Mind Your E-Business

It's a place called Internet. It's where your business has to be right now. You're dot-commed and e-prepped for commerce, but as it turns out, that was the easy part. Now you have to deal with the converging whirlwind of time, speed, and mass applied to a global, connected economy, an equation championed by authors Stan Davis and Christopher Meyer: speed x connectivity x intangibles = blur.

The key to coping successfully with this dynamic movement, according to Davis and Meyer, is not to fight it, but to become part of it. Work the Web. Buy while selling and sell while buying. Evolve. Pay attention.

Here's help.

Fast Forward

Doing business on the Internet is primed to accelerate—losing slow, unprepared competitors in the vapor and snatching up global hitchhikers in its ascent.

According to Michael Erbschloe, vice president of research at Computer Economics, "The Internet is going to change fast during the next few years, and change faster than it has during the last five years. Although this change will open more opportunity for entrepreneurs, it's also going to become more challenging and more expensive to compete on the Internet."

Here are 10 macro trends that will change the nature of the Internet over the next five years, according to Computer Economics:

1. At least one-fourth of a projected 350 million Internet users will use wireless devices for Internet communications and business activities.
2. The nature of Web content will become increasingly global as companies in Europe and South America, along with China and Japan, move to the Internet at a faster rate than other countries.
3. In the next three years, e-commerce will attain more than $6 trillion of business-to-business transactions over the Internet.
4. The age of the Internet entrepreneur will fall dramatically over the next five years as more teenagers start their own dot.com businesses.

5. Companies that want to conduct global e-business will be required to support Websites in multiple languages and create culturally significant content.
6. Competition among affinity Websites will become fierce as media companies attempt to attract such interest groups as women, men, teens, Hispanics, Asians, African Americans, gays, lesbians, and people with specific economic or recreational interests.
7. Technological convergence and consumer demand will open the doors for new media applications. Delivery of all existing media sources will span numerous platforms, including computers, thin-client devices, video systems, and audio systems—requiring converting media into multiple formats.
8. No monopoly in end-user or infrastructure technology is sustainable, and all present-day corporate dominance will eventually erode as technological convergence occurs.
9. Customer service standards for e-business efforts will have to meet or exceed those of offline competitors, as customer service becomes a primary differentiator between Web-based companies.
10. Cyber-terrorism will emerge as a form of economic warfare and a political and economic tool for competing companies, polarized political forces, and social classes.

FYI computereconomics.com

The Taxman Delayeth

The U.S. government's Internet sales tax moratorium has been extended, thanks in part to a March recommendation by the 19-member Advisory Commission on Electronic Commerce. That means no new tax authority for now. And online businesses won't have to levy and track a multitude of new state and local taxes. To fully comprehend the implications, consider that there are 7,500 different taxing jurisdictions in the United States alone, according to *Inter@ctive Week*.

Yet, the Net tax debate rages on. The E-Fairness Coalition, for example, considers the moratorium discrimination against traditional bricks-and-mortar businesses. A recent Forrester Research study reports that U.S. states raked in $140 million in e-taxes last year, but that an additional $525 million of tax revenues slipped through the online taxation cracks—a sobering thought for revenue-strapped jurisdictions.

Others view the moratorium as a time to rethink the whole system. Charles McLure, former deputy assistant secretary at the U.S. Treasury and now a senior fellow at the Hoover Institution, believes that the borderless Internet is the future. Instead of a tax structure based on sellers' locations, for example, he says a simpler system might involve taxation based on buyers' locations. Now, if you purchase a pair of shoes online and the seller has no physical presence—or nexus—in your state, that vendor isn't required to collect your state's sales tax.

Among other provisions, McLure's proposed plan also calls

L-I-N-G-O

Is your personal infrastructure crumbling? Are offline folks getting you down? Viral marketing not kicking it yet? Translations, please....

Dirt world. The nonvirtual realm in which bricks-and-mortar businesses dwell.

Monetize. To convert Website visitors into paying customers.

Offline. An adjective for people who don't get it. (Clue: They have no email or Website.)

Personal infrastructures. Nonbusiness relationships (friendships and marriages, for example).

Viral marketing. Word-of-mouth recommendations by satisfied customers.

Source *Business Week*

Share your own workplace e-lingo with other readers. Email your ideas to atwork@astd.org. I'll share the best in an upcoming column.

To Do or Not to Do

PC Week named several Websites as examples of what to do—and in some instances what not to do—to stay competitive in e-business.

According to Jim Rapoza, "All of the sites mix cutting-edge technologies with clean design, which makes them attractive without heavy load times. Each site also uses a mix of established tools and servers combined with unique in-house applications and scripts. And important to the success of these sites is that they were not shaped in the 'build and forget' mold. All are under constant management and revision, and even the smallest has at least 20 dedicated staffers."

Here's the list:
- ❏ Books24x7.com
- ❏ Dell.com
- ❏ Furniture.com
- ❏ IMDb.com
- ❏ www.MyHelpDesk.com
- ❏ Outpost.com.

FYI *PC Week Online;* zdnet.com/pcweek/ filters/specials

for one-size-fits-all rates that mean consumers pay identical tax rates on a pair of shoes delivered to Maine or Hawaii.

FYI www.ecommercecommission.org; forrester.com

Slow and Steady...For Now

Government groups are moving into e-business, but at a slower, more deliberate clip than the private sector.

According to Dataquest analyst Rishi Sood, "Governments need to understand how citizens will interact with them electronically before jumping headfirst into e-government development." Within a state, for example, various agencies—such as health-care departments and the DMV—have different needs. So, each agency must formulate separate strategies that are incorporated into a larger, interconnected state plan.

Says Sood, "Recently, we've seen an aggressive trend in governments to build electronic solutions to help customers perform specific transactions on the Web, such as renewing a driver's license or obtaining permits. The next several years is when governments will really begin to offer mission-critical e-business services."

Source *Unisys Exec*

The Good, the Bad, and the Numbers

According to a new study conducted jointly by PricewaterhouseCoopers and the Conference Board, there's good news and bad news about e-business.

On one hand, the majority of global corporations are investing more in e-business than they were a year ago—and devoting greater senior management oversight to their efforts. More than two-thirds of companies participating in the study say they have a systematic, strategic approach to Internet-based initiatives in place with top-level executive buy-in.

At the same time, most respondents admit that they're not addressing their most pressing e-business priorities, nor are they servicing online customer transactions sufficiently. More than half of the companies say they have no method to assess the success of their e-business programs. And less than a sixth said they regard themselves as cutting-edge e-business innovators.

According to the report, "In an environment where many large, traditional businesses are still in a reactive mode on digital initiatives, more than 70 percent of the companies surveyed said that e-business accounts for less than 5 percent of revenues. While all tout the importance of e-commerce, 25 percent concede that they haven't established adequate e-business functionality beyond basic online 'brochureware.'" For more information, read the *E-Business Outlook for the New Millennium* report online at ebusinessisbusiness.com.

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