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Corporate E-Business: Alive and Kicking

By Chris Rollyson

BusinessWeek's Rethinking the Internet conference last month in Chicago looked at the health of the Internet economy from the Fortune-500 perspective with leading e-business executives from Boeing, GM, Citibank, Marriott, CapitalOne, UPS, Dell, Grainger and Heritage Environmental.

Corporate executives seemed determined to continue their organizations' e-business initiatives, although with a more measured approach that reflected the realization that transformation was a long-term proposition. The good news: amid the over-hyped downturn of start-ups and the stock market, e-business is creating value in the corporate world, a positive sign for job seekers and technology providers. All reported that their Internet initiatives had produced measurable business benefits last year, leading to increased budgets this year.

Corporate Entrepreneurs

Corporate e-business had more parallels with start-ups than one might predict. Barbara Claitman, e-business director for Boeing's Commercial Aircraft, led the development of MyBoeingFleet.com, a B2B portal that serves as a single point of contact for the users and maintenance teams of Boeing aircraft. Although the site is recognized as a huge success today, its beginning was modest: Claitman cobbled together some seed funds and picked a small group of passionate volunteers to create the prototype. Her gamble paid off: once users saw how the prototype worked, she had little trouble getting the budget to build 1.0.

Mark Hogan, President of e-GM, the central point of contact for General Motors' B2C initiatives, reported strong results in both cost saving and revenue enhancing e-business initiatives. GM's "post 9/11" campaign, "Keep America Rolling," produced a significant increase in traffic on GMbuypower.com. Leads to dealers more than doubled, and dealers' close ratio was far higher than normal. The net-net was that the Internet was much more efficient in attracting and converting leads than conventional methods.

Conference organizers delivered a blue ribbon panel of speakers including three Sand Hill Road venture capitalists: Ross Bott, Sam Colella and Tim White. They noted that downturns are the best time to start a world-beating company because adversity breeds strength; venture capital is returning to the way it was before the bubble, with three to four year fundraising cycles and longer due diligence. When asked whether they were casting their eyes locally in search for good investment prospects, they replied that they still considered Chicago to be immature overall in terms of "deal infrastructure," meaning a lack of dealmaking knowledge among services providers, government, entrepreneurs and investors contributed significantly to increased investment risk.