The Top Ten E-Business Trends for the 21st Century

1. E-Business will become a critical competitive strategy that will revolutionize the global economy.
2. Companies will learn to manage customers’ relationships by virtually serving their needs “24 ¥ 7”—24 hours a day, 7 days a week.
3. E-business that enables customers to personalize and customize products or services will flourish.
4. Using the Net to find new customers and to better target customer preferences will be a standard practice.
5. Producing, marketing, and distributing products or services online will be a cost-effective strategy for business.
6. Learning to develop and serve online communities with niche interests will be essential to building customer loyalty.
7. E-business models that provide greater choice for customers will change the traditional economics of supply and demand.
8. Ready access to the Net from multiple gateways—cable TV, satellite, wireless telephones, and other devices—will greatly expand e-business opportunities.
9. Highly efficient e-business virtual supply chains will intimately link manufacturers and producers directly to customers.
10. E-business will reach over one billion people and generate more than $2 trillion in revenues worldwide by 2005.

Picture a global digital economy made up of one billion people who can all tap into the Internet. They buy, design, sell, or trade products and services from their office, home, car, beach, or the top of Mt. Everest. Multiple information devices on the desktop, mobile wireless, wearable devices, and others embedded in our brains will provide instantaneous access to commercial transactions worldwide.

That’s where e-business is headed in the near future, but even today, it is a thrilling and lucrative part of daily commerce. Any company that uses the Internet for e-mail and document exchange, maintains a Website, or draws on online resources to do research is conducting e-business to some extent—and once a company enters this online world, there is no turning back.

Every Business Is an E-Business
Imagine the entrepreneurial opportunities of an online global marketplace where millions of orders for goods and services are processed each minute of every day. Online business models flourish and change almost in seconds, as innovation becomes the only currency of competitive advantage. Imagine the possibilities of an on-demand electronic marketplace where anyone can buy or sell from anywhere on the planet—a marketplace where people are ushered into digital worlds customized for their desires. Welcome to the future, where every business is an e-business or they won’t remain in business.

If we had tried to describe what e-business is about to people born 100 years ago, they would have thought we’re asylum escapees. In the future, not to explore the advantages of doing e-business will be viewed as crazy. The Net will change every rule of business. Restructure supply and demand. Establish new pricing and introduce many nontraditional competitors. It’s an entirely new game, and many haven’t realized how to play. This will be a disadvantage. E-business may be in its infancy now, but its true impact will be fully realized early in the 21st century. By then, those who changed and embraced e-business will have weathered the storms of realigned market share and other industry turmoil. This is a paradigm shift in thinking about business. Every business is an e-business.

The one arena that best represents the amazing convergence of leading-edge technology and the powerful changes yet to come as discussed in this book is e-business, which couldn’t exist without the Power Tools of computers and networks. These Power Tools finally broke a pattern that had been in place for at least 100 years. TV and direct marketing had an impact, but the result is nothing compared to e-business. E-business is a completely new model, a comprehensive holistic revolution in economics, human perception, and technology all converging at the same time in the same place in cyberspace.

Since 1993, I have been consistently advising clients that e-business is an important new model they need to experiment with, learn about, and ultimately profit from. Back then, few people took me seriously. Curious at best, clients would proceed with “business as usual,” unaware of the sea change about to occur. Then the Net came on in full force, and the popularity of the online marketplace, the impact on the stock market, and the re-engineering of supply chains took every company—even major technology companies such as IBM and Microsoft—by surprise. Today the genie is out of the bottle. E-business is the next stage in the evolution of business. Leaders that understand this will thrive; those that don’t will struggle to survive.

**The Knowledge Economy**

There are a number of ways to view the future of e-business. Simplistically, what we spend millions of dollars to do to sell our products and services can go away. What most of us deliver is knowledge—customer, product, service, and distribution knowledge—and the Net is about the emergence of a knowledge economy that
breeds efficiency and offers customization. Did I mention technology? Not yet. E-business is about how we leverage technology to build quality, efficiency, and customer satisfaction.

Profits come from doing this job well. Cisco Systems (www.cisco.com) estimates that they saved over $800 million from driving the organization toward an e-business model that is customer-centered. They routinely have customers make $100 million orders over their Website and will generate over $1.8 billion in online e-business in 1999. They don’t focus on profitability via the online channel; they focus on customer satisfaction in a knowledge economy. This is a recipe for success today and into the future.

Another way to view e-business is as an electronic channel for the distribution of goods and services or marketing and promotion. Imagine the cost savings of not having to spend the billions of dollars on traditional advertising or shipping. Obviously, some products must still be delivered. But as we move from physical to virtual products and services, especially in the knowledge industries, the distribution over the Net will become routine. Knowledge will be the prime commodity.

For example, the multibillion dollar computer game and music industries will be revolutionized as digital distribution replaces the costly hard media of CD-ROMs, and the glossy packages that get dumped in the trash within minutes of taking them home from the retail store. The savings will go to reduce costs and increase the profits of the product. Also, the upgrading of product can then be conducted online. All kinds of knowledge products will be distributed, upgraded, and sold this way, such as:

- Training programs
- Foreign language study
- Technical education
- Edutainment
- University education
- Marketing communications
- On-demand virtual products
- Health-care services
- Virtual experiences

A Customer-Driven Market

The customer drove the adoption of the Net. There is a lesson here: The customers are driving change, adopting new technology, driving up the prices of Internet stocks, and buying direct over the Net. This is a customer-driven marketplace. It took over 38 years for the telephone to be adopted by ten million customers. It took the Net less than five years! What’s happening is that we, as a society, are learning to adopt new technologies faster than before. Innovations that took hundreds of
years to impact economic systems, such as the printing press or the TV, today take a fraction of the time. We are learning to become digitally savvy.

In the near future, the Net will be the key driver of economic growth for many industries worldwide. With few exceptions, if we’re online, we will have the potential to make money; if we’re not, we won’t. In industrialized nations where products are becoming commodities faster than a speeding bullet, the Net has already revealed its advantages. We see many companies exclusively selling online, and the number will increase dramatically over the next three years. This is the beginning of a major shift in the economic systems on the planet. The proliferation of Net-based transactions is shaping a digital economy that will alter the rules of supply and demand. Vast new metrics are at work.

Sarah Buys a New Car: Year 2001

Sarah hates to shop. She is raising three kids, went back to school for her third degree, and she doesn’t have the time to haggle with car salesmen. So she contacted her Know-Broker, Sammy.

Know-brokers are in the “know”; they can get you what you want, when you want it, for the right price. Know-brokers are Net middlemen. Infomediaries, some call them. They keep an active knowledge network of who has the best products and services for their customers. Know-brokers emerged when the number of Websites soared to over a billion.

When it became clear to Sarah that she didn’t have the time or expertise to shop on the Web anymore, she looked for help. Her cousin, Bill, told her about Sammy and the Know-Brokers.

Sarah’s used Sammy for two years and has never met him face to face. Oh, sure, she’s talked to him almost every other month, but she’s never physically met him. He’s quick and easy to deal with. Best of all, Sarah trusts him, and he understands her needs and preferences. He gets her the best prices with plenty of choices.

“Sammy gets the job done for me. I need it, he finds it,” says Sarah to her son Brad. She is sitting on the front porch with her youngest son watching the early dusk come up on a beautiful Montana sky.

Turning back to the video screen on her wireless phone where Sammy is waiting, Sarah explains what she wants.
“Find me a used pickup, nothing fancy, no later than a '99 that can haul heavy loads. I don’t care if she’s pretty, I just want her fit. I’m paying under $5,000, unless you can get it cheaper.”

Sammy’s round face is ready with a huge smile. He does a real-time scan and displays the results on the screen in a round mosaic of car photos. “I have ten trucks you can choose from in virtual inventory. Let me download the vid-files now with all the data. You can access the one you want. Coming at you.”

“Looks good, I like the prices,” says Sarah after getting the vid-files in eight seconds. “How about this ’99 Ford Sierra? She points at the one she wants in red. “Got a confirm on the miles and condition?”

“Processing. Looks in good shape. I can get you a final confirm with my usual Best-of-Sammy Warranty to back up the manufacturer. It fits your personal profile.”

“How about financing and pickup options?” Sarah inquires.

“I am downloading three different options based on your prelogged financing preferences. But I gotta tell you, there’s this little bank over in Boise that’s got one sweet promo. They are just sending me an offer customized for you, good for five minutes. I think I can save you some bucks,” Sammy advises.

“I like it. Okay, I’ll take option two from the bank. Can you get me the pickup in three days?”

“Already done, financing approval coming in now. I need your digital finger signature. License and plates will be ready in 24 hours. Registration is happening now. How about we deliver to you by Thursday, no extra charge?”

“What took you so long, I got supper to cook. Sammy, you are amazing.”

“Thanks, I’ll vid-mail all the digital ownership files to you by morning. Enjoy your new pickup, Sarah.”

“Can you imagine the hassle of dealing with driving out to the different dealers? All the time that would take? And how would I ever know I got the best deal?” Sarah says to her son. “Now let’s see about that dinner.”

This near-future scenario indicates the advantages of e-business and why it will transform markets, change industries, and realign economies. Customers want the benefits of e-business. Customers are driving change.
Key Customer Advantages of E-Business

Greater choice
Convenience
Real-time knowledge
Anytime customer service
Product customization
Virtual technical support
Lower prices

Companies that understand this essential shift will succeed in the new economy. Those that don’t will be treading water—losing market share, watching profits shrink, and losing customers. It would be unjust to mince words with anything less than this forecast. Every day we move closer to Sarah’s scenario. Every day e-business takes another evolutionary bite out of the traditional marketplace. The Net will change everything, and business will be remade in its bold new electronic image.

The Key Business Advantages of E-Business

Lower overhead costs
Virtual inventory
Closer connection with customers
Improved supply chain efficiency
Access to larger market
Competitive advantage
New sales channel
Higher return on investment
Deeper understanding of customers
Brand awareness
Digital distribution

Frankie Clams: 2003

Frankie Clams, the CEO of ClamNet, is one of the top e-business advisers in the world. He charges the highest fees, solves the biggest problems, and is in big demand by the most powerful corporate companies. His specific skill is understanding online customers. He realized long ago that customer relationship management was the key to succeeding in online business.

*Frankie Clams developed a proprietary process of finding and attracting the highest profile customers to his clients’ online businesses. This was a Customer Relationship Process Re-engineering System. Although no one actually understands what he does, he explains that it is a mixture of data mining, knowledge management, AI, and multimedia design. CLAMS—Customer*
Logistics Analysis Marketing System—is a new generation of Business Process Organization. Frankie can use CLAMS to make or break a company. And he has. His clients love him; his competitors are terrified. If Frankie Clams is targeting your company, you’re dead meat on the info superhighway.

Today Frankie is making a report to a Pacifico Bank after just running CLAMS to see where they stand. The first part of the CLAMS process is to get an audit report on how customers perceive the company.

“It’s not pretty. You have BIG problems with loyalty, service, and trust,” says Frankie to the CEO over the vid-phone.

“What do you mean? My people tell me that¼,” stammers the CEO.

“Look, there’s no time for denial. We ran CLAMS, and our audit is clear on the problem. We’ve got the data. More customers leave for your competition than stay and buy. Now you want to talk about solutions to keeping and attracting customers to your Web site or not?”

“I’m paying you plenty, so I better listen. What do you suggest?”

Frankie smiles. “Here is what we need to examine. We want to go back to CLAMS and run a second-level diagnostic to determine where your competition is benefiting from your problems. What Net portals, Digital TV, or info-device access do people use? Where do customers get let down? Is it the online call centers, or is it Tech Support Services? We will be running Tiger Teams to investigate your supply chain to determine its agility to connect suppliers and customers.”

“Well, whatever you do, do it now. We are getting our butts kicked. How long will this take?” the CEO stammers.

“By the end of the week we’ll have a plan ready. Don’t worry.”

“By the way, where did you every get the name CLAMS for such a sophisticated online business process?” asks the CEO.

“It had something to do with my father’s restaurant,” says Frankie, looking out the window over the East River.

The key to competitive advantage in the 21st century will be how well we manage networked knowledge throughout the enterprise and leverage leading-edge digital
technology. How fast we can respond, how deep our knowledge is, what the proven solutions are—these factors will all comprise key competitive advantages.

What is the strategic knowledge that empowers people to be successful—both customers and employees alike? This is one of the central issues underlying the future of e-business. Just the process of answering this question will kick-start a learning cycle within an organization, leading toward building a knowledge management capability.