The metaverse is a transformational opportunity for the business world

By Scott McCorkle, MetaCX

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I first wrote the word metaverse on a whiteboard in October 2017. Wrapping up a multi-hour design session, we were searching for a word to describe a new mindset and approach to enterprise software that answered the question, "How should one build a modern customer relationship management (CRM) platform in today's world, where every company is a digital company that needs more connection with its partners and ecosystem?" My former boss Marc Benioff was fond of challenging his team to think with a beginner's mind. I took this with me as I left my role running the Salesforce Marketing Cloud, and it led me to the metaverse.

Much of the world associates the metaverse with avatars and immersive VR experiences, which is key for consumers and some business applications, but this new computing paradigm offers a more foundational and transformative opportunity for the business world.

To see how, let's first step into the innovation we call B2B SaaS, business-to-business software-as-a-service. In 1999, Salesforce was a pioneer making enterprise-class software available as an internet service. For reasons obvious now, it's far more efficient to acquire enterprise software through a browser than to receive physical media to install on one's own servers. However, it's fair to say that the mindset of enterprise software in a SaaS model is largely the same as the prior on-premise world. Companies subscribe to a SaaS application, get access to their instance, and then begin to automate some transactionally-oriented workflow internal to their company. There's nothing wrong with that, it's just not where innovation ends. SaaS is an innovation of distribution, and we are nearing the end of this innovation cycle.

Executives I speak with say they need more value from their technology and digital investments. "More" means more connection with trading partners, a focus on value instead of transactions and external coordination across entire value chains and ecosystems. This won't come from more B2B SaaS investments inside a company's own four walls. Attention needs to shift to a new type of technology purpose-built for businesses to connect and work with each other. The metaverse brings a new mindset that will drive this needed innovation.

We should also give SaaS credit for enabling more effective integrations and API-first thinking that can connect various systems and processes. But when executives say they need more connectivity, it's not this transactional element that's arguably the exhaust of a business relationship. Executives instead are looking to capture why business relationships exist in the first place, and then measure how value flows across these relationships from suppliers to customers across their entire value chain. What is value creation for one company is value received by another company, repeated nearly infinitely. To meet this goal of more connection and a focus on value, companies need to exist in ecosystem-wide environments where they connect with each other in any combination. This is where the metaverse comes in.

If we take the metaverse to also include the physical world — and why wouldn't such an expansive concept include the world we live in — then applied to a business, the foundational idea of the metaverse means connecting a company's physical identity with a digital identity, where the business exists once in the digital world just like it does in the physical world. Web3 technology enters the scene to implement this identity in a distributed, interoperable way. This single identity can then engage in different, interoperable virtual spaces.

The metaverse is what comes next

This is not the way enterprise software like CRM works today. Rather, each company has its own internal-facing systems keeping track of other companies — suppliers keeping track of customers, buyers keeping track of vendors, and on and on across all stakeholder relationships. This is not the physical and digital world converging. At best, this is the digital world having zillions of redundant copies of the physical world. This is not to say these legacy systems don't add value, they are a necessary step for any business to manage its internal information and workflow. But it's not going to create the level of digital connections businesses are now looking for, not for 1:1 relationships and especially not for entire ecosystems.

Instead, the idea of the metaverse gives enterprise software developers a roadmap to build software based on a single digital identity where companies join a network to connect with other companies who have likewise joined. This is not a system that belongs to any one company, but an environment where all companies are equal. Why do businesses want to connect? Because that's the nature of a business at its essence, connecting with customers, suppliers, and any stakeholder to establish an expectation of value from the relationship, and then measure the realization of this value over time.

This thinking is not inconsistent with the idea of a VR environment where a business user engages with some part of their business in an immersive environment. But we are setting the aperture much wider to say the entire business should be thought of as being part of the metaverse, and all of the data that exists about that business can be aimed at that digital identity to create a digital twin for the entire business. Then this digital business can connect with other businesses to do what businesses do — exchange value — but is now supported by a persistent, interoperable, collaborative digital space that is co-created and co-owned by those companies who have joined the metaverse.

Building the metaverse

The metaverse won't just appear, it's something companies need to build. But by definition, one company cannot build the metaverse. There is only one metaverse, and enterprise software developers can only commit to building some part of it and to helping businesses navigate to it. Each of those individual environments must interoperate in a way unlike enterprise software today. A business needs to seamlessly navigate across all of the metaverse components. We are obviously in the very early stages here, and it will take a decade-plus to realize this vision.

Visualize what kind of system would enable healthcare as an industry to measure social determinants of health, sharing what works and doesn't work to improve health equity. Sustainability programs almost always require the coordination of dozens of companies across an ecosystem. And when businesses innovate to establish a new-new capability, they need to align many partner companies on their desired outcomes and how those outcomes will be measured. Today, there isn't a "system of record" for this external coordination. The metaverse will bring us one.

Scott McCorkle is founder and CEO of MetaCX.