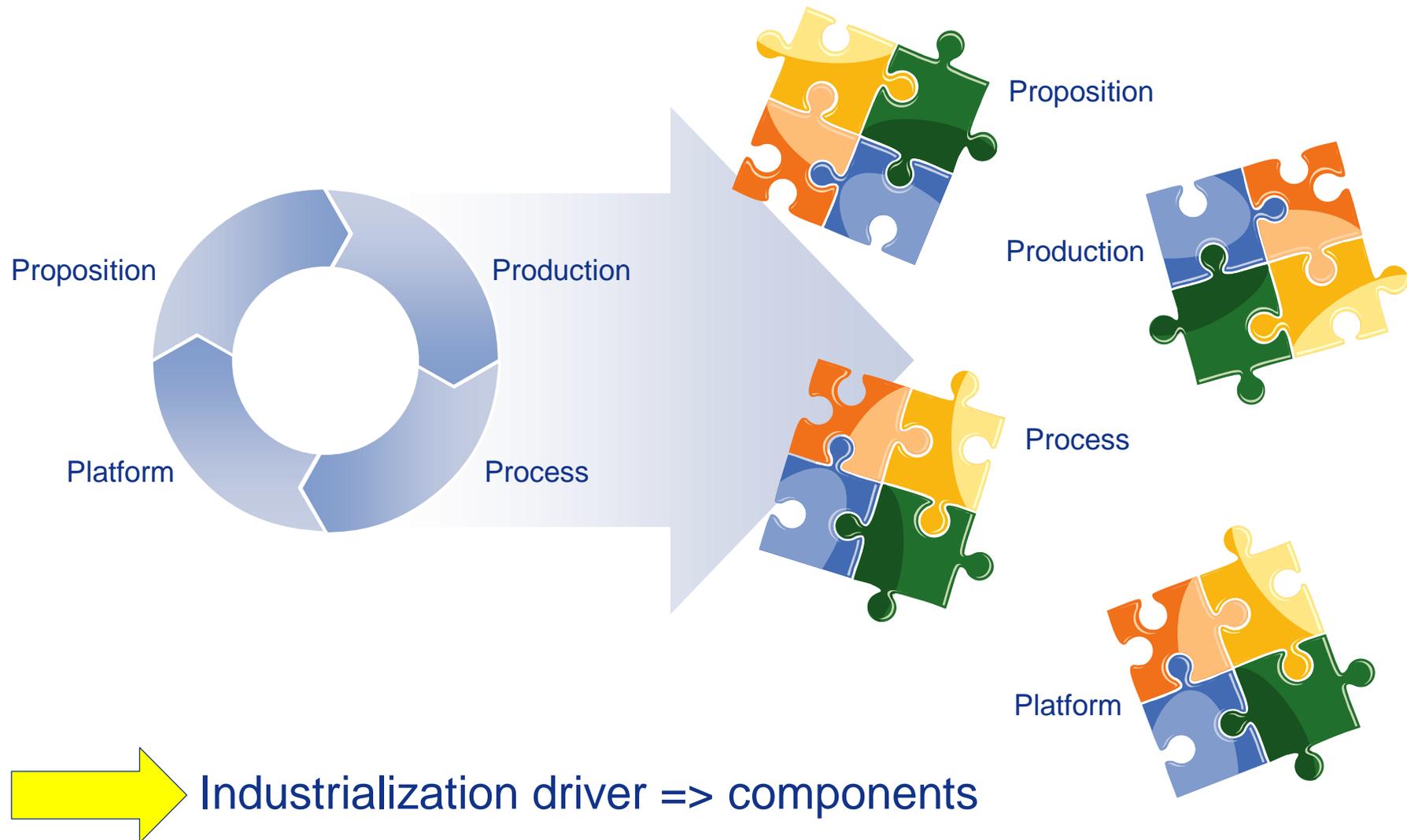
- § Establishment of common understandings
- § Membership selection
- § Linking
- § Goal setting
- § Interaction
- § Risk and reward management
- § Continual improvement



How to Establish an SBN?

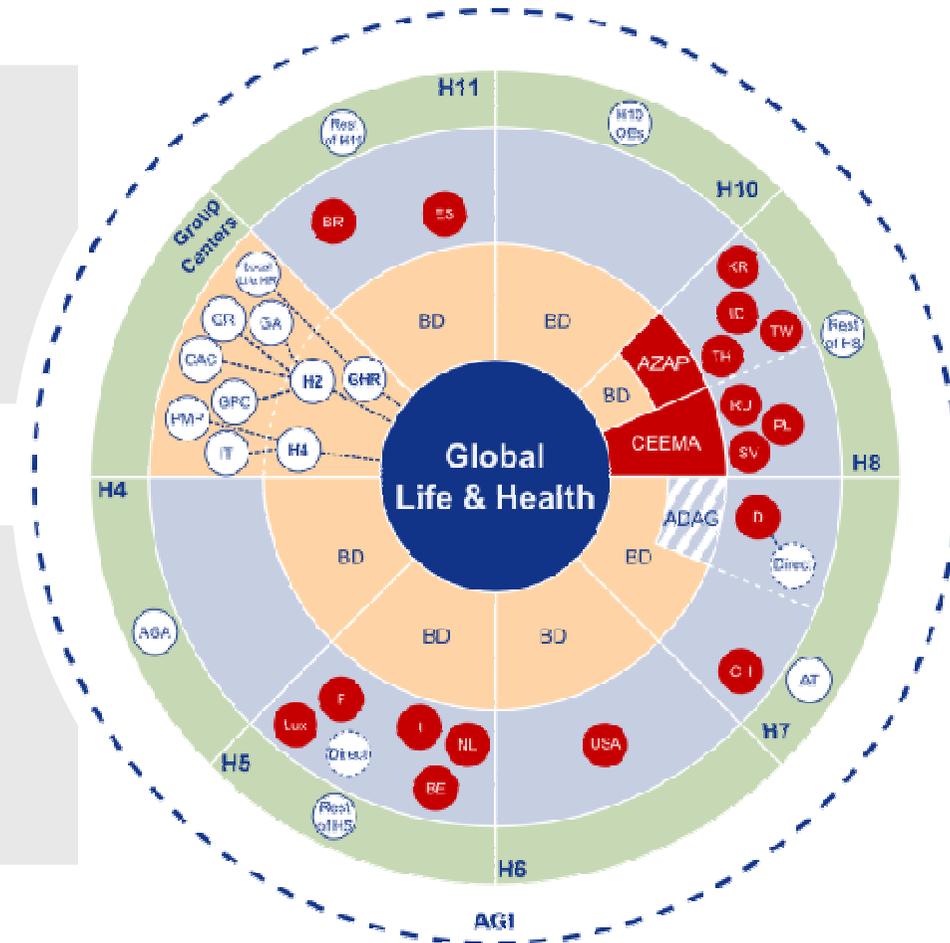


How to make an SBN work? (example 1)



How to make an SBN work? (example 2)

<p>Locally focused networks ...</p>	<ul style="list-style-type: none"> § Life Leaders network § Product management network § Performance review network
<p>Global networks ...</p>	<ul style="list-style-type: none"> § Operations/IT network § Expense network § Talent network



Operating profit driver => people

How to Incentivize an SBN?

Without SBN ...

With SBN ...

<ul style="list-style-type: none"> § No common shared understanding of performance 	<p>Performance definitions</p>	<ul style="list-style-type: none"> § One common definition of performance
<ul style="list-style-type: none"> § Appraisals based on local company feedback § Distribution of performance weighted to center 	<p>Differentiation of performance</p>	<ul style="list-style-type: none"> § Appraisals calibrated globally § Stronger distribution of performance to foster differentiation
<ul style="list-style-type: none"> § No sufficient global oversight § Varying weightings of company, business, individual targets 	<p>Budget control and bonus payout</p>	<ul style="list-style-type: none"> § Global oversight on payouts § Clear rules for budget distribution § Common weighting of company, business, individual targets

► **Benefits :** § Global focus executed locally
 § Network orchestration to high performance

Thank You.

