Financial services firms can learn valuable lessons from corporations operating in Taiwan, as they embark on a unique opportunity to leapfrog their western counterparts into an environment of collaborative commerce. Primarily due to the reduced amount of existing infrastructure and legacy systems, the technology gap that was considered a disadvantage in the 1980s is now a competitive head start in plugging into the emerging global commerce network.

Consumers, businesses, manufacturers, distributors and governments operating in the Asian economies are realizing that the new economy currency is not just information; it is collaboration or the exchange of content. More importantly, how information is exchanged between two or more parties has changed forever due to the advancement of technology. One example from the manufacturing sector, that provides insight into how new financial services offerings can be crafted quickly in a collaborative environment, is found with the alliance between the Hewlett Packard Company¹ and Parametric Technology Corporation² in the development of collaborative, commercial, product solutions. This type of technology-based solution is designed to build collaborative networks in which suppliers, designers, partners and customers come together on the Internet to create new products and services. The focus of the HP/PTC product offering is to decrease time to market for manufacturing companies and online exchanges. The online exchange concept, in which cells of competencies interact and exchange information to develop products and support a manufacturing process, is similar to the evolving relationship between financial services firms and the emerging eMarketplaces. In
Taiwanese Collaborative Product Commerce

financial services, this type of product can be used to bring together individuals from various disciplines (for example mortgages, retail banking, insurance, the branch network and other groups) to assess rapidly the needs of customers and develop new product offerings. The interchange of product design ideas can then be targeted to market segments and prototyped in a specific geography to determine the viability of the offering’s value proposition with a minimum of investment by the firm. Even more important is that this type of technology can be applied to external service partners in which co-branded solutions can be developed and brought to market with increased speed.

With declining margins, a ceaseless appetite for customer-initiated services and the continual appearance of new market entrants, present-day Taiwanese organizations, like their western counterparts, are speculating, on how to add value in a disordered and disorganized business climate. The culprit behind this fundamental shift in how organizations demonstrate value is a redefinition of what is valuable to customers and shareholders. Information, coupled with ever-expanding technologies designed to put data at the heart of the value exchange, will be key to surviving the next wave of business to be conducted on the Internet.

The foundation for the global eCommerce-driven economy is collaboration between firms and partnering in a network of value. Collaboration extends the boundaries of a firm’s fundamental value chain to support a co-mingled set of operations in search of expanding markets, increased revenues or reduced operating cost.

Often mentioned as the overall leader in understanding customers’ needs, Taiwan is typically referred to as lagging behind other nations in innovation, a necessary catalyst for rethinking value propositions. The opportunity presented to Asian nations such as Taiwan requires bold leadership to seize the moment during a widening economic downturn and invest in the infrastructure required to position firms for the next evolution of technology-based commerce. Exercising that opportunity can only be achieved by developing a corporate competence in collaboration, leveraged with a host of technologies.

The opportunity for financial services firms is to provide a new suite of commerce-enabling services as part of the growing emergence of business-to-business portals that are developing a value proposition based on simply brokering connective transactions between parties. Many of these portals are reminiscent of a matching or introduction service, acting as a conduit for finding a business partner or identifying needed products or services. Financial services firms should view these portals with the same eyes as the Medicis saw trade routes in the Middle Ages, that is to say, not