

ADEKANMBI OLUBAYO



THE
FUTURE
IS SHARED

SHAREPRENEURSHIP AND SHARING ECONOMY IN EMERGING MARKETS

"This is a commendable work. It raises the bar in sharing economy discussion for Africa. Bayo is very inspiring and I think he can get Nigeria sharing!"

Ali Clabburn, Founder/CEO of LiftShare UK, Britain's largest car sharing company

"This book presents a novel and revolutionary perspective on the winning business models of the immediate future. It is not only inspiring, it is also an excellent example of a robust 'out of the box thinking' from a master strategist"

Bola Akingbade, ex-CMO Nigeria Breweries & MTN Nigeria and CEO, BrandVille Nigeria

"... this book shows us how sharing and connectedness can unlock economic value, enhance societal well-being and unleash much more happiness in our societies. It is well-researched, provocative, simplistic, emotive and powerful"

Michael Ikpoki CEO, Africa Context Consulting Limited (Former CEO, MTN Nigeria)

"...using a conceptual framework backed with practical examples, Bayo postulates on how leveraging data, analytics and technology can accelerate the progression from individual scarcity mentality to one of communal abundance..."

Lampe Omoyele, Business Leader & Marketing Strategist

"This book is essential reading for anyone who doesn't want to wake up one day and ask where their business went..."

Haydn Townsend CM(SA), Chairman, Pangea Ultima South Africa

... This is a first-class insight by an intelligent mind and a call to individuals, African government and organisations to capitalise on this burgeoning market space. The Shared Future is a must read"

Dr. Akanimo Odon, Strategy, Sustainability and Business Expert, UK

"From mobility to finance, Bayo provides overwhelming evidence to support his argument that Africa can leapfrog into first world status by unlocking the latent power of the sharing-economy"

Adetayo Bamiduro, Cofounder, MAX (Nigeria sharing economy based delivery network)

"Amazing read...chockfull of insights...this book will open your mind to the vast, untapped potential of collaborative businesses in emerging markets like Africa and beyond!"

Syed Abdul Karim Tanveer, Strategy Consultant, Houston, USA

"This is an important book for our time. Bayo Adekanmbi presents a powerful model on 3Ms, not only for business, but also for consumers...An interesting read."

Roxy Maqache - Group Executive: Business Insights, Tiger Brands, South Africa

"It's important to understand the future of the economy, as we shift towards technology powered peer to peer models. This book will help carve your path"

Jeremiah Owyang, Global authority on Sharing Economy/Founder of Crowd-Companies, USA

"The Future is Shared is the first clear treatise I have read of how Nigerians can work around resource constraints to build the future faster. By jettisoning ownership and embracing the shared economy, we can create economic opportunity and change our country and indeed the world..."

Iyinoluwa Aboyeji, Co-Founder Andela, MD Flutterwave and a Serial Entrepreneur

"A well-written, relevant and fascinating read that examines how connected consumerism is affecting the way that businesses operate in the twenty-first century. A must-read for anyone interested in modern economic theory!"

Georgia Greville, ex- Director of Operations and Marketing, Australia

"This is an important and comprehensive book that examines the opportunities and potential of the Sharing Economy to transform, not only Africa, but the developing world at large"

Benita Matofska, worldwide expert on the Sharing Economy, Founder of The People Who Share

Emerging market economies have seen a slow down in growth in recent years. The Future is Shared is a well reasoned and well researched blue print for new growth potential in Nigeria and other African economies.

Jennifer Roberti Forrester, SVP Marketing and Communications at UNICEF USA

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The Future is Shared:

Sharepreneurship and Sharing Economy for Emerging Markets

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*“The miracle is this:
The more we share the
more we have.”*

– Leonard Nimoy

DEDICATION

This book is dedicated to my darling wife, Oluwatoyin, a most beloved partner in our shared purpose; Bolu and Folu, our loving kids, who share in our passion for a shared future; and the many 'sharepreneurs' in Nigeria who are innovatively raising the bar in sharing-based business models

ACKNOWLEDGEMENT

It has been a very long journey – an undulating path of unlearning and relearning. The decision to pursue an academic programme at doctoral level and take a sabbatical from an executive, full-time position was not easy. It was a tough decision, and one that I will always appreciate for being so timely and necessary. It was the much-needed hibernation for self-reinvention and capacity building for the long haul. I cherished every moment of the academic journey: the rigour of re-immersing myself into the demands of class attendance, research development, cross-country travels for research tests, conference attendance, paper/poster presentations and much late-night reading. It was all worth its weight in gold.

The fruit of this period of hibernation was an opportunity to understand deeply the dynamics of the socially-induced bandwagon consumption using the broad theories of data science and sharing economy from an emerging market perspective. Specifically, it allowed me to comprehend how the sharing economy and its extensions like the access economy, crowdsourcing, crowdfunding, collaboration, etc. represent an economic model that has the potential to disrupt poverty and give Africa a transformational ray of hope in terms of socio-economic development.

The Future is Shared is a research-based book that challenges the traditional economics of scarcity through its theory of connected abundance, and how shared ownership via crowd-capitalism can reduce waste, environmental pollution, storage cost, the emotional risk of full ownership, etc. It redefines consumer connectedness and highlights how the infinitesimal power of connected capacity can shift the market advantage.

I acknowledge everyone who has been a part of my journey – my mentors, seniors, colleagues, classmates, contemporaries, co-researchers and a long list of many others who have added to my narrative. My career is the story of a man who was able to lean on the backs of many giants, and I am grateful to my family at TACEF for providing a much more exciting reason for living. I am particularly grateful to the leading experts of

the sharing economy, whose rich body of work acted as a lighthouse by which I could navigate my first effort at book writing. I am also grateful to Benita Matofska, a global expert in sharing economy and founder of The People Who Share. She is an inspirational mentor whose work on sharing economy provided rich insight into my hypothesis building. In addition, I appreciate Ali Clabburn, founder of LiftShare (the UK's first car-sharing company), for sharing his practical insights and for chairing the academic pre-release of this book at Birkbeck, University of London in July 2016. Many thanks also go to Professor Arun Sundararajan of New York University, whose bandwidth of knowledge of the sharing economy expanded the scope of this work, and to Jeremiah Owyang, a respected expert whose Honeycomb 3.0 project remains a global template for sharing economy.

I also appreciate the tireless editorial support provided by Vivian Uwakwe, Susannah Holz, Georgia Greville and Liz Barker Woods.

In truth, when we leverage our shared competence, we multiply our results and our future really can be shared as a connected abundance, powered by connected access/exchange system.

Olubayo Adekanmbi

Lagos, Nigeria

2016

CAVEAT/LIMITATIONS

The case studies and examples proposed in this book are not exhaustive and only limited to the public information accessed from the internet and other publicly available sources. For this reason, propositions cannot be generalized without considering other factors that may be missing in this body of work. Whilst the outcome of the conceptual models could be applied in most instances, there may be some important exceptions that are outside the scope of this work.

All images used to explain various case studies are selected from the internet and are included for reference only as publicly available information accessed via Google image search. Effort has been made to recognize all the sources, however, the author accepts instance of errors of omission and commission. These are not deliberate and therefore regretted.

FOREWORD

This book is about the fundamental benefits of collective action in an economy. Bayo fully grasps the concept of sharing and successfully communicates the importance of revitalizing business and economic interaction through sharing information, expertise and resources. The industrial revolution of the 1800s forged the accelerated growth of income levels in Europe, which eventually spread across the globe. However, with this revolution came increased inequality and what is described as the unacceptable face of capitalism, strife, cyclical downturns and eventually 2 world wars.

Why is this? Bayo argues that the conventional capitalist model, although a strong model for economic prosperity, is less likely to create sustainable wealth and inclusive growth that benefits the masses as opposed to the elites. He proposes a concept of shared consumerism, where instead of the conventional self-interested individual units pursuing self-centered needs, we see a situation of *connected consumption through connected exchange which ultimately leads to connected and collective abundance*.

The global economy is currently experiencing a new revolution, the digital technology revolution. As a seasoned professional in the telecommunications industry in Nigeria, Bayo is able to demonstrate the importance of using digital technology in facilitating more collective exchanges. This in turn boosts the socio-economic profiles of the vast majority in Nigeria and beyond.

Utilizing analysis of tech-giants such as Uber and Airbnb, Bayo highlights the benefits of sharing through the growth of these corporations in monetary and market penetration basis. These firms understand consumer needs and strive to satisfy these needs through a sharing business model that has churned billion dollar profits, created jobs and utilized resources efficiently.

I have read *The Future is Shared* by this prolific intellectual and I recommend it to all entrepreneurs, leaders, thinkers and pioneers. Reading this book will equip several interest groups to come to terms with an ever changing business environment that is finally channeling its focus to a concept that has been in existence for a long time, the concept of sharing.

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CHAPTER 1

FROM HOMO SAPIENS TO HOMO SHARERS:

OUR SHARING ESSENCE

We grew up being taught that we must share. Our infancy was characterized with moments of sharing – from our sweets to our toys, and even to intangibles like our smile and our time. We were groomed to appreciate the fact that we were never an isolated being in the world; our living has always been inextricably linked to our sharing. Today, it would appear that this nurturing has worked. We can see the emergence a new generation of ‘Homo sharers’, who understands that consumption is only meaningful when it is shared, not only with friends, but also with complete strangers.

The ‘Homo sharers’ or ‘consumer-sharers’ generation understands consumption as a collaborative behaviour facilitated by a network where people with underutilized or unutilized things,¹ such

as bedrooms, office spaces, empty cars seats, power tools, Prada bags, bridal gowns, bicycles, time, skill and books, share with other people. They list these things on the Internet, through websites or apps, and other people in need of those things simply rent them on these platforms. For example, since the inception of Airbnb in 2008, more than sixty million people have used another person's home as their short-term home, at an average rate of 500,000 stays per night in 57,000 cities of the world. These individuals have chosen to rent apartments or rooms from locals who have spare space to share, instead of using the traditional unfeeling and cold rooms of established hotels. To underscore the impact of this, Airbnb's market valuation of \$30 billion is \$10 billion more than the current market capitalization of Marriot International, the world's largest hotel chain. Its worth is almost worth more than the Hilton (\$23.33 billion) and Hyatt (\$6.87 billion) chains combined (\$30.2 billion). This may be explained by the simple fact that Airbnb currently has more than two million listings in more than 191 countries around the world, while the newly combined Marriott and Starwood have only 1.1 million rooms in 110 countries worldwide.²

A recent Goldman Sachs study found that, of consumers who have stayed in peer-to-peer lodging within the last five years, 36% prefer peer-to-peer lodgings, 40% prefer hotels and 24% have no preference between the two. This is a strong indication of how sharing is inching close to the same level of impact as the traditional accommodation business model.

In December 2015, Uber, a company that developed an app allowing people to get in touch with other people who have unused cars, in order to book a ride, stated that it averages 5.5 million rides a day, or 230,000 rides an hour.³ Lisa Gansky, author of *The Mesh: Why the Future of Business is Sharing*, suggests in her book that we have (finally) come to realize that a sharing model represents a fundamentally better use of resources. As we all become more concerned over issues of sustainability and climate change, it seems likely that these factors would steer us away from the selfishness of having to really own an item. We can instead get in touch with our inner altruistic self, and share items with others. Sharing also satisfies our yearning for social interaction, and, in the case of Airbnb

for example, allow us to interact with and seek advice from people who live at our holiday destination. Gansky also suggests that, because everybody will be sharing belongings, this will result in increased production of goods that are “durable, flexible, repairable and sustainable,” which will in turn lead towards a more meaningful existence.

Rachel Botsman and Roo Rogers, in *What’s Mine Is Yours: The Rise of Collaborative Consumption*, advance a similar argument. The underlying question from both of these texts is, ‘has such altruism been in us all this while, and the Internet has finally helped us unleash it?’ The answer is ‘yes, it has.’ The work done by the Helsinki Institute for Information Technology and the Copenhagen Business School may help us to appreciate this position further. They surveyed 168 people registered on a sharing economy platform to understand their reason for participating in the sharing economy. Was it because these people enjoyed the social interactions that they received from sharing, or was it because they sought to remain congruent with their ideals of sustainability and green consumption? On the other hand, was it because they could save some cash and time, or establish a personal reputation?

This research discovered that, in addition to our altruistic nature, saving time and money were strong drivers among adults who chose to *rent rather than buy their things*.⁴ Perhaps, as Adam Smith, the father of modern economics, once said, “It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner, but from their regard to their own interest.” As with all fairy tales, it is easy to romanticize the huge, altruistic potential of people in general, and believe that our idealistic nature is driving the sharing economy. However, saving money or time, or earning money, was an important factor. VisionCritical,⁵ a customer intelligence platform that has worked with over 650 brands around the world, also posited that “access to luxury, ease, convenience, pricing, sustainability and altruism” are combined drivers of the sharing economy.

WHY OWN IT ANYWAY?

Nonetheless, if we were to discuss the potential of the sharing economy only having regard to basic and essential needs like housing, we would be undermining the potential of the movement. As Rachel Botsman said, “I don’t want the DVD; I want the movie it carries. I don’t want a clunky answering machine; I want the message it saves. I don’t want a CD; I want the music it plays. I don’t want stuff; I want the needs or experiences it fulfils.”⁶ Platforms such as Spotify and Netflix meet exactly these demands, offering us the benefits of owning music and movies – with 24/7 access and greater control – at a lower cost. More importantly, as these informational goods can be digitized and replicated at zero cost, they have the capacity to serve multiple users concurrently. This means that I can listen to my preferred song on my way to work, without having to compete with another person, and I can enjoy my preferred movie during my break time, without infringing on another’s person experience. Digital goods are an example of where we would prefer to rent rather than own, since the supply is abundant and consumers can rent them anytime, anywhere. The same cannot be said of physical goods or human resources.

However, if platforms of the sharing economy become increasingly networked, we as consumers may be able to tap into greater amounts of unutilized or underutilized physical things or human resources on a real-time basis. This would enable us to create a scenario that is very similar to the digital goods, albeit at a near-perfect variant which guarantees that everyone can access what they need, when they need it, and at the price they can afford. Thus, the level of competition for physical goods and human resources may fall, and with more choices, there is a higher chance that we will all be able to meet most of our needs.

A BUSINESS MODEL OF DISRUPTION

The business landscape is replete with great businesses that are being disrupted out of relevance. Once successful businesses like BlackBerry, Nokia and Kodak are being pushed to the back of history because of a landslide shift – in the very same manner that the sharing economy is likely to cause. This is even more compelling given that the world’s largest taxi company owns no vehicles (Uber); the world’s most popular media owner creates no content (Facebook); the world’s largest retailer has no inventory (Alibaba); the world’s largest accommodation provider owns no real estate (Airbnb); the world’s largest cinema owns no cinema screens (Netflix); the largest software vendors do not write their apps (Apple and Google); the largest communications companies (Skype, WhatsApp, Viber) own no infrastructure; and the fastest-growing banks actually have no money (SocietyOne, Zopa). The traditional definitions have shifted, industry delineation is becoming blurry, and the basis of competitiveness is changing at the speed of light.

EXAMPLES OF DISRUPTION

Before	Now
Encyclopaedia	Wikipedia
Television/DVDs	YouTube
Newspapers	Real-time tweets
University	Online learning
Taxis	On-demand ridesharing
Venture capitalist funding	Crowdfunding
Banks	Social lending

HOW FAR ARE WE FROM THIS REALITY?

The 2016 Rio Olympics illustrate beautifully how the concepts of a sharing economy can help an individual to fulfil his or her dreams. Chierika Ukogu is a US-based Nigerian student with a big dream to compete in the

Rio Olympics and become the first ever Nigerian to win an Olympic gold medal in the sport of rowing (Figure 1.1).



FIGURE 1.1: CHIERIKA UKOGU

In 2015, Chierika started a GoFundMe campaign to raise \$15,000 in order to go to the Rio Olympics. This platform allows people to raise money from unknown people all over the world for events, charitable causes, and milestones. In 2016, she raised \$14,000 and prepared to go to Brazil to contend for the medal. Unfortunately, she was unable to achieve a medal for rowing, but she nevertheless proved that people can fund passion, and that sporting expenses can be removed from national expenses if we are able to engage the passion of individuals to support causes that they believe in.

Today, there are many sharing economy businesses thriving and growing at a rapid rate in different parts of the world. In Nigeria, for instance, various platforms that support the business model of the utilization of underutilized resources and optimization of product values are already in operation. In terms of car sharing, we now have the likes of GoMyWay, Jekalo, Ridebliss, and others. LASTMA Radio Station is a crowdsourced radio station that broadcasts live traffic situations based on indepen-

dent reports from ordinary people who dial in to share traffic updates in their vicinity. Digital alternatives of this radio station exist in app-based or tweet feeds, which curate and share crowdsourced traffic updates for public access (e.g. Gidittraffic and TrafficButter).

This same business concept explains the digitalizing of the traditional collective/cooperative savings practice called 'Esusu', which makes it possible for friends or groups of people to 'crowd-save' and crowd-fund. Diamond Bank's eSUSU⁶ (Figure 1.2) and Access Bank's PayWithCapture⁷ (Figure 1.3) are digitally enabling customers to jointly save with friends and families towards a common goal, as the funds can be pooled and rotated amongst all members of the group, or pooled and allotted to one individual. Stanbic IBTC and FCMB/3Line have also expanded market opportunities in this area of 'crowd-saving'.

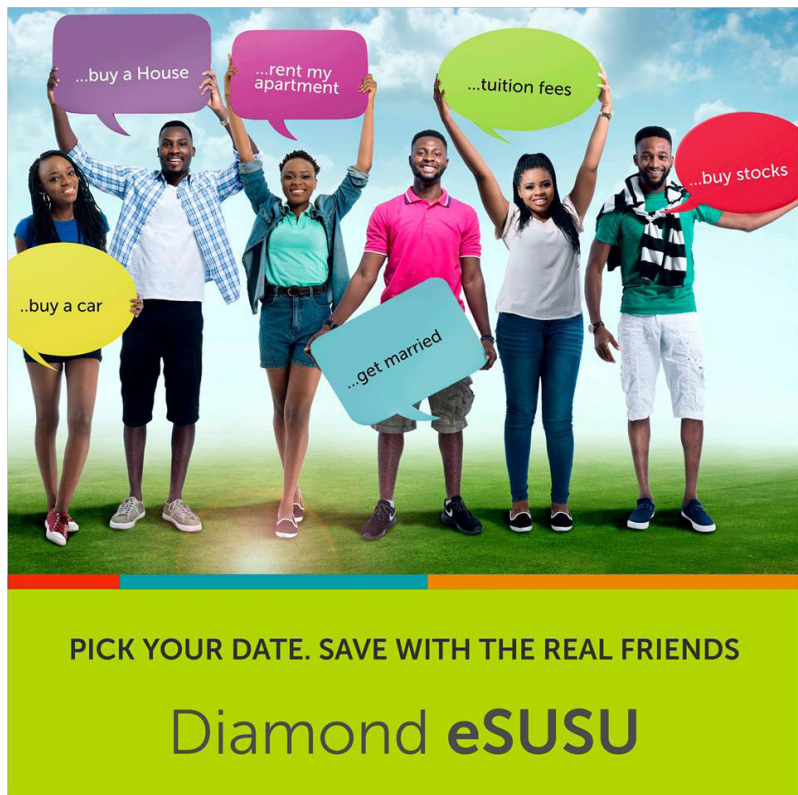


FIGURE 1.2: DIAMOND BANK'S ESUSU



FIGURE 1.3: ACCESS BANK'S PAYWITHCAPTURE

The Nigerian logistics and delivery business is also seeing a major revolution as a result of the sharing economy model through MAX bike crowdsourcing in Lagos. MAX, short for Metro Africa Xpress, is a smart, last-mile delivery platform that has helped retailers reduce last-mile delivery time from four days to just three hours, by using algorithms, maps and a network of independent bike drivers. MAX aggregates independent taxi operators and bike riders called 'Okada men' into a network of delivery agents, and uses a matching algorithm to allocate independent bike riders to every delivery package. As a social venture, it aims to increase income for low-income and uneducated Nigerians.⁸

In the same vein, SkillMix Nigeria leads as an outsourcing/crowdsourcing portal for local project owners who seek skilled professionals to execute and fulfil their project needs, particularly freelance web designers, web developers, marketers and writers on an on-demand basis. Similarly, WeSabi has disrupted the daunting task of real-time access to artisans and craftsmen in Nigeria. The platform is the 'handyman portal' for Nigeria, and runs as an on-demand platform for highly skilled and verified artisans. WeSabi recruits service providers offline, as most do not have Internet access, and lists them on the platform. Clients request a service, such as plumbing or carpentry, on the website, after which the nearest available artisan in the client's locality is sent to complete the job. Users can then pay for the work done via the platform, and the feedback/rating of the service are curated as a self-regulatory mechanism. Its selection and verification system has also been enhanced through its partnership with the Builders and Construction Skilled Artisans Association of Nigeria (BACSAAN).

Relatedly, co-working spaces and shared virtual services are growing in Lagos, with local players like WorkBay, Capital Square and Hevener. These companies offer a low-entry pathway for start-ups and emerging SMEs to have a workplace and enjoy secretarial services at the lowest rates possible in a collaborative working environment.⁹

Nigerians are also crowdsourcing information that is not publicly available into a central access point for their common advantage. Platforms like Searchfirst.ng, which is a user generated debtor search engine for companies or individuals who borrow money and refuse to pay back, and companies, contractors or individuals who collect payment and abandon jobs or services, are increasing in popularity. This is proactively bridging the gaps where national credit bureau does not exist as a community-created verification platform, enabling Nigerians choose wisely who they do business with. The same public-good crowdsourcing model has been replicated by Wayopedia (crowd-sourced intelligent repository of scam email keywords and phrases), Gbege (up-to-date information about trouble spots in Nigeria), and iWatch (crowd-sourced information about developments in government to promote transparency and accountability) and the UP NEPA app (a joint effort by Nigerians to monitor the performance of their local power companies).

Farmcrowdy is another Nigerian crowd-enabled business concept. This website connects individuals who acts as farm sponsors with rural farmers online, allowing sponsors to rent a farm on the web or mobile for a period with a guaranteed return on investment after the harvest season. The goal of Farmcrowdy is to connect over 50 million rural farmers in Nigeria to farm sponsors, in order to expand their farm operations and thus drive for higher yield, while also enriching the livelihood of the farmers. It is a unique investment business model for professionals with extra cash, and will be a major disruption to traditional banking loan models.

Reuse and recycling through sharing is also emerging in Nigeria, with platforms like Eazyhire providing opportunities for individuals and corporate bodies to hire, lease or rent anything.

Fundamentally, the core driver of the sharing economy is the fact that every resource or asset, whether manpower, physical items, or intellectual commodities, has latent values or inherent potential that are beyond one-off usage. These resources also have incremental value that only manifests during various layers of usage cycle. First in this cycle is creation, when resources are created by others. Second is production, when others add physical input to the production. Distribution is third, when the resource can get to more places in a faster and more efficient way and on time. Last is disposal, when the resource's disposal is a renewal of a lifecycle instead of a permanent termination.

In light of this proposition, the entirety of any resource or asset is only maximized through a form of mutualization via common/shared ownership such as rent or lending, in order for every resource to deliver its optimal return on investment (ROI) and thus contribute to the welfare of individuals, the community and the planet. This process of mutualization of resources can be achieved if the process of reallocation, recovery and regeneration of resources is properly executed, in order to reduce scarcity and optimize value. The context of this must be a crowd-oriented community, disintermediation, and an open access to the customer supply interface.

ARE WE REACTING TO SOCIO-ECONOMIC REALITIES?

A collision of circumstances in the late 2000s bore the seeds of the collaborative economy that we see today. It was not abstract market forces; instead, it was pure human emotion that combined a latent altruistic tendency and externally induced pressures. The collapse of the US housing market left many middle-class Generation Y professionals in personal financial crises of a severity that the US had not seen since the Depression era. Suddenly, investment in 'things' was precarious, and many people felt the need to get rid of 'things' in order to make ends meet. At the

same time, social media and smart phones started to become ubiquitous. The Arab Spring demonstrated how radical sharing through a simple app could quite literally change the world. Occupy Wall Street was a vocalization of the anger and frustration that many people, particularly young people, felt towards 'the system'. The same sentiment is seen within the anti-establishment movement in the US election. The hacker group, Anonymous, has become more and more prevalent, and WikiLeaks and Edward Snowden have added even more fuel to the fire among ordinary people. The climate change debate continues to warn of how today's consumption excesses can ruin our collective future.

In retrospect, it seems hardly surprising that ordinary people would react to these unique pressures by finding alternative ways to live, connect and consume. The concepts at the heart of the cooperative economy – transparency, humanity, utility, non-materialism, openness, reuse and self-sufficiency – can be directly traced back to those not-so-distant tumultuous times. Brands and corporates would do well to view this as less of a trend, and as more of a permanent shift in the choices that people are making.

As a result of this shift, businesses are taking a hard look at what it is they do. Are they product or service providers, entrenched in transactional exchange or are they brands that enable sociality, sharing and sustainability?