

# Digital Capital

## B02. Digital Capital



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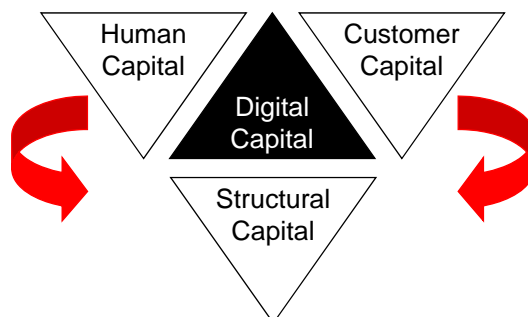
## 01. Digital Capital

- Digital Capital
  - Digital capital is knowledge capital.
  - Digital capital is capital that is needed in e-Business.
- Components of Digital Capital
  - Human Capital
  - Customer Capital
  - Structural Capital

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## 01. Digital Capital

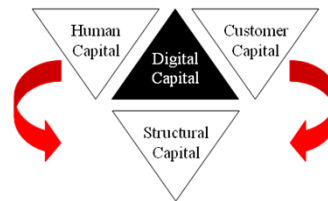
- Flows of Digital Capital
  - Human Capital → Structural Capital
  - Customer Capital → Structural Capital



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## 02. Human Capital

- Human Capital
  - Value-creating ability of each employee for customers
- Examples
  - Skill
  - Knowledge
  - Intelligence
  - Creativity



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## 02. Human Capital

- Molecularization
  - Alteration of the basic unit of economy
  - The basic unit of economy is transformed from enterprise to individual.
  - In B-web, an individual is a molecule.
- Human Capital should be reallocated to create customer value.

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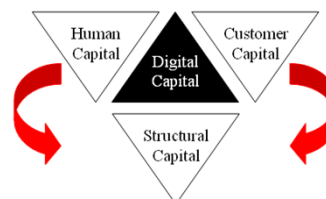
## 02. Human Capital

- Nine Imperatives
  - Define/shape B-web strategy & value!
  - Foster open relationship!
  - Focus all participants on the end-customer!
  - Treat employees & contractors as investors of DC!
  - Define governance & the rules of engagement!
  - Manage performance of human capital across the B-web!
  - Manage knowledge across the B-web!
  - Codify culture in process objects! → Structural Capital
  - Embrace the net generation!

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## 03. Customer Capital

- Customer Capital
  - Wealth included in relationships between an enterprise and customers/suppliers
  - Customer capital becomes relationship capital if connected to B-web.
- Examples
  - Brand's depth or width for customers
  - Trust of customers
  - Cooperation with customers



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### 03. Customer Capital

- Dynamic Pricing
  - It is done by empowered customers.
  - It replaces fixed pricing.

### 03. Customer Capital

- The Demise of the 4 P's & New Paradigm
  - 4P(Product/Price/Place/Promotion) → ABCDE



- Products: Fixed
- Price: Fixed
- Place: Fixed
- Promotion: One-Way

- Products:
  - Experience replaces Products.
- Price:
  - (Dynamic Pricing) Discovery of Price replaces Fixed Price.
- Place:
  - Anyplace, Anytime, Anyway Shopping replaces place.
  - Marketface appears between Marketplace (Physical) and Marketspace (Digital).
- Promotion:
  - Communication works, not Promotion: One-Way, Two-way, Multi-Way
  - B-web Customers drive revenues.

### 03. Customer Capital

- Eight Imperatives
  - Embody communication strategy for B-web partners!
  - Let resources go into product/service!
  - Trust is the best strategy!
  - Regard attention as scarcest resource!
  - Define Price-Discovery Mechanism, not price!
  - Provide Context!
  - Empowerment: Participate many customers for many roles!
  - Participate Net Generation!

### 04. Structural Capital

- Structural Capital
  - Codified knowledge for enterprises to satisfy market needs
  - It comprises business processes.
  - It decreases brain drainage of human resources.
  - Examples
    - Project management tool
    - Development platform for designer, analyst, and programmer
    - Sales management system
    - Product manual
    - Education program

