

Innovation and Creativity

B2E Case Study 14 “Liable for Tribal”

B2E has developed an exciting new product called **MyTribe**[®]. It is an innovative new way for people to communicate. Once a group of individuals create an account with **MyTribe**[®], they have free, convenient, no-monthly-limit cell phone calls and conference calls anywhere around the world! Members can send **MyTribe**[®] **B2Eets**[®]—no monthly limit text messages to all their friends, family and colleagues.

For a modest fee, **MyTribe**[®] members can also buy **B2X-CELL Smart Fones**[®] and a subscription to services such as virtual **B2Face**[®] conference calling, **TribeTXT**[®] and **MyTribe**[®] **DragNDrop**[®]. This allows members to instantly share literally any file format for easy collaboration of all sorts, whether family photos, work-related or charity project files— a whole universe of connectivity.

The monetizing mechanism that B2E employs involves the **B2App**[®]. This App tracks and stores group and individual information on B2E servers, which can be accessed instantly by all members of each **MyTribe**[®] telling them what products their friends have bought that they might also like. The model makes money by packaging and selling the information it stores about **MyTribe**[®] accounts on B2E servers. B2E sells this marketing information to subscribing corporations.

The products have been wildly successful in the US, Europe, Australia and India, literally transforming how businesses operate and individuals communicate. A year ago B2E entered the China market as well, after long and serious contemplation. They recognized that there was a great market with the newly affluent Chinese middle class. However, they also recognized that China would not be a turnkey operation. Before entering China, B2E acknowledged they had a social responsibility to closely monitor the impact of their products— both intended and unintended— on this totalitarian society.

Recently B2E top management had been contacted by Chinese officials asking access to information on certain activist groups in China using B2E **MyTribe**[®] technology to communicate and share information for social reform in China. B2E politely but firmly declined. Shortly afterwards, B2E IT experienced a major breach to their firewall, and sensitive user and product information was stolen.

B2E is at a crossroads. Should they pull out of China? Can they move their servers to another country for protection? What is their social responsibility to their Chinese customers vs. their responsibility to their shareholders?

What would you say? What would you do? How could you be most effective?