

Type2 companies and crossing the digital barrier

Everything becomes also digital

COVID-19, a game-changer of buzz, has made intrinsic weaknesses painfully visible in certain sectors of the economy. Especially where value is created with physical assets, including the directly related brokering and services in a B-2-C (reality) environment, the damage is enormous, perhaps even irreparable.

Now most of the vulnerabilities of the business models applied had been noted before, and neatly recorded in all kinds of publications by not the least parties⁵, however the pandemic has had its unsparing effect in weeks. Where some people have not wanted/being able to listen², that ship has sailed. This crisis has completely taken us by surprise and overwhelmed us. And to speak with Buffett: *"only when the tide goes out, you learn who's been swimming naked"*.³

The emergence of converging technologies that are already available (albeit sometimes still early stage) and that can be applied by everyone (society, business, individuals) at an acceptable cost in the coming years (before 2030) cannot come at a better time. These include VR (Virtual Reality), AI (Artificial Intelligence), AR (Augmented Reality), 3D-Printing, Robotics and Biotechnology. These exponential technologies will greatly increase the possibilities in the digital, virtual world, and create a new landscape in which reality and virtuality will go hand-in-hand.

Many of these developments have been [accelerated](#) by the pandemic (by 2-3 years). The behaviour and preferences of customers, partners and individuals have changed more in the past few weeks than in previous years. In particular, the application of available, relatively new digital tools and techniques is⁴ unprecedented, and probably (partly) structural. Especially where they offer new, superior alternatives that are more in sync with society than the traditional offerings.

⁵ OECD, VN, IMF, WHO.

² Cassandra prediction.

³ Stepped away recently from aviation, which, in his view, has currently no future-proof business model.

⁴ ZOOM, Teams, VR events.

However, one has to act now, nothing comes out of nothing. "Everything becomes also digital" is therefore mainly an encouragement to look for new 'assets' on the digital frontier. With smart, focused experiments, deployed at warp speed, 'crossing the digital barrier' is no longer an obstacle, but an integral part of a beckoning perspective that awaits us.

Crossing the digital barrier

Second Life, who still remembers it? Back then a glorified ghost town, without any engagement⁶. And yet, with the addition of 'contemporary' technology, you could witness a preview at what the upcoming virtual store might look like. Take for example [Minecraft](#), already a step closer to that. Future developments with expected additions like product-intros, demos, special events, gaming and more, with avatars of the store available to support the customer are imminent. This will make the customer feel more like a guest or a member of a club than just a random shopper.

However, digitizing alone is not enough. Instead of a digital copy of current reality (reality) you can depict a new journey in the virtual world (virtuality) which is potentially much richer, inspiring and therefore much more valuable to everyone. In virtuality there are other laws, limitations and regulations that can be used perfectly for this purpose.

This journey can be best created and offered by a 'modern' Type2 organisation that is able to offer this at a significantly lower cost benefit ratio (60-70% lower) compared to the more traditional company by making maximum use of new technologies.

In the search for (digital) assets different stages can be identified, at some point the digital barrier is crossed due to further digital additions.

⁶ Pine & Korn

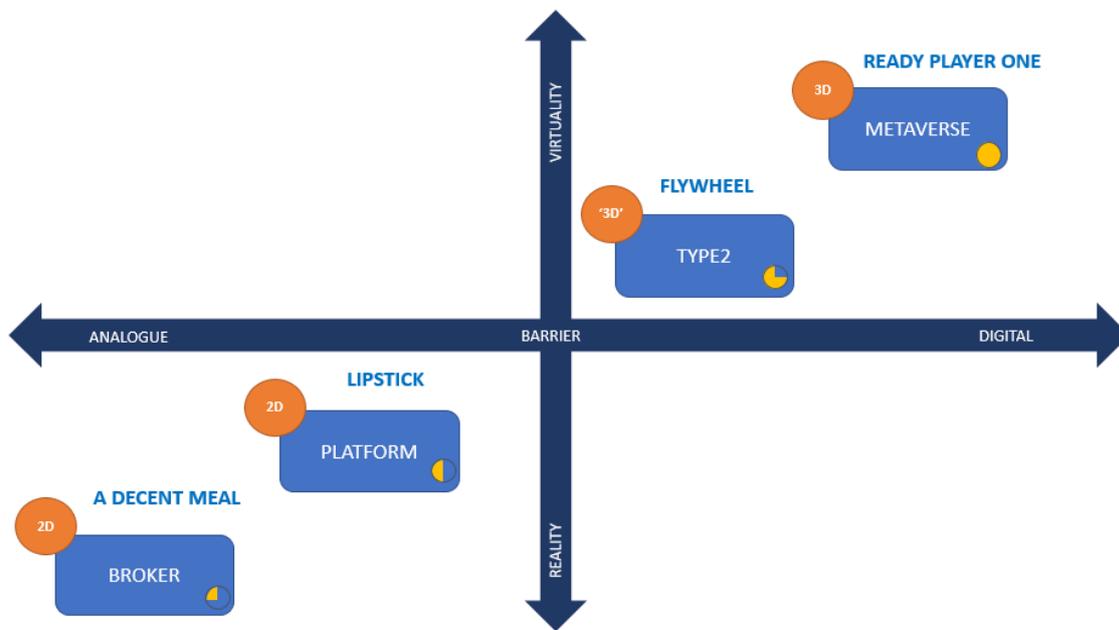


Figure1 DavidDimpson Ladder

The stages in the Ladder of DavidDimpson are Decent Meal⁷, Lipstick, Flywheel and Metaverse⁸ and are further detailed below.

DIMENSIONS	BROKER	PLATFORM	TYPE2	METAVVERSE
	<i>DECENT MEAL</i>	<i>LIPSTICK</i>	<i>FLYWHEEL</i>	<i>READY PLAYER ONE</i>
Applications	2D	2D	'3D'	3D
Economic Value	Goods/ Services	Services/ Experiences	Experiences/ Services	Experiences/ Transformations
Assets	Own Fysical Assets	3 ^e Party Fysical Assets	Asset 'Light'	Digital Assets
Technology	Infrastructural	Supportive	Business Oriented	Business
Change	Incremental	Disruptive	Disrupting/ Revolutionary	Revolutionary
Speed	Lineair	Logaritmik	Exponential	Converging Exponential

Figure 2 Ladder illustrations

The expected arrival of an Internet with much more 3D-applications to bypass the limitations of the present Internet with predominantly 2D-oriented applications is promising, probably a game-changer.

⁷ A quote van Groucho Marx: I'm not crazy about Reality, but it's still the only place to get a decent meal.

⁸ Introduced in Snow Crash door Neal Stephenson (1992).

In an initial global assessment many industry-sectors appear to have great potential for new (digital) assets, that could be developed in the near future:

- Shopping
- Travel
- Entertainment
- Education
- Health services
- Professional and Business Services
- Manufacturing

Type2 companies - Cheaper, better, en faster.

The accelerated arrival and application of converging technologies by COVID-19 (see above) casts already its shadow forward. Martec's Law, that describes the increasing tension over time between technology and organisation will under this pan-COVID circumstance, increasingly necessitate an organisational [reset](#), with the introduction of a Type2 company. Other, underlying structural changes in society were already indicating in that direction.

Yesterday	Today
Ownership	Access
Supply Driven	Demand Driven
Transactional	Value Based
CAPEX	OPEX
Warp1 Innovation	Warp2 Innovation
Scarcity	Abundance
Linear/Logarithmic	Exponential
Single/Multi-source	Network/Ecosystem
Company oriented	Individual oriented
Incremental/Disruptive Change	Revolutionary Change

Figuur 3 Societal

A Type2 company has a predetermined, finite economic life (5-7 years), has an OPEX only, cloud-based operation and has implemented state-of-the-art (information)technology in all its business processes in 1 go. They are therefore radically digitized, simpler and faster, without anchoring and can scale up at substantially lower cost with a sublime customer experience. A Type2 company has an incubation time of max. 6-9 months.

A Type2 company is therefore simply 'cheaper, better, faster'. A Type2 company is ideally suited for the exploration and exploitation of the digital frontier in search for (digital) assets.

Experiment and Reimagine

The Societal context of today and tomorrow (see above) calls for an approach where 'experimenting' is central stage.

The importance of that was already expressed in 2011 by Jeff Bezos:

"Our success at Amazon is a function of how many experiments we do per year, per month, per week, per day. If you can increase the number of experiments you try from a hundred to a thousand, you dramatically increase the number of innovations you produce. You only need a few big wins to make all those experiments worth it. After all, most experiments fail, no matter how well".

That worked out pretty well, you'd think!

By considering Reality and Virtuality together as an integral "verse", a new world with unprecedented possibilities is created. In the Metaverse (the dot on the horizon, see the Ladder of DavidDimpson) the fusion of both is so complete that it brings up a whole new category of possibilities that will be at the basis of many new business initiatives.

In order to be able to successfully complete this 'endeavour', three things are essential and indispensable:⁹

- A navigation tool suitable for this new world (Multiverse).
- A customer value tool for discovering and designing Experiences (Experience Design Canvas).
- A Way of Working that optimally guides and supports this process in continuity.

The Multiverse model of Pine and Korn is a 3D Ideation Framework of an all-encompassing Experience architecture that depicts the dimensions of the universe (Time, Space and Matter), in conjunction with their virtual counterparts (No-Time, No-Space and No-Matter), in verses that are each specific variations on the anchors Reality and Virtuality of the Multiverse.

The Experience Design Canvas is a 2D Ideation tool that depicts existing and new customer value propositions, where the 6 variables of the Multiverse can be set each at a time.

The Way of Working is characterized by a high experimental nature, by high speed, and by try-and-error. The Agile/LEAN method of a start-up including hypotheses, sprints, pivots, A/B-testing and MVPs fits perfectly.

Next

Under pressure of the pandemic, everything becomes fluid. So, don't hesitate any longer and get going. Feel free to contact [DavidDimpson](#).

DavidDimpson, June 2020.

Ger A. Damen and Ronald S. Scherpenisse

⁹ Inspired by the British navigator and cartographer Thomas Cook.