

Plenty Is Great About Electronic Commerce



{Editor's Note: This column is a response to the February installment of "The Analyst's Couch."}

Around 300 B.C., Theophrastus said, "Time is the most valuable thing a man can spend." However, as we enter the third millennium, traditional notions of time and place will vaporize. Trade and commerce will be conducted through electronic beams of light spanning space and the continents, 24 hours a day, seven days a week, 365 days a year. Yet time itself remains our most valuable asset. Never does time go so fast than in the minutes spent with a child or grandchild, or with friends and loved ones. The main benefit of electronic commerce is the savings of the one asset that you cannot accumulate nor hoard: Electronic commerce saves time.

How many people want to stand in line to cash a \$50 check? The ATM is much more convenient. Pump gas, check your stock, see a movie, buy tickets for a play or order a pizza without waiting in line or depending on the kindness of strangers to process your request. Time and more time is saved by the use of electronic commerce technology.

Let's knock down a myth—the Internet is not electronic commerce. It is one of the transports that allow electronic commerce to function. The world currently conducts billions of dollars each year in electronic commerce. Today the Internet is a minor player, but it will expand the use of technology to accom-

plish more and more routine tasks.

For example, over the last 10 years I personally have purchased several automobiles without stepping into an automobile showroom. I dislike the automobile dealership experience. My last two purchases were done over the telephone. In one case, the salesperson insisted that we come to his showroom before he would take the order. Threatened with not making the sale at all, he grudgingly accepted my order. Quite frankly, if it is possible to order my next car through the Internet without involving a salesperson—I will!

Limitless Options

More importantly, however, you are able to get much more information using electronic commerce. For example, imagine you are considering the purchase of a new car. By using the World Wide Web, you have the ability to configure the car with different options and play "what if" pricing games. What does the car cost with leather seats? Air conditioning? What are the total payments over three, four and five years, of lease or installment loans? How much money is saved by putting 30 percent down versus 20 percent? What is the delivery time if you order in red versus blue? Through electronic commerce, not only can the best options be determined but the necessary transactions can be executed in the convenience of your home. The electronic mall will never replace the shopping mall, just as movies didn't replace plays nor TV replace movies. Electronic commerce expands your options; it does not limit them.

For business, it offers a way to gain competitive advantage by providing superior service levels to customers. Today, electronic commerce is an advantageous business option. However, in the very near future it will be a core business requirement. Many Standish Group clients report that orders over the Web are exceeding other methods. For some peo-

ple, the Web is the only place to shop for things such as PCs or software. Consider the potential of conducting business electronically at any place, any time, with anyone, independent of language or national boundaries. This opportunity is created through an almost infinite commonwealth of organizations brought together to conduct business electronically. The Standish Group estimates that an astronomical \$5 trillion worth of business will be conducted via electronic commerce by the year 2000.

As far as transaction failure—it happens. However, if the application is built with a modern, high-quality transaction monitor, both the customer and the company will have fewer transaction failures. When a transaction does fail, the effect will be minimal. Application builders who use only primitive tools, such as Java, can expect less satisfactory results.

No Barbarians at this Gate

By the nature of being human, we are barbarians. Civilization itself is what conforms us to be humane. Fire, the wheel, the printing press, the automobile and television all have advanced our civilization. Electronic commerce also will advance our civilization and make us more humane. Having more time to read, to think, to explore and gain knowledge, we become less barbaric.

The people on our small planet are better educated, healthier and freer than ever before in history. The world's wealth is distributed over more people, and more people have jobs than ever before. All this was brought about because of technology, and new technology will make the future even brighter.

The Web is the great equalizer. Using it, small companies can compete for business directly against the *Fortune* 500. During the last decade, while the *Fortune* 500 were laying off people, small companies were adding jobs at twice the rate. The Web will create thousands of new companies, thus creating millions of new jobs.

Electronic commerce is also creating a whole new class of worker: *the migrant*

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By Jim Johnson

cybernetic worker. More and more, these workers will become their own resource with their own special skills. They will make up the organization based upon tasks to be accomplished. Once a job is complete, they will become part of a new organization or task. Thus the creation of the Virtual Enterprise. New skills, coupled with global online communi-

cations, make it happen. The migrant cybernetic worker can live where he or she wants and work where he or she lives. He or she also will have more time to smell the flowers and look directly into the eyes of a child. **IT**

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