

BEYOND THE
WEB

PUTTING E-COMMERCE TO WORK
FOR WOMEN ENTREPRENEURS

Conference remarks by:

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AQUEOUS

March 8, 2000

Royal York Hotel

Thanks Linda for the kind introduction and to Ginny as well for delivering such a compelling message around the opportunities and necessity for using “Technology for Business’ Sake”. It is without a doubt one of my most favorite topics because of its importance to both emerging and established entrepreneurs. It is also one that I am very glad to be here on International Women’s Day speaking to you about.

APPROACH



Some of you may know me as a business advisor, some as a C.A., some now as an author, most as a fellow entrepreneur ... but those who know me really well, know that I have another, somewhat “geekier” side. While

many of you may be thinking “but she already said she was an accountant”, in fact, it gets worse ... I must admit that I am an accountant who is also a technology junkie. I wouldn’t normally admit this point except that in this forum I’m hoping that it will be taken as an attribute of credibility instead of a reason for commitment.

I do think however, that it’s precisely because I am a combination of all of these things that I have been asked to share with you today my views on how to revisit your

business model with a specific eye to how technology needs to influence your competitive strategy. Especially, given the building competitive tide now makes this more of a business requirement than an option.

Additionally, I would like to provide you with a simple guide that will allow you to gauge whether your business is at particular risk and point out why many of the traditional resources fail in really helping us use technology for business sake rather than technology's sake. Finally, I'd like to try to deconstruct some of the web of technological advancements and put them into a useful, practical and profitable context for you and your business to ensure your continued success in the very environment that Ginny has just outlined for us.

Having advised many entrepreneurial businesses on how to integrate the use of technology into their business strategy for competitive advantage, we have discovered that the best approach to this discussion first addresses what role technology plays at the strategic planning level of the business. Then it moves on to suggest how technology can be used to gain and sustain competitive advantage.

Without getting into a discussion about specific technologies, I have structured my remarks this morning in a similar manner.

I suppose the best place to start then is by answering the unspoken question in the room ... what the exactly do I mean when I say Technology for Business' Sake?

Slide - TECHNOLOGY FOR BUSINESS SAKE



The pace of technology development has been mind-bending ... how could we possibly have enough time while running our businesses to keep abreast of the "latest and greatest" technologies and do the creative thinking

necessary to set the possibilities for use in and advancement of our businesses. That is unless you happen to be a fellow technology junkie ... But say you're not ...

So where do we look to ... to the "techies" of course. We say we need a network, we need this application or that. And by doing so, we cut the really valuable part of the process short ... because very few "techies" understand technology from the perspective of business objectives and strategies. I have worked with many technology consultants, value-added resellers and systems integrators -- and their focus tends to be on the software and hardware with which they are familiar. So what we are really

getting in essence are recommendations and direction on technology for technologies' sake.

And why do we accept these recommendations? ...

3 very legitimate reasons ...

1. As I already mentioned, most of us (entrepreneurs that is) don't, because they just can't, maintain an up-to-date working knowledge of the types of reliable and appropriate technologies that are or soon to be available ... nor do we have the time to acquire that knowledge ourselves.
2. Given that, we really want to, need to trust that the technology consultant (the term now widely used for technician) knows what we don't -- after all they should know more about how the technology works than we possible could.
3. Which brings us to our third point and real problem ... We haven't really considered technology from the strategic point of view necessary to give the technicians/consultants, who implement technology from the functional level up not the business strategy down, what they need to do a better job.

This way of thinking about technology is further perpetuated by the fact that computers and computer systems are marketed like household appliances, “plug & play” is what we hear and believe. So we tend to assess technologies for what they can do instead of the difference they could make.

The key to using technology for business' sake as opposed to for technology's sake simply means that we need to elevate how we think about technology by focusing on "strategically significant" uses of IT instead of its traditional role as a support function. Come to think of it - many business owners and managers tend to view accounting and technology in the same way. Ah ... another revelation for me ponder.

So to summarize the essence of using technology for business sake and as one technology consultant has so aptly captured ...

Slide - Technology Today

Technology TODAY

“The traditional view of technology's role in competitive strategy is largely reactive - that is, a response to existing competitive strategy and business process, but not a critical factor in shaping that strategy and process.”
- C. Lawrence Meador

What is the current relationship between technology & strategy? **2**

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SOLUTIONS

“The traditional view of information technology's (IT) role in competitive strategy is largely reactive - that is, a response to existing competitive strategy and business process, but not a critical factor in shaping that strategy and process.”¹

Before we talk about how to use technology to shape our strategy & process ... we first need to make sure we know why it is so important to do so today.

Slide – WHY BOTHER WITH TECHNOLOGY FOR BUSINESS SAKE?

There are so many ways to use to strengthen and grow our businesses. We



Needed CHANGE IN APPROACH

Harder to match competition at...

- increasing profitability or expediting cashflow
- improving quality levels & consistency
- enhancing communications
- effectively managing staff, time and projects
- sourcing important information faster

Why bother with Technology for "Business Sake"? **3**

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have to develop a strategy for how we market, how we sell, how we operate, how we finance. So do we really need to add technology to that burgeoning Strategy-To-Do List? Absolutely and in some cases more importantly.

Regardless of the age or stage of our businesses, using technology as a key and integrated component of our businesses strategic plan has become non-negotiable. Why? ... Dollars. You don't have to raise your head to far up from your desk to know that money is flowing to creators and users of strategic technology. Just ask anyone who has tried to get financing lately. If we ignore the use of technology in

this way ... the probability that we will be able to match or surpass our competition significantly diminishes when it comes to ...

- increasing our profitability
- improving our service/product quality consistency and level
- enhancing our communications - both internal and external
- managing our staff, time and projects more effectively
- sourcing important information faster
- expediting our cashflow via shortened billing and collection cycles

In fact, "research suggests that the most effective and sustainable examples of IT use occur when technology is woven into the very fiber of the organization. It has been recognized that leading firms are now seeking ways to exploit IT to transform their basic businesses, enhance their relationships with suppliers and customers, and create new market opportunities."²

So who needs to step up the pace?

Slide – WHO NEEDS TO STEP UP THE PACE

I am not a big proponent of fear mongering. I wasn't on that Y2K doom-mobile. But I will say that your business is in imminent danger if you have not consciously

factored technology into your strategic planning process and you are operating a business or employ a business model that...

Businesses AT RISK

Businesses that ...

- sell products and services that can be digitized
- sell commodity services or products
- act as administrative intermediaries
- needs to attract scarce talent
- depend on high transaction volumes
- operate on thin or decreasing margins

Who needs to step up the pace?

4

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- **sells products and services that can be digitized (i.e. software, music, books, insurance or any other standard written contract like a ticket)**

- **sell commodity services or products (i.e. a delivery)**
- **acts as traditional/administrative intermediary between the consumer and the producer (i.e. brokers)**
- **needs to attract scarce talent to deliver their products or services**
- **depends on high transaction volumes**
- **operates on thin or decreasing margins**

add yourself to that list if your business...

- **sells services/supplies a lucrative niche**
- **has customers that still have unsolved problems (always at risk)**

- **provides general advice or counsel**

WHY? Because technologies exist and are being enhanced to take advantage of these specific opportunities and deal with just these kinds of business dilemmas. The key technology of course is the Internet, which while it acts as the great leveler for small business, it also has the same potential to act as the great disintermediary. It depends on what side of the screen you are sitting on as to whether this fact will be your magic or poison pill.

It is imperative for business owners and managers to consider both the short and long-term results they expect from the possibilities of technologies not just the implementation of a specific technology. Often the easiest short-term solution to implement is not the best long-term solution for the company in the marketplace.

Slide – IMPORTANCE OF ADOPTING A TECHNOLOGY FOR BUSINESS SAKE APPROACH

So while it may appear overkill and amusing to watch 3 people who sit within a stone's throw using inter-office email ... Consider the long-term. The return lies in that technology supporting continued growth by increasing the efficiency of internal communications (written, focused, portable) without continual additions of more

administrative staff. – Result: easily scalable process, ready to go when needed ...
leading to increased profitability.

Also, considering technology as “part of the business' strategy, rather than just a response to it” is vitally important for 3 reasons:



1. Firstly, **technology is an investment in both time and money** - we need to ensure that the decisions we make today will produce the results we expect tomorrow, and

2. Secondly, **technology is continually changing the ways we do business** - as technology becomes more people-friendly, intuitive, reliable and cheaper the more businesses will chose the technology path that provides them with the advantage of speed, unique product and services, and ways of doing business with their customers and suppliers – Translation: more and stiffer competition
3. and lastly, at least in the near term there is a market opportunity because **most businesses are not evolving their business strategies in**

conjunction with the evolutions in technology. The simpatico between the two will however increase as those that are successful at integrating both business and technology strategy grab the competitive advantage.

Let's now look at some strategically significant uses that you may want to consider in order to better align your business strategy with those technology evolutions.

Just a reminder that all of these technologies may be applicable at each and every stage of your business but are of particular importance in certain stages.

Slide – BUSINESS APPLICATIONS FOR TECHNOLOGY

R&D

Some STRATEGIC USES

R&D

- online market research
- competitive intelligence

HR

- e-recruiting & online job posting
- online training

What are some “strategically significant” uses of technology?

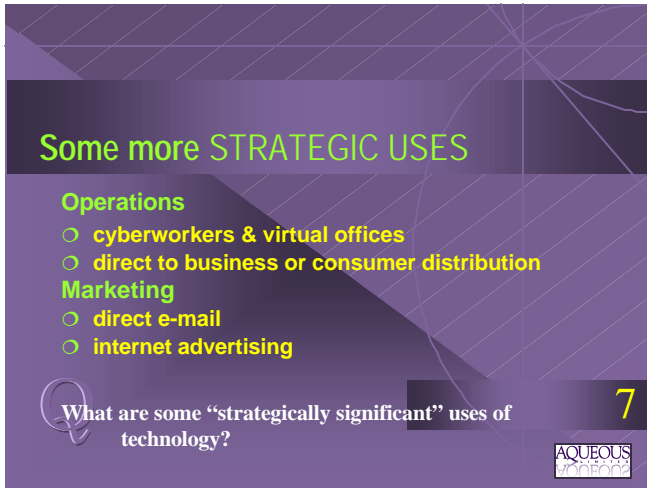
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- Online Market Research (like electronic surveys – both web-based & email; demographics; economic statistics)
- Management & Extending Business & Competitive Intelligence

HR

- E-Recruiting & Online Job Posting
- Online Training



Operations

- Customer Relationship Management
- Direct Distribution to Consumer (traditional e-commerce site)

- Virtual Offices (cyber & remote workers)
- Online administrative support (print postage from your computer, summons the courier)

Marketing

- Online Marketing/Internet Advertising
- Direct Email Marketing
- Re-purposing of traditional PR



Sales

- Sales Force Automation (web generated leads)
- Online Prospecting (Chat rooms, newsgroups)
- Cyber-intermediaries - Affiliates

Finance

- Online Fundraising/Financing
- Online Banking
- Online Financial Transaction Processing (electronic bill presentment)

So is technology a strategy or a tool? The answer is that it is both. However one is the cart and the other the horse. But which one? You will need to decide for your own business.

Slide – TECHNOLOGY - STRATEGY or TOOL?

What’s the difference really? Well, to further our understanding ... to use technology for business’ sake - you not only have to start with the end in mind but you really need to make technology part of what the business does not just how it does it.

Put another way - technology needs to be an integral part of the business' strategic plan, just like marketing, sales, production and finance because in the web economy it affects our capacity, our response-time, what we deliver, how we lead our businesses.

In comparison, using technology as a tool means using technology to improve the performance of an existing process or operational activity.

It is of course essential that we run our businesses efficiently and consistently but getting the best return on our investment in technology means that we have to look beyond just doing an activity faster or having the computer instead of a person to the work. This is the price of admission today ... what will garner us the competitive advantage is thinking about how existing and emerging technologies will allow us to do things differently and better. That's also where we will get the real leverage in employing technology for business sake.

The result - to achieve leverage today and in the future our businesses need to evolve not only continuously but faster and not only faster but more creatively.

EXAMPLE

Enough of the theoretic, let's take a look at a real life example. One of the most ingenious examples that I have come across of how an existing company has

integrated technology into its competitive strategy has been Business Week, the magazine. Some top-lines to set the stage...

Slide – BUSINESS WEEK’S STARTING POSITION

Let’s consider for a moment what Business Week is and has ...

Business Week's STARTING POSITION

- broad-based content
- newsworthy, relevant, insightful
- immense & loyal subscriber base

What are Business Week's assets?

10

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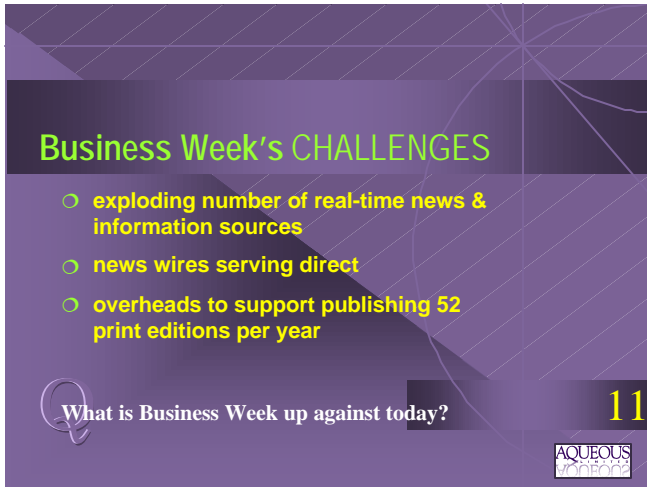
- Ability to generate content that spans many interest areas
- brand is positioned within the current events domain as “newsworthy”, “relevant” and “insightful”

- An immense and loyal subscriber base that relies on the analysis within the story

Now let’s consider for another moment what Business Week is up against in this web-economy ...

Slide – BUSINESS WEEK'S CHALLENGES

Well, it's now ...



- competing with more and more real-time sources of information and news, especially on-line sources
- the news wires delivering content directly to a wider distribution net

- infrastructure/cost structures related to its promise to subscribers that it will publish 52 printed editions a year.

So how did Business Week manage to integrate technology into its business strategy?

Slide – BUSINESS WEEK'S RESPONSE

Well of course they got themselves a web site ... but not just any old web site that placed its archive of articles online with a keyword search engine or the ability to subscribe online but an “online program” that ...

- adds value to & helps retain its existing subscribers by ...
 - allowing them exclusive previews of choice stories pre-newsstand through the same e-zine
 - allowing them online access to all current week articles
 - allowing free access to valuable archives to subscribers-only
 - staying closer to their customer through weekly emailed ezine
- tracking relevancy of stories against subscriber profiles based on click-throughs from e-zine to particular stories
- actually nutures and captures new subscribers by ...
 - direct email marketing of the e-zine "the insider" which provided access to certain stories of the week but only after magazine on the newsstand
 - allowing pay-per-use article access priced to make the subscription attractive
- generates new and incremental revenues
 - through newly generated subscribership
 - through another vehicle (web & e-zine) for direct advertising

Now while all that Business Week has done "in hindsight" seems predictable, it is the degree of integration that has flowed from the overarching technology strategy.

Business Week's RESPONSE

- Direct email marketing giving exclusive & preferred access to stories pre-print
- improve story relevancy by monitor which pieces get more click-throughs
- less exclusive offer of access to non-subscribers

How has Business Week used technology to enhance its competitive advantage?

12

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It was the strategy that enabled certain technologies to be used in order to produce the synergist returns and the distinct competitive advantage. This was not simply a case of using technology to do what is already being done faster and online. Rather it is a story about how the strategic use of technology has both protected the magazine's position from being eroded in its market place by giving it a stronger hold on its existing subscribers and an extended and effective reach to capture new ones.

Therefore, as business owners, when we develop our strategic vision and plan, we should endeavor to identify the elements within our businesses that need consideration on how technology should be integrated into what we do not just how we do it. But in order to accomplish this, we must adopt one key principle regarding how we are going to use technology in our day to day operations. We need to commit to a "technology first approach".

Slide - TECHNOLOGY FIRST?

I really should explain the difference between a "technology first approach" and "technology for technology's sake".

A "technology first approach" simply means that you should choose the technological alternative if you can afford to and even if it seems a bit premature.

Why is this approach essential? Because if you wait until you absolutely need to use technology, it may be too late to affordably implement it. You may simply be too busy or unable to afford the additional costs of the interim non-technological solution.



Technology is a big help at these transition points because in order to effectively implement a particular technology, we first need to think it through who needs to do what when. That way, we eliminate the all-to-familiar feeling that we end up having more to do and less time to do it after the new person(s) come on board and it allows us to take on more business, increase our production without a corresponding increase in the cost to do so. Translation: work less and make more.

Using technology to assist communication of these processes ensures that sharing doesn't have to mean giving up but getting more ... more opportunities, more awareness, more efficient, more effective, more profitable.

So far we've looked at what is "technology for business' sake" and understood why considering technology strategically is now non-negotiable. It is now important to figure out how we keep our business strategy aligned with the continual stream of new technologies.

I know intimately how time-impooverished entrepreneurs and especially women entrepreneurs are. So to stay in touch with how these technologies are used strategically, I'm not going to suggest you do periodic technology scans, subscribe to Wired Magazine, attend every Tech Forum or Conference that comes to Toronto. What I will suggest is that every time you travel the net for business or as a consumer or in the rare instance as a human being looking for the movie listing. Try to stay alert to how suppliers and other online vendors and providers of information are currently using IT.

You will start to notice dynamic pricing of products and services through online auctions and services that search out the best price. Click through to other aspects of web pages and see what is the "affiliate" program of your on-line bookstore. Keep a keen eye to how products and services are being bundled and re-marketed. Notice how the use of multiple channels increases your sense of awareness of a particular brand.

Also, when you are out at one of the many events that facilitate networking (few as good as this one I need to add) ... ask colleagues how they are using or would like to use technology and what they have seen lately that may present opportunities or threats.

In closing ... I would like to encourage you to develop a heightened sense of urgency around how technology should be integrated into your business model. I will personally guarantee that if you chose to include technology in your development of your competitive strategy in the same way you do marketing, production and finance you will succeed in "linking a hostile competitive environment and the available technologies that will position your firm for success"³.



**Thank you for your
kind attention.**

1 Meador, C. Lawrence, *IT Strategy Alignment, Identifying the Role of Technology in Competitive Strategy*

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3 abid