

# HOW THE NETWORK WINS....

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# Agenda



- networks
- not chains
- the network challenge





**PROJECT X**

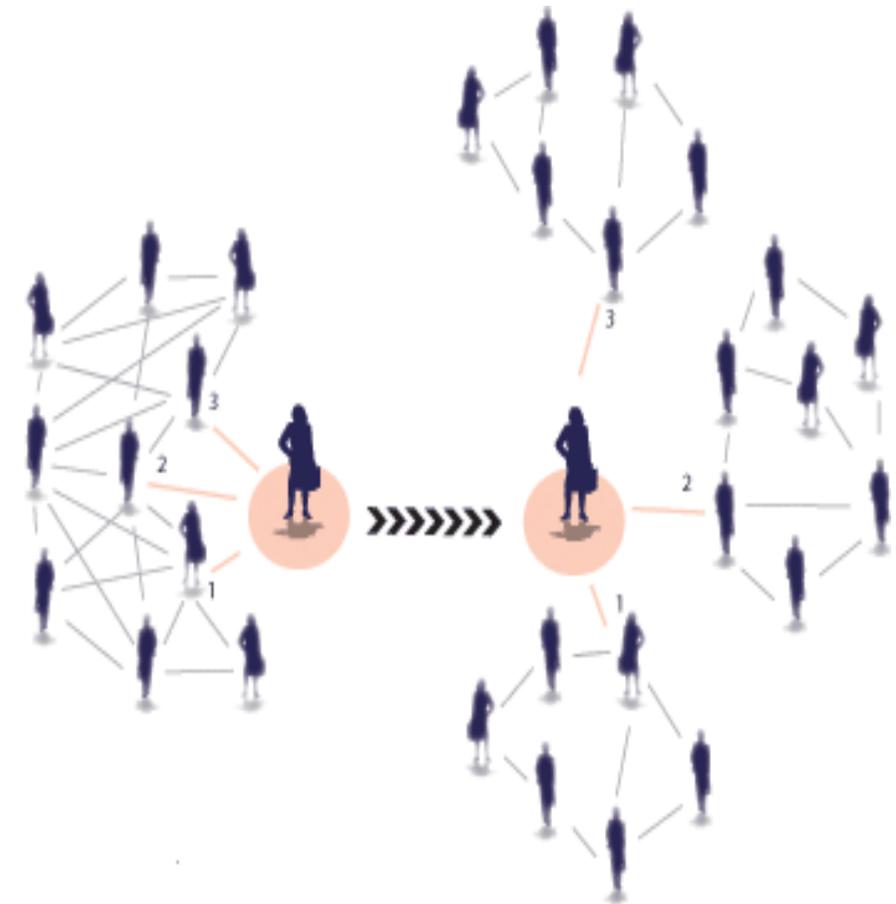




# Core concepts



- A network consists of **actors** (or **nodes** or **vertices**); e.g.
  - People
  - Companies
- and **relationships** (or **links** or **ties** or **edges**); e.g.:
  - Colleagues
  - Friends
  - Buyers / sellers
  - Strategic partners
- **Actors and relationships** together form the **network structure**

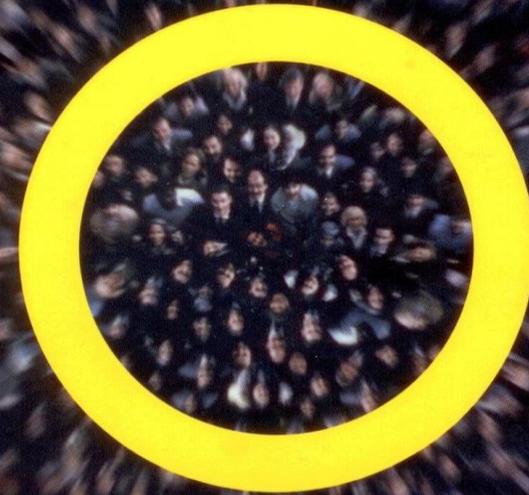


# Your social network



- school
- club
- LinkedIn
- Facebook
- Twitter
- Flickr, Jabber, ...

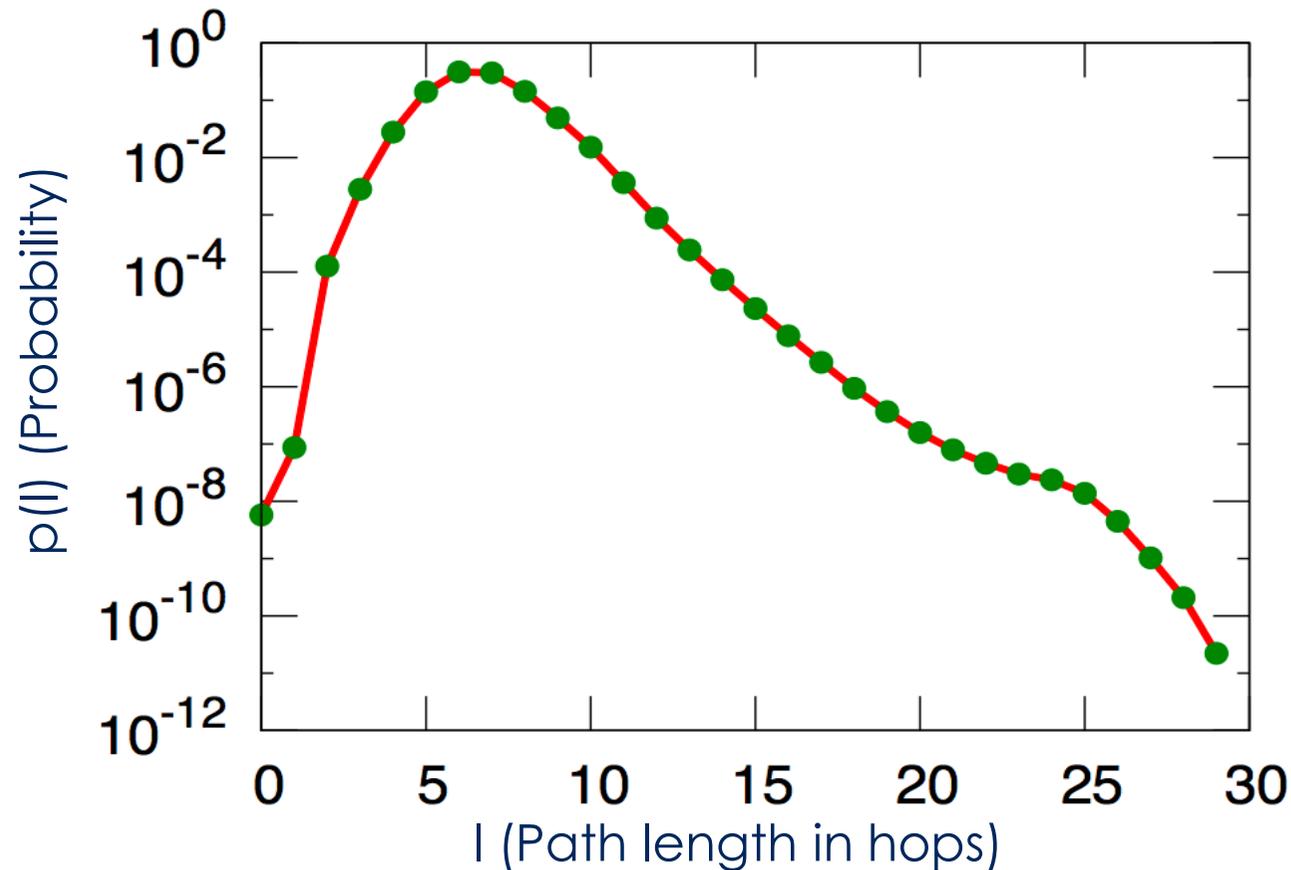
# SIX DEGREES



THE SCIENCE OF  
A CONNECTED AGE

# Jure Leskowitz, Eric Horvitz (2008)

average path length of 240 million active user accounts on Microsoft Instant Messenger is 6.6



a link between two users of IM is defined as  
“a two-way conversation at any point in time  
during a month-long observation period”

# Network analysis



The Hidden Pattern Behind  
Everything We Do



Albert-László Barabási  
Author of *LINKED*

- path / path length
- strong and weak ties
- density
- degree distribution
- clustering/  
betweenness
- homophily/ affiliation
- structural balance
- traffic

# Barabási (in: Linked, 2003)

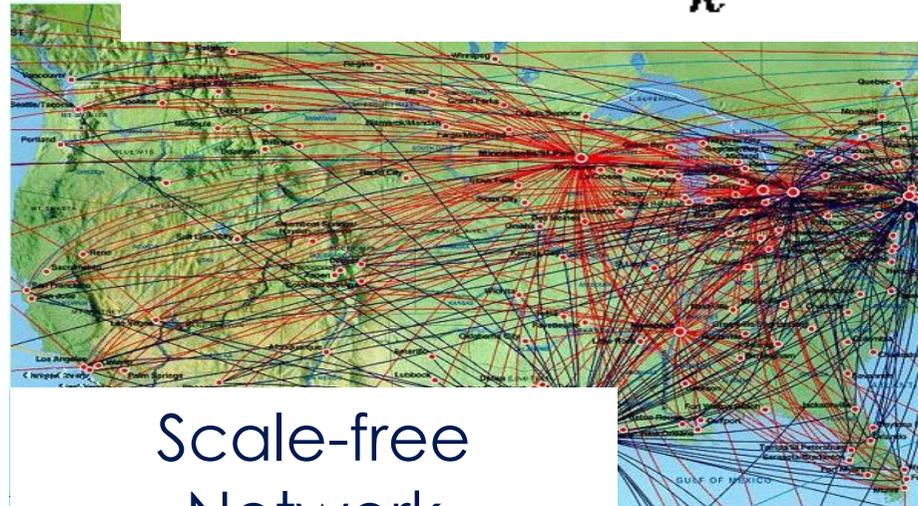
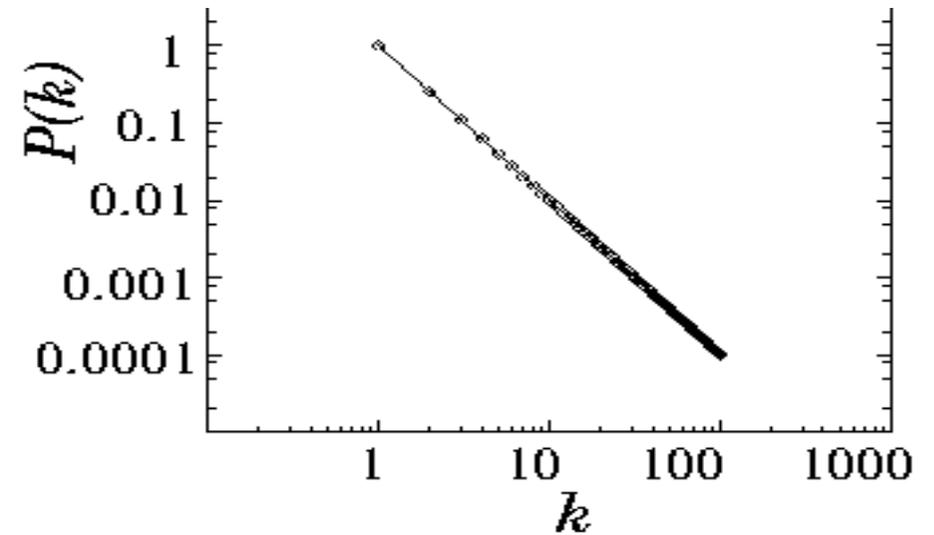


Internet is **scale-free**:

$$P(k) \approx k^{-\alpha}$$

through **growth**  
and **preferential attachment**

Power-law distribution

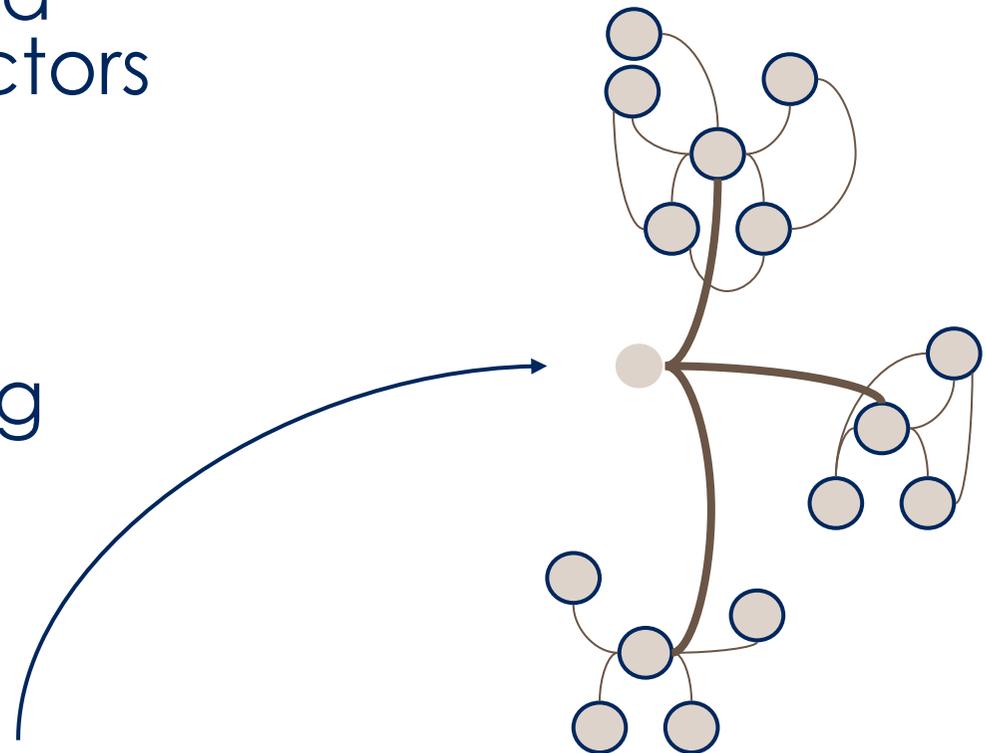


Scale-free  
Network

# Network structure and position

## Does network position determine actor performance?

- Bridging positions in a network connect actors that do not have a direct tie
- Benefits of a bridging position:
  - **Control**
  - **Information**

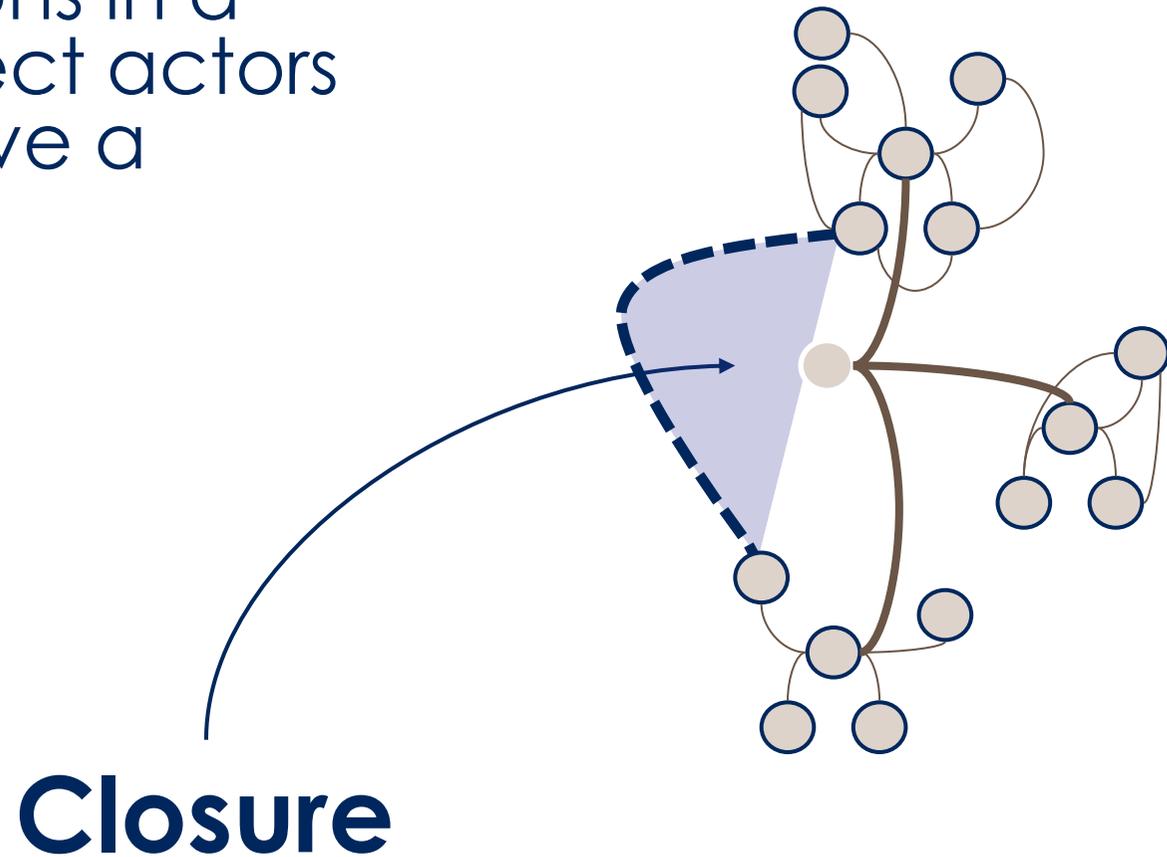


**Bridging position**  
(in-between the structural hole)

# Dynamics of networks



- Bridging positions in a network connect actors that do not have a direct tie



# Mapping and horizon



## senseable city lab:::



The real-time city is now real! The increasing deployment of sensors and hand-held electronics in recent years is allowing a new approach to the study of the built environment. The way we describe and understand cities is being radically transformed - alongside the tools we use to design them and impact on their physical structure.

Studying these changes from a critical point of view and anticipating them is the goal of the SENSEable City Laboratory, a new research initiative at the Massachusetts Institute of Technology.

projects

/2010 Urban Internet of Things Workshop	/2010 Seaswarm	/2010 LIVE Singapore!	/2010 Network & Society	/2010 Urban Revolutions	/2010 Future ENEL	/2010 Flyfire	/2009 the CLOUD	/2009 Affective Intelligent Driving Agent	/2009 Engaging Data Forum	/2009 The Copenhagen Wheel	/2009 Trash Track	/2009 NSA Domesticity Workshop	/2009 PiNK!

### contacts

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77 Massachusetts Avenue  
Cambridge, MA 02139 USA  
T++ 1-617-324-5560  
F++ 1-617-258-8081  
W [senseable.mit.edu](http://senseable.mit.edu)



### papers

Calabrese F., Kloeckl K., Ratti C., 2007, "Wikicity: Real-Time Urban Environments", IEEE Pervasive Computing, special issue on Urban Computing >> [more](#)

### news

SENSEable city lab is chairing workshops at UCMedia 2010

"NYC Waterfalls," New York Times, 8 June 2009

"Emotional Connections," (New York Talk Exchange featured in Newsweek) 10 March 2008 >> [more](#)

### research opportunities

SENSEable City Lab has funded positions for PhD, Master students, and post-doctoral fellowships. We also host visiting scholars and PhD students >> [more](#)

### people

Researchers: Carlo Ratti (Director), Assaf Biderman (Associate Director), Clio Andris, German W Aparicio Jr., Rex Britter, Francesco Calabrese, Xiaojie Chen, Camaven Chiu, Alyx Daly, Jennifer Dunnam, Luigi Farrauto, Filippo dal Fiore, Robert Johnson, E Roon Kang, Kristian Kloeckl, Aaron Koblin, David Lee, Eugene Lee, Giusy Di Lorenzo, Mauro Martino, Vincenzo Manzoni, Stephen Miles, Mahsan Mohsenin, Sey Min, Nashid Nabian, Walter Nicolino, Dietmar Offenhuber, Christine Outram, Francisco Camara Pereira, Santi Phithakkitnukoon, Adam Pruden, Francisca Rojas, Basant Sagar, Christian Somner, Angela Wang, Malima Wolf

visual explorations of urban mobility  
part of the LIVE Singapore initiative

**SPRING SPREE**  
spending patterns in spain during easter 2011

# The problem with supply chains

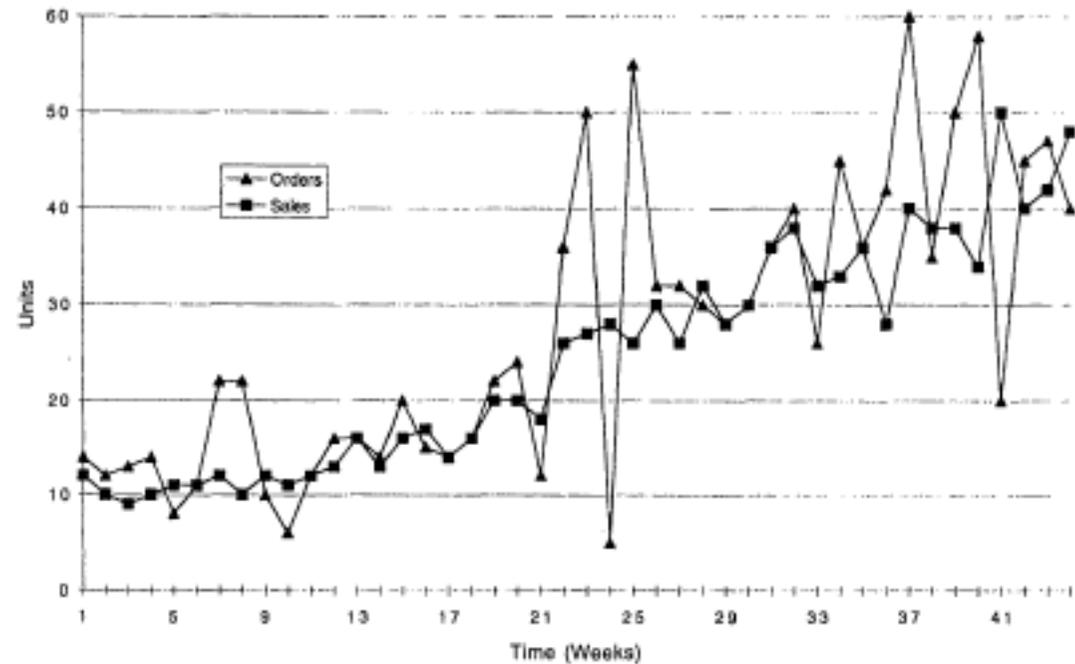


# Propagation in supply chains



## Information Distortion in a Supply Chain: The Bullwhip Effect

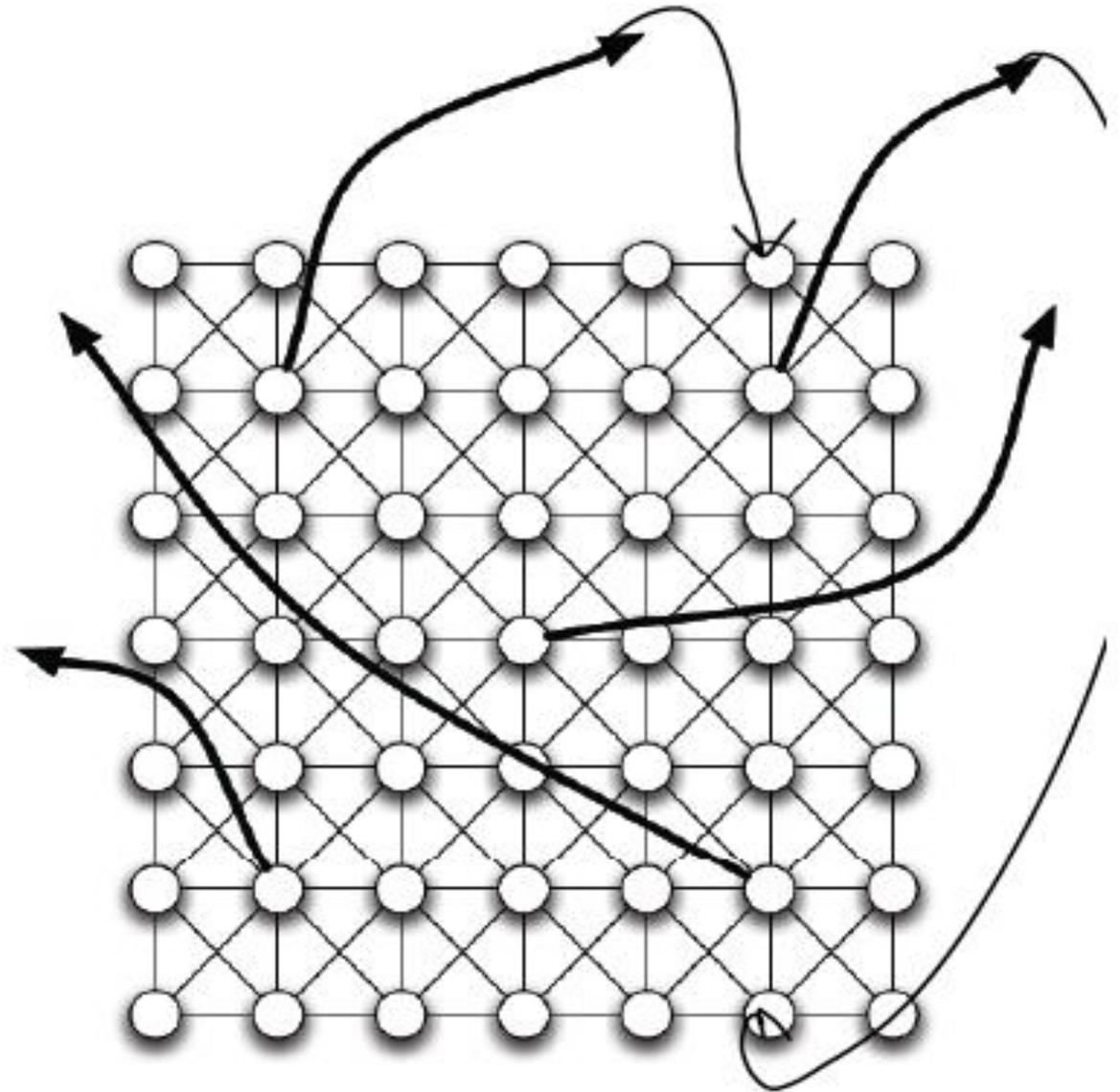
Hau L. Lee • V. Padmanabhan • Seungjin Whang



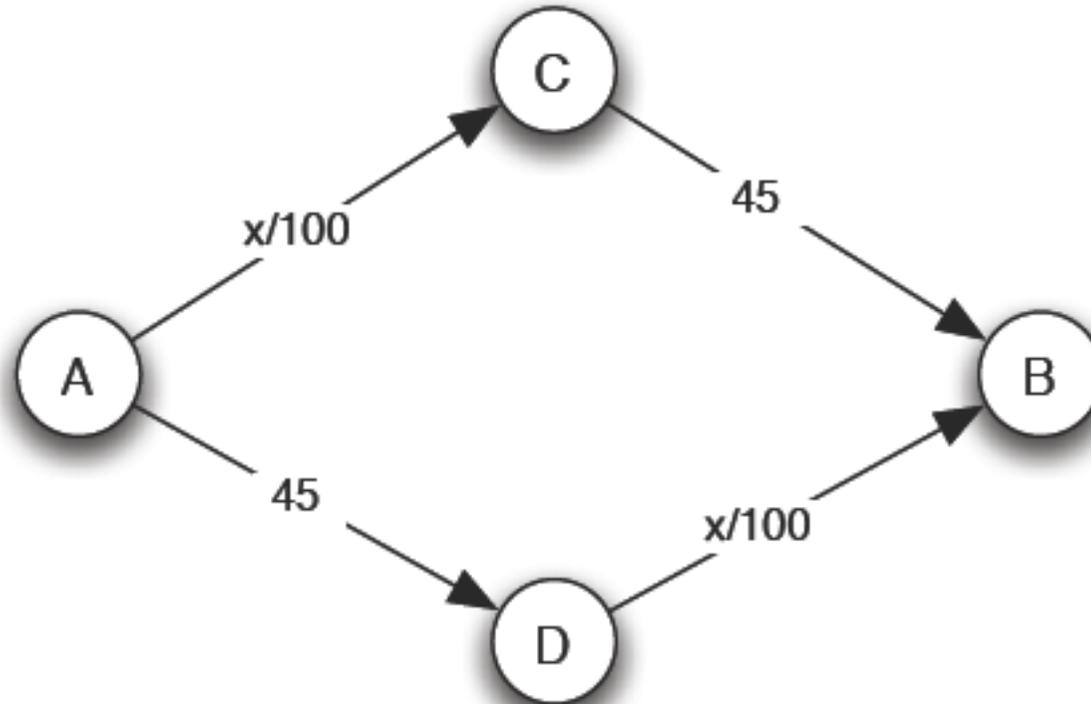
# Propagation in business networks



- multiple pathways
- alternative routing
- load balancing



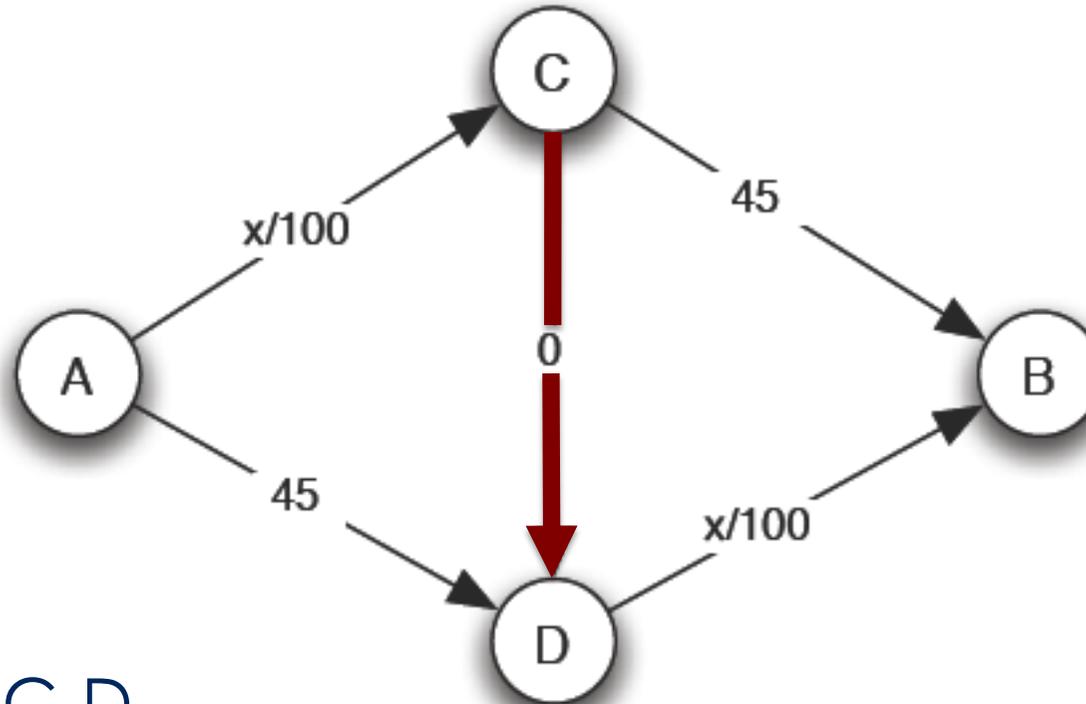
# Braess's paradox



example:

- $x$  = number of cars
- time to travel from A to B =  $x/100+45$
- assume 4000 cars: travel time in equilibrium = **65** minutes

# Braess's paradox



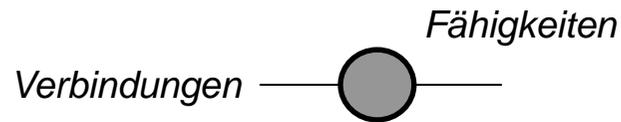
- new link C-D
- new Nash equilibrium = **80** minutes
- dominating strategy at A is to go to C  
[ $x/4000$ ] = 40 minutes [A→D = 40]

# The business challenge

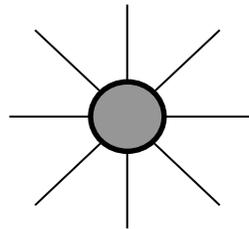


Innerhalb eines Smart Business Networks sind verschiedenen Strategien möglich. Eine Brückenposition und ein weiter Geschäftshorizont bringen Positionierungsvorteile.

Netzwerk-Strategien



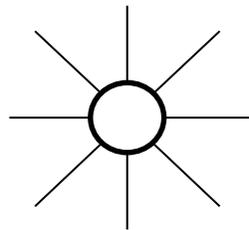
- **Plattform-Provider:**  
Fähigkeiten und Verbindungen



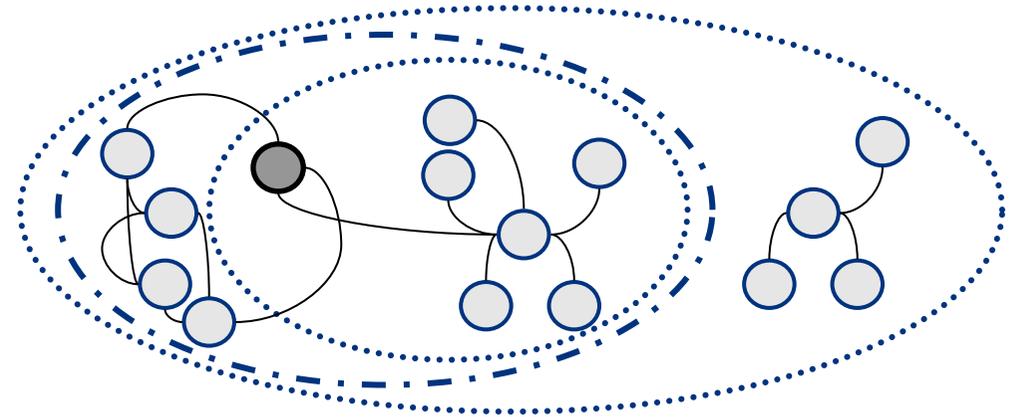
- **Capability-Hub:**  
Fähigkeiten



- **Netzwerk-Orchestrierer:**  
Verbindungen



Geschäftshorizont



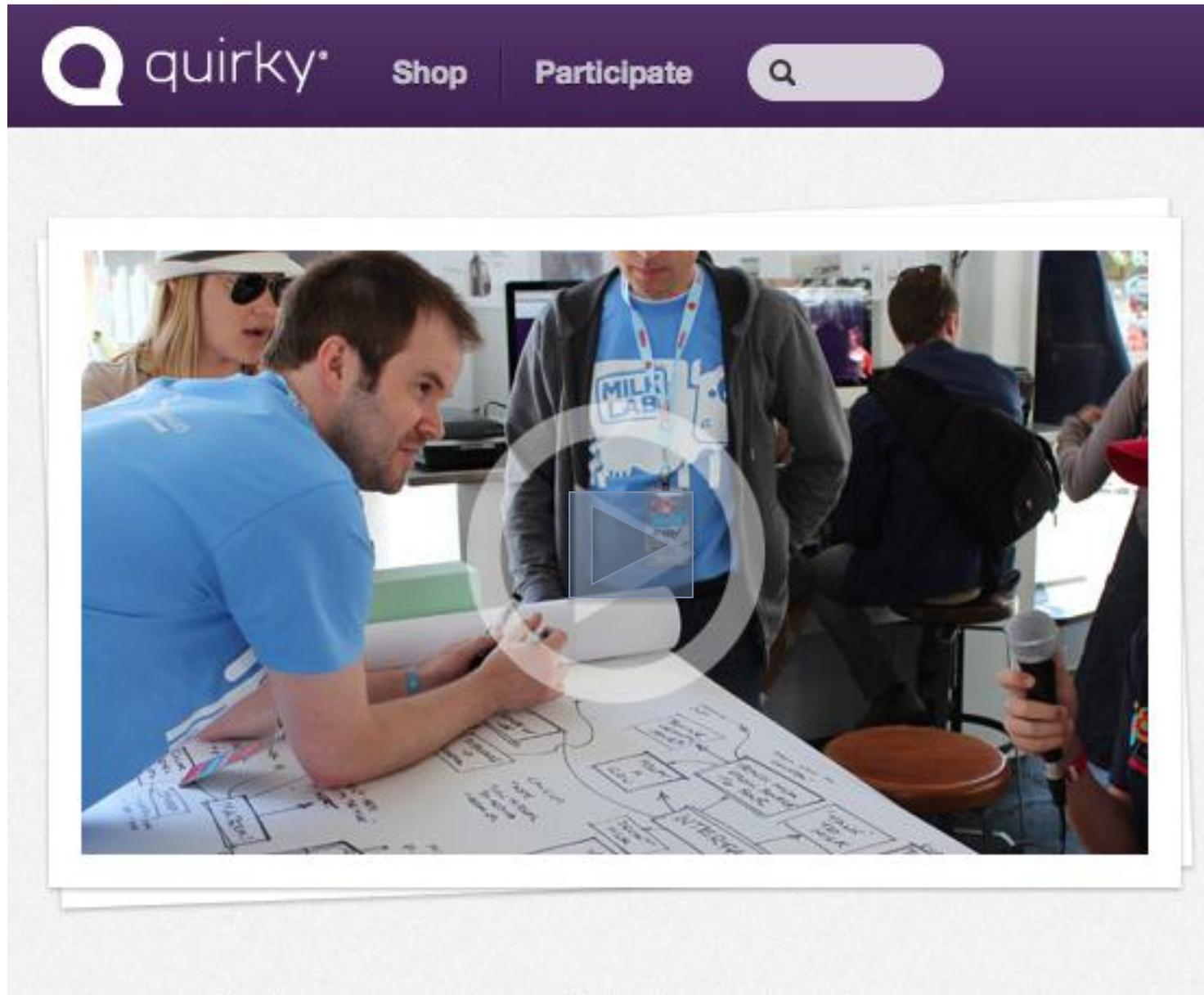
- Um eine vorteilhafte Position im Netzwerk zu erlangen oder zu behalten - um vorteilhafte Entscheidungen treffen zu können -, muss ein Unternehmen Informationen über sein Netzwerk haben
- Der **Geschäftshorizont**: Der Grad der Vollständigkeit der Informationen, die ein Unternehmen über sein geschäftliches Netzwerk hat

nach Prof. Dr. P. Vervest, Rotterdam School of Management

# The real thing?



# The real thing?



# quirky.com – product development



## Filter Upcoming Products by Category

- Kitchen
- Housewares
- Bed & Bath
- Organization
- Electronics
- Kids
- Pets
- Outdoors
- Travel
- Other

Only Show Products In Production

WE'RE MAKING THIS



### Shift

Stand Out



### Script

Take Note



### Pickup Power

Energize Anywhere



### Twisted Sifter

Flour Sifting Rolling Pin



### Core

Touch Base



### Loft

Elevate Your Dishes



### Stow

Flip, Charge, Go



### Katch

Hangs and Holds



### Helix

Wrap around sound



### Buffer

Divert the Dirt



### Stylus

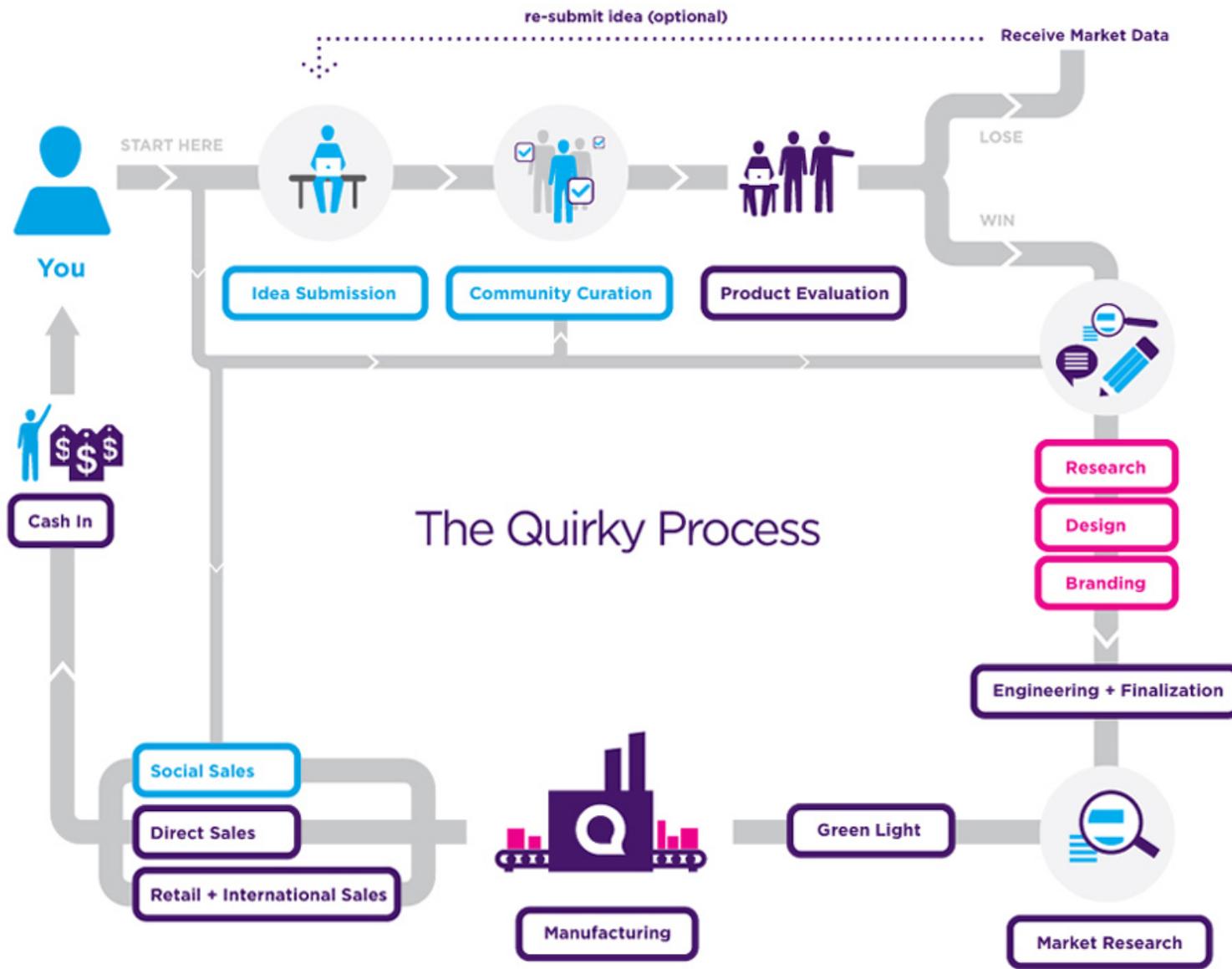
Protection and Precision



### Spectra

Go with the glow

# a socially developed product?



# make it at Techshop?



## TechShop™

BUILD YOUR DREAMS HERE

what do YOU want to make?

Choose your store...

### UPCOMING EVENTS

**San Jose, CA**

**Arduino Show & Tell**  
Sun Nov 18, 6:30PM

**San Francisco, CA**

**College of Lockpicking Workshop**  
Sat Nov 24, 4PM

**Menlo Park, CA**

**College of Lockpicking Workshop**  
Tue Nov 27, 7PM

**Raleigh-Durham, NC**

**TAR**  
Triangle Amateur Robotics

### TechShop Member Stories Part 1

Share More info

**TechShop is a vibrant, creative community offering access to tools, software and space. You can make virtually anything at TechShop. Come and build your dreams!**

TechShop is a playground for creativity. There's something here for everyone. Part fabrication and prototyping studio, part hackerspace, part learning center, TechShop offers access to over \$1 million worth of professional equipment and software. We provide comprehensive instruction and expert staff to ensure you have a meaningful and rewarding experience. Most importantly, TechShop is a hub where you can explore the world of making with the motivational support of a vibrant and creative community.

What We Offer

### Welcome

- Membership
- Classes
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- Facilities & Amenities
- TechShop Locations
- Equipment Reservation Calendars
- Services & Programs
- FAQs
- TechShop News
- Contact Us
- Job Openings

stay in touch

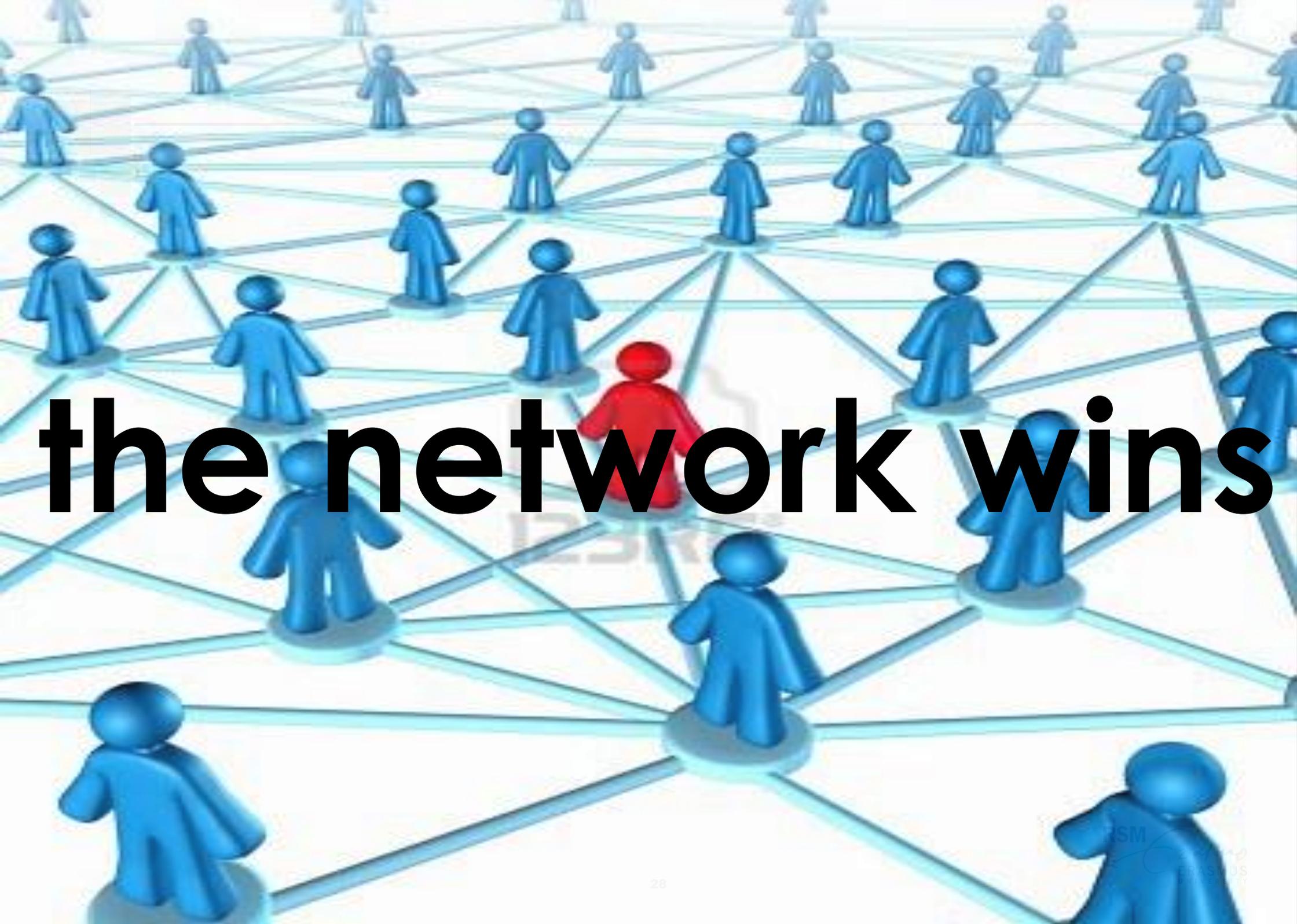
## Promo Code?



# TECHSHOP

San Francisco, CA





**the network wins**