

Globalization and the Economics of Value Creation

- A Wakeup Call



The New Economics of Attention

It is a very different world now. It really is. Over the last several years, globalization and digital technology have drastically remapped the entire world, giving hitherto weak and marginalized players an unprecedented stake in the global wheel of fortune. Not only have these forces, with no armies and guns, radically changed the way we view the world and the way the world views us, they have created extensive and intricate networks that weave themselves through every economic and social system. Just for a little glimpse at what is now in the offing, think about how far a tiny cellular phone or a laptop can take you now, from any place in the world to the farthest point. Whether you are making a call or shopping, you can now reach any corner of the world and conduct your business in a matter of seconds, with hundreds of competing suppliers to choose from. It is indeed a radically remapped world, with an unprecedented array of opportunities and prospects for those who are awake and focused on the things that really matter. In the new global field of play, there are two clear dividing lines that separate the market leaders from the human pawns. Those who take a narrow view of the interplay of the forces of globalization and digital revolution suddenly wake up to find a myriad of goods and services to buy. Naively mistaking this avalanche of consumables for progress, they quickly become even more **dependent consumers** – more dependent on the same external forces from which they once sought **independence**. Overly stimulated by the endless variety of products coming through their borders, most of which they do not care to learn or perfect how they are produced or maintained, they have completely missed the point that the new language is **involved interdependence** and not **inordinate indulgence**. Others whose view of the convergence of the forces of globalization is more pragmatic see opportunities to innovate. As a result, they spread out and reach markets that were once too remote and far-fetched. They have suddenly become borderless creators of value and, as such, key players in a reconstituting club of the frontline nations of the world.

The World is Flat After All!

Within the digital fabric of the new global landscape, the world is becoming flatter by the day, and old boundaries are fast disappearing. Indeed, both the tempered economic playing fields where most citizens grew up and the defined territories many countries labored aggressively to colonize or reclaim all these years are now unraveling in very profound ways. The most obvious indicators show that human capital, money, products, services and information now cross national boundaries in massive volumes, at an unprecedented speed, and with highly scaled-back border protocols. The question each nation must answer now is this; **are you running up a deficit or accumulating a surplus on the essentials?** There are two dynamic forces immediately at play here; **know-how** and **voice**. First, citizens now only own their countries to the extent that they know what metrics drive their economies and how to track and leverage theses. If you are not focused on the right set of data, even if you fly first-class to ski resorts and drink expensive wine while the rest of the world is slogging it out at work, you are still clueless on what energies to harness, where to direct them and how to organize around the variables that constitute your pillars of strength. Where this is the case, economies and social systems are imploding at an alarming rate. Secondly, what you own now only resonates on the big screen to the extent that you have a voice in global affairs and come to the world market of ideas with helping hands. Indeed, in today's world, you only own your country to the extent that your brand is uniquely valuable and you have a voice in world affairs. Otherwise, your country slowly but surely downgrades to an 'all-comers' dumping ground; marked as an undefended territory to be ravaged by the invading forces of relentless innovation and aggressive market penetration. You may, for instance, think you are too old to fiddle with the Kindle, with an iPod or a sleek laptop. This is perfectly understandable if you choose to remain of the old school, but not so for your twelve-year old kid with cyber-friends halfway across the world! This kid now needs to play right inside the loop – fully armed with the right tools and strategically clued in. At the same age kids were once told to put aside their video games and do their homework assignments, now our kids are telling us that the video game is the homework – and it turns out that if they get good at how these work, they can become millionaires while we are still waiting for our pension funds to mature. See how the boundary between work and play is fast disappearing? So how is the new game to be played here at home and in other developing countries? Forget **activity** and go for **productivity**!

The Death of Distance

In a flat world, you can get a few productive hours in a day or you can get more than twenty-four hours of economic value out of each day, the only difference being in how your fundamentals are deployed. So how do we stretch the productive day to gain as many more hours as possible in Nigeria? How about electricity and bandwidth? How about productivity and innovation? Where is the digital force field to take those Nigeria's children with average parents and smoking brain power on a guided tour of the global community? Where is the level of customer service and organizational bandwidth that combine to give a brand the winning edge? Where is the institutional leadership to refocus the Nigerian worker for what is already here? Who will hold up the Nigeria brand in the global marketplace and give it the wings to fly with? Who will supervise all the intricate angles if a

radically improving global platform is the environment all nations wishing to compete effectively in the new world must now play in? Can you sense that the days of **institutionalized business-as-usual mentality** are over? It is definitely not the same world we once knew. To help you wrap your mind around how the global forces of our time are trending, let's consider three of the many faces of the new world. The first case in point has radically redefined our relationship with money. For every ten dollars in circulation today, only one is a physical note you can touch or carry in your wallet. The other nine now form a virtual currency pool. They are nowhere in particular and yet will show up anywhere you command them to go. All they need is either your launch instruction or your digital signature and off they go to work for you anywhere in the world, while you play golf or enjoy the company of friends over drinks. Boy! How did we get by without this capability in the past? For the second case in point, consider how the world has become an always-on-always-connected and super-charged global mall. Try recalling what we once had. Just fifteen years ago, less than 3 percent of the world's population had cellular phones and less than 1 percent was online. Today, 50 percent of the world has cellular phones and 25 percent is online. What is going on? What is so much of the world doing online? Let me tell you. They are actively bridging distances and taking down those cultural walls without earned credibility! In homes, hotel rooms and lobbies, schools, libraries, Internet cafés, buses and trains, young cyber-soldiers are dismantling boundaries we once thought to be impenetrable, and scaling unimaginable distances one click at a time. The globalization of digital technology has marked the demise of distance. **In fact, we can safely announce at this point that distance is dead; these days, there is no place on earth that is not reachable in a few seconds.** The third case practically says that in an interconnected world, whether you are as far up as the Arctic Circle or down around the Antarctic Circle, economically, we are all on the same boat now. This is the global boat of interdependence.

Introducing Interdependence

Just think about this. The “till death do us part” vow that was once almost always true for matrimonial unions is now less than 50 percent true for marriages especially in the West, and almost 100 percent true for our interdependency in the global community. How else does one explain the fact that a flu outbreak in Asia was wreaking havoc in the Americas in less than twenty-four hours? Think about what this is saying. For so many years gurus and religions had tried, largely unsuccessfully even within each religion or sect, to convince us that humanity shares a common destiny. Now it is economics that is proving the case with no need for sermons and no religious wars. Think about the irony. What guru could have projected that Iceland's financial system would collapse on account of Las Vegas' mortgage portfolio going belly up? Then Greece followed, and on to Ireland. What is coming next? Who could have believed that a financial meltdown in the United States would create a financial earthquake across the entire world? Who would have thought that way into the 21st century, many nations would be fighting terrorism, extremism and corruption, instead of attacking poverty, diseases and ignorance? The world is changing rapidly with so many seemingly independent economies not nearly as independent as even the very best economists had once thought. Do you hear the often-unsung sounds of progress on one hand, and the loud and rancorous consequences of lack of attention on the other? Can you sort through the diplomatically couched echoes of local and global re-alignments? How about the roaring violence of the

overdramatized identity crisis and differences that divide people, be they ethnic or ideological? Who are the terrorists and to what extent are the world's poor the universally most terrorized? Could a little more investment in education, poverty alleviation, and better global governance regime help defeat the virus? Are we missing something? Have you counted the millions of lives uplifted or actually saved by the tremendous advances in science and philanthropy? How about lives needlessly sacrificed just to make a statement, or those wasted as a result of abject indifference even in official quarters? Allow your mind to scan as broadly as you can on these issues. Try reflecting on the lives wasted, and still being wasted, in the dark and violent statements of the self-righteous and the angry? Then think of the millions of lives that could have been saved across the world had reckless players and their cronies permanently gone fishing and their companies and countries had thus been better governed. Are you awake yet?

Retiring Dysfunctional 'Independence'

Now that we are up and alert, here is a little pick-me-up test to jolt the psyche even more. How clear are you on what ingredients underlie the tasty fast food you just picked up from your favorite restaurant? Can you really tell what you are eating? Do you even care whether your food is fast but flawed, or fresh and perfect for your health? Can you tell what may be overly toxic in that 'approved' drug you are about to ingest with great expectations? Do you see the competence you need to believe your doctor's diagnosis or trust the larger operating system to function optimally? How about what pesticides are embedded in your favorite vegetables or whether the produce you are now consuming was harvested with the tender labor of seven-year-old children that will never see the walls of a school? What about the label advertising the product you just paid top dollar for? Does it really mean what it says? Who are who are monitoring the subtle underpinnings of your national brand so as to keep it solid and sanitized enough to be globally competitive? Do these questions even matter that much in your view? Are you in the loop on how the new world is reshaping? If you are in the loop, bravo! The next challenge is how to stay in and grow with time. If on the other hand you are outside the loop, would you consider a suggestion that it is vital to checkmate whatever has degraded things thus far? Give this some consideration as you take in the next set of questions. What is the state of your community? Is there fire on the mountain where there should be light?

Innovation as the New Fuel for the Economic Engine

If you are wondering what it costs a person or a nation to be out of the loop in a globalized world, do hold your breath! It will become obvious in the course of this dialogue. But just in case you can't wait to get a sense of the magnitude, the two-word clue is TOO MUCH! The world is running on a different fuel now. The very least we can do is pay attention and understand the dynamics of the key variables. Where do we begin? What do we know about this fuel? The first thing about the fuel that runs our world now is that it is not oil. Is this tough news for all the economies that are deeply soaked in oil? Perhaps, but that is a story for another day. The second point is that this fuel is both infinitely available and ubiquitous. If you work all the right angles, you are sure to find it locally. If you don't, you may run in circles for years and still not get to it. The third factor is that this fuel is the dividend of relentless attention to the things that matter. In purely economic reasoning, any economy that is not running on this fuel is decidedly running very inefficiently. The new brand of

fuel that runs our world today is choice-driven. This is to say that it has to be earned on the same terms by all countries. There are no specially chosen people, except of course for those who specifically choose, to be special. What makes a business or brand special? What does it take for a country to become special? A whole lot of faith in its own uniqueness and a great deal of investment in the sanity of its own space! For instance, several small but smart countries are specially choosing to be special. They are suddenly becoming great and extraordinary just by getting in the loop of best practices on everything. On another level, some big and powerful countries have been milking this smart cow for ages. As an example, let's consider the United States. America's heroes past understood this concept quite early. As a result they became, in the words we have all come to accept, "God's own country," by choice. Conversely, because it is easier to choose to remain dense and unimaginative, some big but unfocused countries are paying dearly for their chronic attention deficit infection. Think of countries that have perfected the art of war over natural resource endowments or those losing the 'war' against corruption. Think also of those trapped in all shades of irresolvable none-issues, from political violence to ideological inflexibility. Little wonder that the noisiest and most violent countries of the world are also the poorest, or at least the most dysfunctional. Having adopted operating models that automatically waste productive energy and earn the least possible amount of value from each day, these countries are becoming even more pedestrian as their citizens are becoming steadily marginalized and impoverished.

Connecting the Dots and Reclaiming Lost Ground

Can you make the connection here? No person or nation will be specially chosen for the spectacle of economic self-discipline or one of good governance. There are no such miracles. No external forces can "self-discipline" a person or a nation. **Only the SELF is equipped and positioned to SELF-DISCIPLINE!** It turns out that the new fuel that runs the world is to be found in the choice to be clued-in, to shine light on every process and ask *"Is this the best we can do with this. Is this the best we can do in this department, with this service or with this budget? Is this the best return we can orchestrate from our investment in this strategy? Is the customer/public service agent we have installed in the driver's seat to represent our brand giving us the best face and voice we can get?"* The culture of discipline and attention that creates regimes of response-able and responsive frontline managers and leaders is a choice made at the personal and team levels. This in essence is a choice made by active, engaged and interdependent men and women - to wake up, behold the unique light of their own stars and build a brand worthy of global recognition. Call this the wisdom of engaged and engaging teams if you will. This is the choice to be clued-in rather than be clueless. Some even say it is the choice to wake early and smell the coffee - or tea, if that works better for you. What do you say?

Do give the idea of focused attention some thought. Please pause and really think about it!