

FABERNOVEL identifies 4 superpowers to outperform in the Network Economy

FABERNOVEL released a new study analyzing the strategic practices of the GAFSA companies. The study, which presents actionable lessons for legacy industries looking to reshape their strategy for the New Economy, finds that the fastest-growing superpowers in the Network Economy position themselves as Magnet, Intimate, Real Time, or Infinite Enterprises.

FABERNOVEL's 2014 report, [GAFAnomics: New Economy, New Rules](#) detailed how Google, Apple, Facebook, and Amazon – GAFSA – are driven by a common vision of a borderless market and a customer culture which redefined their notions of value creation, core business, and talent management. FABERNOVEL's 2015 study builds upon these findings to analyze how other companies are utilizing the infrastructure built by these 4 web giants to spur their own rapid growth.

With over 350 billion dollars of cumulative turnover in 2014, an increase of 10.7% compared to 2013, GAFSA have a comparable economic power to South Africa the world's 32nd largest economy by GDP. GAFSA's collective available cash of \$ 118 billion would be enough to buy the oil company British Petroleum.

Organized in open networks and taking leadership, GAFSA have spawned a new generation of startups. More than half of the Unicorns – those startups valued at over \$ 1 billion – relied on GAFSA to facilitate and accelerate their launch and their growth. For example, Uber built its application on top of Google Maps, using Google Wallet and Apple Pay payment systems, and Amazon Web Services for storage and data management.

Today's giants, disruptors, and their clones from all over the world have mastered the same rules, and the homogenization of emerging models is gradually shaping a new economy.

In the industrial economy, the company controls value creation, and therefore centralizes resources: machines, knowledge, skills etc. By facilitating market access, the Internet and its networks have created a real change in this way of working. The most immediate consequence is the competitive tendering of all world trade.

Given the hyper-flow of information, opinions and access to assets, GAFSA learned just how important it is to mutate towards a value distributor model: organized by network, they identify value points and redistribute them.

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Mastering the rules of GAFA, new players are increasingly showing phenomenal growth rates. Unicorns commonly reach a valuation of 1 billion euros in 18 to 24 months, while Google took 8 years and a classic Fortune 500 company once took 20. Between January 2014 and July 2015, the number of Unicorns increased from 42 to 119. These fast-growing companies upset the market positions of incumbents, including GAFA. In 2014, GAFA covered 51% of a user's digital journey, a decrease of 4% compared to 2013.

In this economy, a GAFANOMICS® company must understand and control this network organization, the pool of connections, and the interactions that provide 4 new performance levers:

- **Magnetic:** the company exploits and monetizes micro points of value;
- **Intimate:** the company knows its clients and engages with them in such a way so as to give the impression they are conversing with a friend and not a retailer;
- **Real time:** the business adapts its products, its offer, its past experience, and future projects in real time;
- **Infinite:** the company reaches a critical size through client acquisition at minimal cost.

By dissecting GAFA and their competitors, FABERNOVEL hopes to unveil strategic and operational possibilities to inspire traditional businesses to perform in the new economy.

About FABERNOVEL

FABERNOVEL is an international Innovation Consultancy with offices in Paris, Lisbon, Moscow, and San Francisco. Founded in Paris in 2003, FABERNOVEL works with government organizations and Fortune 500 companies to develop digital strategy, understand the impact of new technologies, and instill a culture of innovation. FABERNOVEL's highly regarded studies, drawn from the firm's hands-on experience guiding organizations through digital change, have been read by over 10 million people worldwide.

FABERNOVEL // a new world needs new solutions

Transform feared disruptions into business opportunities. Craft impactful user experiences that benefit our clients and their customers. Build agile prototypes to test and develop strong strategic assets. Play a prominent role with a sustainable impact, in the best ecosystems.
At startup speed.

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