

# The E-revolution

By Robert C. Benson III

Best selling author Tom Peters has declared the current technology movement “the greatest revolution in history”! The January 1, 2000 issue of The Wall Street Journal dedicated the entire publication to The Amazing Future of Technology. Whatever you think of the Internet, one thing is clear—our business and personal worlds will never be the same.

Today E-commerce is restructuring many industries at the same time. It is creating an industry, market, and economic transformation. As enterprises collaborate or expand their scope, the traditional industry boundaries are blurring. We are already witnessing the blurring of distinctions between publishing and retail, entertainment and retail, e-commerce and retail, computers and telecommunications, school and work, banking and investments, religion and science, in-house systems and Internet systems, and many others. This trend will continue to accelerate. Not only is E-commerce reshaping many industries and markets, it is reshaping the entire economy as well. Systems are converging. Ethic and moral lines are blurring. Technology is redefining value creation and life across the entire economic and social spectrum. **You are witnessing the E-revolution, and it is huge!**

The Wall Street Journal reported the head of Toys “R” Us Inc. resigned in August as the company, once the undisputed king of toys, struggled to respond to the growth of online rivals such as eToys.com. Michael Dell, who barely a decade ago was selling computers out of his college dorm room, offered PC’s exclusively over the Internet. Mr. Dell now runs the No. 1 personal computer company in the U.S. with reported sales of \$30 million dollars a day!

So what does this mean to me, you may be thinking? That is a question that every business owner, and even most individuals, must consider carefully. Industry forces are changing. Opportunities and threats are emerging. Here are some big picture considerations:

**Strategy:** Competitive forces in some industries are being re-engineered around a single distribution and communication channel—the Internet.

**Technology:** Technology is “converging.” Computers, telephones, radio, TV, and the Internet are becoming one.

**Markets:** The Internet is clouding market boundaries enabling consumer buying, investing, traveling, banking, communications, health care, research, reading, entertainment, and more to be done from anywhere—to anywhere—in the world.

**People:** The workforce is becoming E-enabled and savvy. Today, 70 million households in the U.S. and 65 million overseas have access to the Internet. Internet usage doubles every 100 days. By 2002, U.S. Web users will send eight billion e-mails per day!

**Process:** The Internet is a more powerful, convenient, and efficient channel of distribution and communications.

**Location:** Virtual business is becoming acceptable, reducing the value of location.

**Systems:** Systems are becoming highly integrated. Intra-company, inter-company, and communication systems are converging to include order entry, scheduling/tracking, inventory control, shipping, billing, credit checking, accounts receivable, collection, buying, accounts payable, payment, payroll, general ledger accounting, and banking. And the list goes on.

**Customer Service:** Customer relationships, order and account information tracking, problem solving, etc. are being enhanced and simplified.

Wells Fargo Economic Indicators reports that “Information is the primary product of the New Economy, while the output of the Old Economy is non high-tech manufactured goods and labor-intensive services. Over the last five years productivity gains in technology manufacturing shot up to 30 percent per year, while the comparable figure for non high-tech manufacturing was only 2.5 percent per year.” There are more than 35 million U.S. based small businesses, but less than 5% have an e-commerce solution. At the current unparalleled rate of 1,000 new e-commerce businesses opening per day, existing small and mid-size businesses are challenged to define their place in the hyper-growing e-market. Like electricity around the turn of the century, only the tip of the iceberg has been seen. New applications of the Internet will pour out, boosting productivity and economic growth.

The Internet is affecting more than just how we do business; it is affecting every aspect of life, including jobs. At a recent leadership conference I attended, it was speculated that in ten years the E-revolution could eliminate up to 90% of white-collar jobs! Since 1994, real wages have raised 11% in the New Economy, but only 3% in the Old Economy.

In an article on the Workplace of the Future by Louisa Wah, it is projected that:

- “Knowledge workers will rent their professional skills and knowledge on a ‘freelance’ basis.”
- “In the 24/7 global environment, productivity will be driven by speed and efficiency rather than the number of staff hours dedicated to a project.”
- “Internet-speed workplaces will radically transform the world of work, making work across multiple time zones and irregular schedules more and more common.”
- “A digital divide will emerge, separating employees who are tech-savvy and those who aren’t.”

From a macro-economic point of view, the E-revolution is exploding and it represents a new way of living and doing business. We are experiencing the most significant economic development in our lifetime. It will be fun. It will be frantic. It will be frustrating. But most of all, it will be—fascinating!

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