# Don't let dot-com gloom curb e-business strategies



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Is e-business dead? Was it all but a dream?

Well, if you gain your impression of e-commerce from the stock market, sure. It's kaput. Finished. Just take a look around — some folks now believe that at least one high-profile dot-com is disappearing every day. The mood of investors has turned ugly, and the barbarians are at the gate.

Isn't it great.

Personally, I take great delight in the fact that so many startups are meeting that great liquidator in the sky. A chartered accountant by background, I have long been telling anyone who will listen that years ago, when the Internet was first being invaded by the opportunistic element of the investment community, that things were getting out of hand. That the dot-com runup was a fraud, simply a way for lots of people to make lots of money without any real substance to the deals at hand.

Well, they now have their due, and lots of folks are happy to see them go. After people clean up, the rest of the real world will move on and get back to the business of building the wired economy.

Yet there is a big problem given our current situation — the swinging pendulum of dot-com hysteria and dot-com collapse continues to cause many executives to misfocus on the nature of the e-business opportunity.

Just nine months ago, when the market was at its peak, many senior executives were hugely hungry to get involved: Give me an e-business strategy. Get us on-line. Do it now.

Yet today, as the pendulum swings the other way and gloom descends upon the market, there is suddenly less urgency to entwining e-business with your overall corporate strategy.

Which is dumb in the long term.

If you are responsible for the business strategy of your organization, you've got to ignore the market — it is often far too ridiculous a barometer of where we are headed.

Then what is going on? From my perspective, several things.

There is a massive behavioural change under way in society as people use the Internet to gain information related to their purchasing decisions.

We are very much a paper-based economy, but the Internet moves us ever so slowly to an electronic economy. The Internet presents every business with a greater number of new competitors than ever before and presents massive challenges as a result.

Think about what this means 20 years out. Many companies will have extended the reach of their transaction systems throughout their supply chain and will have realized the cost savings that come from moving away from paper-based transactions. They'll have passed on those savings to their customers, thereby undercutting and damaging their less efficient, paper-bound competitors.

A generation of kids will have grown up and entered the economy. Given that they have been raised with the keyboard since birth, they'll be different from any consumer before — the Net will play a major role in their economic activity. The consumer of tomorrow will be massively unlike the consumer of today.

Which brings us to a final point — does the market gloom mean that all dot-com's are bad? No. There are plenty of dot-com companies out there with real businesses, real plans, real profits, real people and real technology that are caught in the middle of the current downturn. Market hysteria means that far too many of them are being painted with the smell of death that permeates the dot-com world.

From my perspective, there are lots of realistic dot-coms that are serving as valuable and necessary helpers to the established corporate world in the march to the wired economy. Understand that, and you'll find some important partners who can help you achieve your on-line strategies.

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