

Not *Just* a Project

by Pamela Fay

Many companies make the mistake of thinking of an e-business initiative as an IT project. E-commerce can be just a project, one that provides another means of distribution or a means to capture operational efficiencies. Depending upon your business goals, e-commerce may be appropriate and the absolute right thing to do. E-business, however, is different.

However, for a traditional brick-and-mortar company at the top of the mountain and hoping to stay that way, e-business should fundamentally change the way it does business. In fact, there is a better, higher mountain forming right now. Economic shifts are reshaping businesses and changing the structure of the value chain. Whether a company is on top or struggling to gain market dominance, simply adding another channel misses the power of the Internet.

A successful e-business initiative uses rigorous strategic analysis to chart a navigational path for a company. Even as it evolves and morphs, the technology is easy. The hard part is rethinking the way the company interacts with its customers, its suppliers, its competitors and its employees. E-business extends far beyond Internet technologies; it is a fundamentally new way of doing business:

- Beyond the Internet, e-business encompasses people, processes and technology, and includes integrated, multi-channel access.
- The new knowledge based economy extends the enterprise and emphasizes partnerships rather than vendor relationships, bringing suppliers and customers inside the company.

Surprisingly little of the transformation to e-business is about technology. Rather, it is about adopting new business models that institutionalize cultural change. For traditional companies, the challenges are many:

- The traditional company has established business processes and may have trouble thinking “outside of the box.”
- Transformational change that relies on people is frequently attempted behind closed doors.
- Established companies have monuments – sacred cows, accepted behaviors, reward structures, favored sons and daughters – that appear to be made of granite.
- The pace of change and the new skills required can be overwhelming.
- E-business decisions are frequently made with less-than-perfect information.
- Many activities, that in the “old ways” had been performed sequentially, occur in parallel.

Companies that want to evolve to “e” must deploy a participatory approach, one that engages not just the executive team, but the entire organization. Change should permeate the organization until every employee understands where the company is headed and works, unprompted, to make it happen. Effective, transformational strategies are not written by one – or even a handful of – third party consultants in isolation. Similarly, they are not the nocturnal dreams of the CEO and then mandated or, even worst, delegated. Employees own what they create; they will ultimately be called upon to embrace the roadmap and drive the vision.

As you build your strategies, keep in mind these guiding principles:

- Gain buy-in and ownership for a common vision.
- Generate the behaviors needed to navigate the roadmap and develop a successful e-business.

- Begin to build the firm-wide momentum that will support transformational change.