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Stevens Alliance for Technology Management glimpses the future of E-business.

Patrick A. Berzinski

"E-Technology: a marvelous tool for business but not a magic bullet" was the message of the Stevens Alliance for Technology Management's 2001 Annual Conference. The event was held June 5 at the ExxonMobil Research and Engineering Center in Annandale, N.J. Under scrutiny was the future of e-commerce in the era after the dot-com crash. The event featured a series of presentations titled "Applications of E-Commerce/Business: The State of the Art."

Jerry MacArthur Hultin, the dean of Stevens' Wesley J. Howe School of Technology Management, provided opening remarks. Larry Gastwirt, director of the Alliance for Technology Management, commemorated the Alli-

ance's 10th anniversary and outlined its mission and accomplishments. Officiating was Lem Tarshis, director of Technology Transfer for the Alliance.

One of four presenters at the conference was Charles Johnston, the vice president and director for Insurance Information Strategies at the META Group in New Brunswick, N.J. Johnston summed up the themes of the conference in the afternoon session. He began by citing three quotations:

- If you think technology can solve all of your problems, then you don't understand the problems and you don't under-

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stand the technology. [Anonymous]

- In theory, there is no difference between theory and practice. In practice, there is. [Yogi Berra]
- Life was simple before World War II. After that, we had systems. [Adm. Grace Hopper]

Johnston's tongue-in-cheek opening reflected the real-world concerns of many businesses, whose managers often find the relationship between web marketing and the Bottom Line plagued by paradox, or at the very least confounding. Johnston outlined the experience of the insurance industry, which he asserts has been late in taking advantage of new marketing tools and technologies. Heavily dependent historically on the human element of the local sales agent, the industry is only now grappling with the issues of selling through an effective – and easily navigable – web presence.

Johnston foresees a continued process of “disintermediation” – increased streamlining of “non-value-added” business elements, such as sales personnel and snail-mail solicitations. Interactive web marketing will replace many of the old style storefront agencies with user friendly screen options. Due to industry resistance to these changes, he claims, the transition to post-2000 business models is likely to be both painful and abrupt in the insurance field.

Marc S. Paller, the president of Digital Incorporated in New York City, and an adjunct professor at Stevens, offered a talk on “E-Commerce: Past, Present and Future.” After giving a short history of the topic, Paller projected an ever-widening gap between technology providers and business people, making in-house (and online) support unavoidable. Gaining a competitive advantage through new technology will become harder, as advances create more compact, cheaper and more readily available solutions. Communications costs will continue to decline, perhaps to the point – Paller speculates – where one-time cybernetic implants will take the place of external wireless devices for doing business and keeping in touch.

Another presenter, Bill Dean, senior manager for Infrastructure and Technical Support at Tyco Electronics and Power Systems of Mesquite, Texas, gave a detailed description of two recent e-commerce applications at Tyco. Formerly a division of Lucent, Tyco Electronics and Power is a manufacturer of power electronics, with a \$1 billion-plus market share and 5,000 employees.

Dean outlined the difficulties of creating an effective Product Storefront sales website for what was then Lu-

cent Power Systems. He offered insights into how the Storefront proved relatively unsuccessful, as a “technology solution in search of a business process.” Customers, managers and distributors all rejected using the site, preferring to stick with established online interfacing systems; additionally, the website processes were imperfectly integrated in the SAP operations structure, requiring customers to make double entries of data for most transactions.

More successful was the Contract Manufacturing website: In this case, a consistent business process was defined before an e-business channel was selected for use. Contractors responded well to this B-to-B site, whose functions were fully integrated into the SAP structure. Unlike the Storefront project, this site was viewed in tactical terms as opposed to strategic – therefore, a fully-fledged business rationale was developed in advance.

The conclusion: E-business applications work best when constructed in terms of the classical business value chain, beginning with the customers' needs and terminating with the customers' needs satisfied. E-technology that simplifies the chain better promotes commerce.

Allan Holzberg gave a talk titled “It's All about Connectivity,” outlining his seller's perspective as manager of Global Marketing Processes at ExxonMobil Chemical. Holzberg spoke of e-commerce in terms of the four realities of the chemical industry: Globalization, Consolidation, Technology and Regulation. He detailed the new forms of customer interaction being created within the value chain of the industry, with new business models connecting the buyer and seller.

Holzberg concluded that progress toward interconnectivity through e-commerce will continue, though at a slowed pace in the coming years. The emphasis will increasingly be on business, with the subordination of technology to the creation of value and customer satisfaction. New models will evolve that promote outsourcing, an integrated focus on the supply chain, and business alliance rather than vertical, top-down structures.

Patrick A. Berzinski is Media & Editorial Specialist for the Stevens News Service, Stevens Institute of Technology.