

# IBM PRESENTS 1,061 WORDS *on* UMBRELLAS.

But first, a word on the rainy day.

Anyone could have seen the dark clouds coming – the investors, the promoters, the businesses themselves. They were around three years ago, when the weather was first forecast by the *Wall Street Journal*. And the forecast suggested, prophetically, that any business which relied on 'banner advertising' for revenues, was doomed.

It was written, it was read, it was ignored. In the hubris of IPOs and the hunger for eyeballs, everyone forgot one thing: Speculation. Doesn't. Build. Wealth.

## The emperor's new clothes.

Sooner or later, someone had to say it. The entire dotcom bandwagon had nothing on except the imagined robes of speculated wealth.

It's a fact. You can have the stickiest pair of eyeballs on the planet, but if they're not connected to a wallet, the people putting up those snazzy banner ads on your Web site are going to wake up and walk out. In other words, unless your business is creating real – not speculated – value for yourself, your shareholders and your customers, you're not doing business. End of story.

Two years back, it was enough to subscribe to the great microdollar smoke-and-mirrors magic show. The one that had you believe that low margins were okay because you'd get billions in high transactions anyway. That eventually all customers were going to purchase their goods and services over the Net. That salespeople and a distribution network were fast going obsolete.

If this were true, the economic detour that began earlier this year wouldn't have left close to a million start-ups in the buff. More importantly, it wouldn't have left them in the red.

## A beginner's guide to the New Economy.

Now that you've separated the tripe from the truth, it would be interesting to understand just what exactly is the New Economy.\*

The New Economy's most visible mark of identification is, of course, technology. Something that has single-handedly created global competition not just for things you can wear on your feet or drop on them, but also for services that can't be parcelled and couriered.

But simply to say that the New Economy is about the unprecedented power of global markets to innovate, to create new wealth and to distribute it more fairly, is to miss the most interesting part of the story. Markets themselves are changing profoundly.

Successful firms have to keep innovating to keep ahead. The average size of companies shrinks. Market power is increasingly based on making sense of an overabundance of ideas rather than rationing scarce material goods. The result: new rules of competition, new sorts of organization, new challenges for management.

In a nutshell, your migration to this brave new world will be affected by how you pack for both sunny days and rainy days.

## You just can't take the business out of e-business.

Moving unproductive processes and systems to the Net won't rid you of them – you'll just end up creating networked unproductivity. Because all the Net really does is make your implementations faster and more cost-effective. Nothing more, nothing less.

You need to *start* with strong business foundations, sound business models and proven business practices in the first place. You need to embrace the idea of business before you can dream of being an e-business. Above all, you need to know that implementing solutions for just one facet of the market forces you encounter isn't enough.

That last bit isn't e-business. That's myopia.



*Businesses that thrive on technology fads are bound to fail.  
Businesses that thrive by exploiting that technology are bound to win.  
Some realised this earlier than others.*

## What's an e-business and should you be one?

An e-business is the sum of its solutions. It's not merely about managing your supply chain or your inventory. It's not merely about managing your production lines or your distribution network. It's not merely about managing your marketing task force or customer relationships.

It's about managing all these together – all at the same time – across the company, across geographies, across your systems. It's about incorporating the Web into the way you do business. It's about using the Internet to manage procurement and monitor deliveries. It's about using business intelligence to offer customers deals they really want. It's about using e-business solutions to boost sales, increase customer loyalty and lower costs.

E-business is also about understanding that the forces of demand and supply can never be upstaged by an upstart business model. That what businesses do among themselves will always be greater than what they do with their customers. And that rainy days won't be wished away just because you've invested in a million-dollar infrastructure.

E-business is about umbrellas and you should be carrying one.

## Choose an umbrella once, but choose it well.

You've got the idea, you've got the place, you've got the people. The question is not what you've done. The question is what you'll do now.

Get an e-business infrastructure on which your business system can run well. Hardware that is robust and scalable. Software that is powerful and productive. Expertise that brings the two together seamlessly and painlessly.

More than anything else, get someone you can rely on to handle the back-end from start to finish, and who can add value to your business before, during and after the entire process.

In short, an e-business infrastructure from a single source – so that you can manage your business instead of managing your vendors.

20,000 businesses like yours realised this. And they called IBM for the infrastructure they needed so badly. Today, they're part of what we'd like to call generation e-business – the generation that means business.

## Welcome to the next level.

ABB, Airbus Industrie, Air Canada, Borders, Charles Schwab, Domino's, Japan Airlines, National Hockey League, PGA, Siemens, Piaggio, and a hundred companies of the Fortune 100 league are part of this generation. They're using IBM's e-business solutions to be at the level they are.

They know just how difficult it is to survive in a thoroughly competitive marketplace, through extremely hard times. They know that while business is about what an enterprise wants, e-business is about what it needs. They also know it takes a really good umbrella to keep out a really rainy day.

You could say they're all co-passengers on Noah's ark, all 20,000 of them.

With their heads way above the flood, they're navigating uncharted waters into a strange kind of economy. An economy that is challenging and full of mystery. But also one that is forgiving to those who prepare for it well.

IBM invites you to prepare now.



generation @ business