## **Contents**

About the Au	thor	1
Acknowledgi	ments	2
Dedication		4
Preface		5
Chapter 1	Setting the Stage: Technology and the Modern Enterprise	7
	Tech's Tectonic Shift: Radically Changing Business Landscapes It's Your Revolution Geek Up—Tech Is Everywhere and You'll Need It to Thrive	7 10 13
	The Pages Ahead Endnotes	17 22
Chapter 2	Strategy and Technology: Concepts and Frameworks for Understanding What Separates Winners from Losers	23
	Introduction Powerful Resources Barriers to Entry, Technology, and Timing Key Framework: The Five Forces of Industry Competitive Advantage Endnotes	23 28 36 38 41
Chapter 3	Zara: Fast Fashion from Savvy Systems	43
	Introduction Don't Guess, Gather Data Moving Forward Endnotes	43 47 51 53
Chapter 4	Netflix in Two Acts: The Making of an E-Commerce Giant and the Uncertain Future of Atoms to Bits	55
	Introduction Act I: David Becomes Goliath: Crafting Killer Assets for DVD-by-Mail Dominance	55 57
	Act II: Netflix and the Shift from Mailing Atoms to Streaming Bits Endnotes	61 78
Chapter 5	Moore's Law and More: Fast, Cheap Computing, and What This Means for the Manager	81
	Introduction The Death of Moore's Law?	81 90

	Bringing Brains Together: Supercomputing, Grids, Clusters, and Putting Smarts in the Cloud	93
	E-waste: The Dark Side of Moore's Law	97
	Mickey's Wearable: Disney's Magic Band	100
	Endnotes	104
Chapter 6	Disruptive Technologies: Understanding the Giant Killers and Tactics for Avoiding Extinction	107
	Introduction	107
	Bitcoin: A Disruptive Innovation for Money and More?	112
	Endnotes	116
Chapter 7	Amazon: An Empire Stretching from Cardboard Box to Kindle to Cloud	117
	Introduction	117
	The Emperor of E-Commerce	119
	Kindle on Fire: The Rise of Digital, the Everywhere Store, and New Opportunities from e-Book, Tablet, TV, and Phone	133
	Amazon and the Cloud: From Personal Storage to AWS	139
	Endnotes	142
Chapter 8	Understanding Network Effects: Strategies for Competing in a Platform- Centric, Winner-Take-All World	145
	Introduction	145
	Where Does All That Value Come From?	146
	One-Sided or Two-Sided Markets?	149
	How Are These Markets Different?	151
	Competing When Network Effects Matter	153
	Endnotes	162
Chapter 9	Social Media, Peer Production, and Web 2.0	163
	Introduction	163
	Blogs	172
	Wikis	175
	Social Networks	178
	Twitter and the Rise of Microblogging	184
	Prediction Markets and the Wisdom of Crowds	189
	Crowdsourcing	191
	Get SMART: The Social Media Awareness and Response Team Endnotes	193
<b>-1</b>		203
Chapter 10	The Sharing Economy, Collaborative Consumption, and Creating More Efficient Markets through Technology	205
	Introduction	205
	Boom Times and Looming Challenges in the Sharing Economy	207
	Future Outlook: Established Players Get Collaborative	213
		213

	Airbnb—Hey Stranger, Why Don't You Stay at My Place?	214
	Uber: Sharing Economy Success from Tech-Fueled Superior Service	217
	Endnotes	224
Chapter 11	Facebook: A Billion-plus users, the High-Stakes Move to Mobile, and Big Business from the Social Graph	227
	Introduction	227
	Disrupting Competition, Building Competitive Advantage, and the Challenging Rise of Mobile	230
	Lessons from Facebook as an Apps Platform: Early Promise, Continued Challenges, Mobile Missteps	240
	Advertising and Social Networks: A Challenging Landscape but a Big Payoff	245
	A Platform Player that Moves Fast and Breaks Things: What All Managers Can Learn from Facebook's Mistakes, Responses, and Pursuit of New Opportunities	252
	Endnotes	260
Chapter 12	Rent the Runway: Entrepreneurs Expanding an Industry by Blending Tech with Fashion	263
	Introduction	263
	Founding the Business. Are We On To Something?	264
	Customer Engagement (Mobile, Social, and Physical Storefronts)	268
	Data	271
	Operations and Logistics	272
	Expanding with New Models	273
	Conclusion	274
	Endnotes	276
Chapter 13	Understanding Software: A Primer for Managers	279
	Introduction	279
	Operating Systems	281
	Application Software	285
	Distributed Computing, Web Services, and APIs	289
	Writing Software	293
	Understanding Technology beyond the Price Tag: Total Cost of Ownership (TCO) and the Cost of Tech Failure	296
	Endnotes	301
Chapter 14	Software in Flux: Open Source, Cloud, Virtualized and App-driven Shifts	303
	Introduction	303
	Open Source	305
	Why Open Source?	307
	Examples of Open Source Software	309
	Why Give It Away? The Business of Open Source	310
	Defining Cloud Computing	312

	Software in the Cloud: Why Buy When You Can Rent?	314
	SaaS: Not without Risks	317
	Understanding Cloud Computing Models: PaaS, IaaS, and Motivations and	319
	Risks Clouds and Tech Industry Impact	323
	Virtualization: Software That Makes One Computer Act Like Many	326
	Apps and App Stores: Further Disrupting the Software Industry on Smartphones, Tablets, and Beyond	327
	Make, Buy, or Rent	329
	Endnotes	331
Chapter 15	The Data Asset: Databases, Business Intelligence, Analytics, Big Data, and Competitive Advantage	333
	Introduction	333
	Data, Information, and Knowledge	336
	Where Does Data Come From?	340
	Data Rich, Information Poor	344
	Data Warehouses, Data Marts, and Technology behind "Big Data"	346
	The Business Intelligence Toolkit	351
	Data Asset in Action: Technology and the Rise of Walmart	358
	Endnotes	361
Chapter 16	A Manager's Guide to the Internet and Telecommunications	363
	Introduction	363
	Internet 101: Understanding How the Internet Works	363
	Getting Where You're Going	371
	Last Mile: Faster Speed, Broader Access	377
	Endnotes .	384
Chapter 17	Information Security: Barbarians at the Gateway (and Just About Everywhere Else)	385
	Introduction	385
	Why Is This Happening? Who Is Doing It? And What's Their Motivation?	387
	Where Are Vulnerabilities? Understanding the Weaknesses	392
	Taking Action	405
	Endnotes	412
Chapter 18	Google in Three Parts: Search, Online Advertising, and an Alphabet of Opportunity	415
	Introduction	415
	Understanding Search	418
	Understanding the Increase in Online Ad Spending	424
	Search Advertising	425
	Ad Networks—Distribution beyond Search	431
	More Ad Formats and Payment Schemes	435

	465
Endnotes	461
The Battle Unfolds	449
Search Engines, Ad Networks, and Fraud	446
Profiling and Privacy	441
Customer Profiling and Behavioral Targeting	436
	Profiling and Privacy Search Engines, Ad Networks, and Fraud The Battle Unfolds