
FOCUS ON...LEADERSHIP

Leading Intelligent Communities Through Enabling Trust

-by Alex Todd, President, Trust Enablement.com



Throughout my first day of attending the Intelligent Community Forum's recent [ICCA 2004 event](#), I could not understand why there was so much emphasis on the value of broadband. To me it was analogous to expounding the virtues of owning a car. In talking to people subsequently, I was very surprised to learn about the disparity of Internet connectivity infrastructure even within municipalities such as Manhattan.

Canada clearly got it right in its national broadband connectivity initiative.

Leveraging the Connections

What continues to trouble me, however, is that there does not seem to be much discussion about how specific strategies that leverage improved Internet connectivity can be used to accelerate economic development. The connection between broadband access and economic growth appeared to be circumstantial in most cases presented. To me, the most memorable direct impact of broadband was the example of attracting business park tenants in Sunderland, United Kingdom. I believe that represents only the tip of the iceberg in terms of the opportunities that quality Internet connectivity offers.

We all know that the Internet serves to compress time and distance. I believe the questions that need to be addressed in more depth are how communities can benefit from improved efficiencies and, even more significantly, how to overcome economic inhibitors related to doing business at a distance. I see opportunities for intelligent communities both to tighten internal community economic bonds and tap into the economies of other communities.

Tapping into the Global Economy

To me, this is the promise of Intelligent Communities. Every community, no matter how small or remote, has an opportunity to participate in and benefit from the value and growth of the global economy. The founders of eBay had a similar vision for giving people around the world an equal opportunity to reach world markets. Similar techniques for building trust and confidence at a distance can be applied to communities for economic development.

This is where [Trust Enablement](#) becomes essential. Whereas very small, tightly integrated communities do not need the assistance of information and communications technologies (ICT) to attain the levels of trust required to conduct business inside their own community, by contrast, larger communities do. The benefit is even more magnified when community members need to do business with parties outside their own community.

For example, the Greater Toronto Area (GTA) is a very large community of communities whose external reputation is tarnished (SARS, Mad Cow, blackout), with a significant negative impact on its economy. In this case, there appears to be a significant gap between perception and reality. Proposed efforts to "rebrand" the city are likely to use a blunt instrument (branding) to bridge the perception/reality gap, which is inadequate for establishing and maintaining the levels of confidence

required by external parties (tourists, conference attendees, investors, suppliers, customers, government, etc.) to give GTA more of their business sooner.

Trust Enabling Strategies

Trust Enabling strategies address confidence issues by employing a structured and unifying approach that is trust-objectives-oriented (fast trust, high trust, commit without trust, retain long term trust, optimize Trust Enabling efficiencies, etc.). Think of Trust Enablement as a method for engineering trust and confidence that is analogous to layering a logical infrastructure on top of a physical infrastructure (i.e., roads and rules of the road; electrical wires and electricity distribution management; physical communities and public policies; organizations and governance mechanisms): a Trust Enabling Services Infrastructure.

The Internet's primary value is that it bridges time and distance. An Internet services infrastructure should facilitate the creation of this value. A Trust Enabling Services Infrastructure addresses the primary barriers to accelerating e-business adoption and the volume, velocity, and value of resulting business transactions.

Trust Enablement accelerates the adoption of new business practices, as well as the flow and value of business activity within an economic community. Economic communities rely on physical, intangible, and human capital for growth. Investment in information and communication technology infrastructures has contributed to almost half the growth of leading OECD countries. It may surprise some, however, that trust between people alone can **contribute significantly to economic growth**

- a 15% increase in trust can contribute 1% annually to per capita output growth
- a 10% increase in inhabitant trust translates into an increase of 0.1% in economic growth (which becomes sizable when one considers world average growth rates of 1 to 3%)

What if economic communities could increase trust between their members through strategic use of information and communication technology? Trust Enabling a community can produce eBay-like economic growth, due to the cumulative effect of leveraging information and communications technologies to increase trust between transacting parties. Electronic Trust Enabling Services infrastructures can be designed to enhance relying party confidence in business transaction by explicitly helping to establish required levels of trust and protect from a loss or deficiency of trust.

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