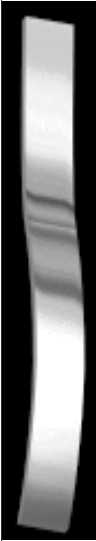


Taking hold of the Internet

Workshop

Adopting an Internet Strategy
for your business

What we take away today

- 
- 5 How the Internet works
 - 5 The W W W W W of the Internet
What, Why, When, Where Whom
 - 5 Start work

What

What is ?
Internet, Intranet, ISP, E-Commerce...

- 5 Network
- 5 Intranet
- 5 Internet
- 5 ISP
- 5 E-Commerce
- 5 B2B, B2C, ...
- 5 Collaborative Internet

NETWORK - When one or more computers are connected such that they can transfer data electronically between them, we say they are networked.

INTRANET - A logical grouping of Networked computers

INTERNET - Think of a single INTRANET as a single computer, with all computers connected.

The Internet is **COLLABORATIVE**. That is, you decide if, why, when and how much you connect.

Why

5 Why does the Internet work?

5 Why should the Internet work for You

∨ 95 Million People Online

∨ US \$ 98 Million Revenue on Internet Sales

“Within Five Years, all companies will be Internet companies or they won’t be companies”

Dr. Andy Grove, CEO on Intel

The internet has become an important medium for business. It allows:-

- Communication, as in E-mail
- Information, for example, an online dictionary
- Freedom and Choice - eg. “Hate” sites
- Mass of people - recently translated “consumers”
- Globalisation - World Bank Initiatives, European Union - Would it

be

possible without the Internet?

- Good business - new technologies being built for global market.

Global Internet Population : 95.4 Million (282 M by end 2002)

• North America	53.9	98.1
• Europe	24.6	84.3
• Asia/Pacific Rim	14.1	60.7
• South America	1.6	26.6
• Rest of World	1.2	12.3

E-Commerce Revenue (\$M)- (1999)98, (2000)197, (2001)381, (2002)702, (2003)1244

Source - McKinsey and Company, eMarketer reported in Intelligence Mag. April 2000.)

Why

- 5 Traditional companies are being threatened by companies with a Strategic Internet presence.
- 5 Companies are brand building using the Internet.
- 5 Internet users are expecting online presence from trusted Brand names
- 5 Examples
 - ∇ CNN
 - ∇ Mail and Guardian
 - ∇ Job Sites

Today organisations rely on the ability to provide advertisements to its audience. Today (especially in South Africa), we are being bombarded with In-Your-Face advertising - Take it or leave it. The public is choosing how to respond. Instead, a successful advert should build a response in the audience.

CNN - People trust the CNN Web site because they trust CNN to provide the news.

Yahoo - People trust Yahoo because it's a nice website.

My experience with RadioSpoor help desk.

Tell me more

- 5 Three phases of Internet business
 - ∨ Information
 - ∨ Interaction
 - ∨ Commercial
- 5 Tread carefully - fools rush in
- 5 Will the Internet replace, or supplement your current operation.

The development of the Internet followed these phases

INFORMATION - Internet is used to attract an audience. An important part, especially for start-ups. Must hold their attention. Focus on content.

INTERACTION - Give audience a **REASON**, not an **EXCUSE** to come back. Communities. Give away. Tools. User must see benefit.

Affiliate Programs - Bridge between Interaction and Commercial Phase

COMMERCIAL - Two types

- B2B - BondNet, Auction Sites
(Bondnet reached R250M mark by November 1999)
- B2C - Amazon

DON'T RUSH INTO AN E-COMMERCE IMPLEMENTATION.

Build a business plan to tie in with your current one.

Once you enter the Internet world, you become a small fish in a big pond.

Levis - cancelled it's ecommerce operation.

Direct Marketing - Remember that you're competing with your distributors.

INTERNET IS NOT THE WWW. - Remember Email?

When

- 5 If you're thinking of starting today, you're already too late.
- 5 Know your audience, don't test the water.
- 5 Is your business ready for Internet business.

There's no time to experiment.

POINT 1 : You can't survive without the Internet. Full stop.

POINT 2 : You must provide what's needed, so you must know what out there.

HOW MANY STAFF IN YOUR ORGANISATION READ THE
MAGAZINES YOU PRODUCE? (Do all of BMW staff drive BMWs?)

Make sure your business processes are equipped to handle Internet related business.

Eg. Someone subscribes over the internet. Will your staff REALLY know how to handle the transaction. Will it not be better (but less convenient) for the subscriber to fax the details to you.

The Internet is open 24 hours a day. Does this define your business.

Intranet

- 5 Think Internet = Intranet = Internet
- 5 A new phase in Employer-Employee communication.
- 5 Convergent technologies used in workplace.
- 5 Content is internally defined.

Many people forget that the Internet is a technology (tool) and it can be just as effective (in fact even more so) within an organisation as it is outside.

- Allows staff to become familiar with the operation, eg, departmental subsets.
- Improved communication. Promotes openness and transparency.
- Trend is towards Internet based applications. Eg. Leave applications, Telephone Directories, Time sheets, are being implemented on Intranets.
- People are generally more productive when “surfing” sites with important content, because they view surfing as a fun activity. For how long?
- Web publishing is an easily learned skill. It allows ordinary staff members to be responsible for certain content on the web.

Questions to Ask

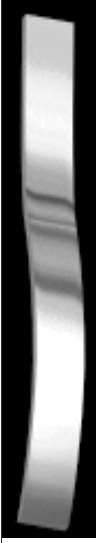
1. How can we leverage our investment in technology to take strategic advantage of the Internet?
2. What are our competitors doing on the Internet?
3. What security issues must we address?
4. Are our Internet efforts building on the corporate vision and the company's core strengths?
5. Where will the Internet be in five years, and how are we going to take advantage of this growth?

1. The technology you are using today is geared for Internet utilisation. Are you maximising this usage.

2. Make sure your Strategy fits in with your business vision.

3. Be realistic about the future of the Internet. I don't think it will be around in 5 years..in the form it is in now. I don't think we can afford to ignore it.

Questions to Ask..(cont)

- 
6. How is the Internet changing the behavior of our customer, vendors, and suppliers and what impact will it have on our business?
 7. What is a virtual community, and why should I care?
 8. How might emerging online intermediaries disrupt the value chain in our industry?
 9. How are Internet business models impacting traditional business models in our industry?

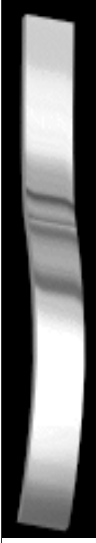
4. Look around at what's happening. Sink or swim.

5. Build a community. Magazine subscribers feel a sense of community strongly enough to make that commitment to purchase a copy. Look at portals.

6. Don't get thrown out of the Internet food chain. Feed on it.

7. Review your business model. This is the information age, not the industrial age.

Steps to Success

- 
- 5 Build goals
 - 5 Target Your Audience
 - ∇ Demographics
 - ∇ Interests
 - ∇ Influences
 - ∇ Commitment Level

Build a goal - It's not enough to have a "bright idea" to put on the ' Net. Your concept is firmly must be grounded in your business's basic objectives.

eg, increase sales, provide support,

Targeting Your Audience - Who are they? What are their needs and desires. A focused message directed at a specifically defined audience is much more effective than a general message which tries to please everyone. Eg. don't use bright colours if your audience is conservative.

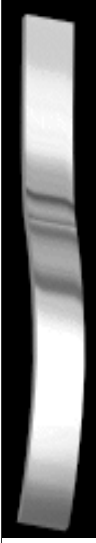
Demographics - Who is your audience, specifically? Primarily men, women, young people, older people, English-speakers, people who speak other languages, people with disposable income, people with special needs, etc.?

Interests - What topics are likely to interest your audience (sports, art, science, family information, popular culture, etc.)? Do these interests give you some ideas about how to appeal to your audience? Eg. Are you selling rugby to Black township youth.

Influences - What motivates the people you are trying to communicate with (entertainment, getting a good price, finding useful and reliable information, interacting with others, etc.)? What "turns them off"?

Commitment Level - How interested is your audience in your product or service? Will they seek out your information or will you need to deliver it to them? Will they work to overcome technical barriers to access your information, or do you need to make it as easy as possible for them to receive your message?

..Steps to Success (cont)

- 
- 5 Involve your entire organization
 - 5 Market
 - 5 Join the gold rush!
 - 5 Trust and be trusted
 - 5 Go with the flow

Involve your staff - The Intranet is a good starting point.

Market - Don't start selling goods if only 1000 people visited your site in the first month.

Gold Rush - That's just the way it is. Stake your claim, or work the mines later!

Trust - Don't sell your client's away. (Let them sell themselves. You keep a piece for yourself.)

Go with the Flow - Don't expect the web to remain constant. It won't. Rotate, change, pull, push, throw away. Give away.

Whom

Who do you think should
take you through this journey?

DATA CRAFT