Business Strategy for B2B Startups/Spinouts | E-Business Strategy for Global Enterprises

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Vision

E-Business Key Themes and Issues for 2000

Here is my crystal ball as of December 1999. All of these themes and visions emerged in almost every engagement with which I was involved in 1999. They are uppermost in the minds of every CEO, whether of an Internet start-up, a clicks and mortar or a bricks and mortar. Check out white papers and e-business briefs.

Future State: The E-Business Environment

- Connectivity between highly diverse companies (and their systems) at a very low cost and on an unprecedented scale
    - Provides the opportunity to coordinate heretofore disparate activities with increasing ease
- Prominence of asynchronous communications (those not requiring real-time communications among two or more people; for example, websites and email)
    - Enable communications to take place at a time that is of the lowest cost to each participant
- Hyperavailability of information to anyone who has access to the "web" of activity
    - Enables a large number of people to make decisions based on the same information (for example, the end consumer's demand signal)
- Connectivity and asynchronicity combine to drive down the cost of interaction and transactions, among customers as well as members of the enterprise and its partners

Conclusions
- Adoption of many customer segments will undoubtedly follow the tornado model
    - "The jury" will return a positive verdict after which hordes of customers will interact and transact on-line
- "Opening up" the enterprise to an unprecedented level of scrutiny will be a difficult reality for some business leaders to accept
    - The true value delivered by the enterprise's products and services will be discussed openly everywhere
- This will be inevitable, and enterprises that resist it will be seriously disadvantaged

Future State: The E-Business Customer

- Enterprises are becoming increasingly transparent to their customers
    - Customers have the unprecedented ability to learn in-depth information about the enterprise's products, processes, problems and competitors
- Customers of all types have a far lower cost and increased scope of interaction
    - Increasingly able to share their experiences with almost infinitely many other customers
    - This is a key element of the power shift to the customer, away from the enterprise
- Customers will demand increasing satisfaction from enterprises, once they know that they can deliver it with e-business processes
    - The market will not forgive companies that ignore this phenomenon
- Customers will demand that enterprises think of their needs first and allow them to design products and services to fit their needs
    - This contrasts sharply with the enterprise-focused model of today in which enterprises to design products and sell them to a mass market
- Customers will take the lead in dictating what kinds of products and services they use, and they will reward enterprises that enable them to do this most easily

Conclusions

- The rise of the power of the customer will upset many traditional enterprises that are accustomed to pushing product to customers
- Due to their pain, many companies will turn inward, forgetting that customers are going through significant changes
  - Companies that have the foresight to help customers make the transition will gain huge benefits
- The enterprise that creates the capacity (knowledge) to engage customers to help it to satisfy them will be far better off in the satisfaction game

Future State: The Extended Enterprise Is a Knowledge Enterprise

- The extended enterprise is one with valid core competencies operating within a web of complementary companies that is coordinated to present one face to customers
- Hyperavailability of information, low interaction cost and the need to satisfy customers drive the ascendancy of knowledge
  - Knowledge is defined as information applied to performing an action
- The cornerstone of creating value in the ebusiness environment will be creating, organizing and leveraging knowledge
  - Focus on how the enterprise satisfies customers and knowledge about how the enterprise interacts within its web to deliver unique value to its customers and its partners
- The leading extended enterprises will drive strategic planning into their organizations
  - The focus on core competencies will drive the creation of opportunities that create and deliver value
  - Opportunities will be more shortlived and more numerous than they are today
- The leading enterprises will be those that have confidence in their ability to create and deliver unique value propositions
  - Confidence will be necessary to take the risk of adopting the new model and sharing knowledge with their customers and partners at a level unheard of today
- Confidence will stem from building a cadre of knowledge workers
  - This will have to be pursued organically, via an individual and organizational learning process
  - Workers that are conscious of knowledge and how to apply it to customers in the new ebusiness environment do not exist yet
    >They have to learn on the job

Conclusions

- Knowledge is an accelerator because it increases the enterprise's ability to learn and create more knowledge
- There will be no extended enterprise that is not first a knowledge enterprise
- Enterprises that fail to act and ignore the knowledge component of e-business put themselves at significant risk