

# THE COMPETITIVE DIFFERENCE

## Or E-BUSINESS AND HOW I LEARNED TO LOVE THE CUSTOMER

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### INTRODUCTION

Intuitively one would imagine that ecommerce is fundamentally a technical issue, or at least a business issue. That is what most people seem to think. But *ecommerce* is an organizational issue first and foremost. And the reason is that *ecommerce* transforms all relations.

The advent of the personal computer transformed business, like a tidal wave, rolling over every business in a long undulating movement. From 1980 until 1990, ten years, saw a complete inundation by the personal computer in every business organization. Somehow, it did not alter the substance of organization; it made it better and faster, and cleaner, and more efficient. It eventually made it different, probably unrecognizable from a 1970 perspective. But it did not alter people's relations with each other.

The only change comparable to the introduction of *ecommerce* is the invention of the printing press five centuries ago. The printing press transformed relations and the world for exactly the same reasons that *ecommerce* is and will continue to transform today's world. The printing press was a new way of storing information and making it available to the whole of society. Until then, handwritten books were available to relatively few people. The availability of books made information available to everyone and powered the renaissance and transformed all relations, creating the modern world. In the same way, the Internet makes all information available to everyone, instantaneously. A quantum leap in information availability and control.

### ***ecommerce* TRANSFORMS RELATIONS**

Electronic commerce is in the process of transforming the substance of relations, the connections between people. It is really the Internet that is creating this change in relations. We are now, for good or evil, all connected to each other, "our central nervous systems linked," as McLuhan said, "technologically to involve us in the whole of mankind." We literally have attachments to six billion other people. All information is at our doorstep, instantaneously. The action and the reaction occur almost at the same time. The globe has shrunk to the size of a village and we can contact and talk to everyone, millions of people, in minutes, if not seconds. We can find a factual answer to every non-philosophical question we have. And we can do it immediately.

## **THE AVERAGE ORGANIZATION LINKS EMPLOYEES TO EACH OTHER**

With the change in relations has come a change in every aspect of commerce. Pre *ecommerce* if you examine almost any business organization you will find that average organization is designed and structured to meet the needs of its employees, in order for them to meet the needs of the customer. Up until recently it could not be otherwise because the customer has been both physically and conceptually distanced from the organization. Indeed, "the customer" has not been conceived as any one person, but a composite of thousands or even millions of people, a mass market. The homogenization of the customer into "markets" was the natural complement to the development of the modern organization based on the conveyor belt, the factory, and economies of scale - principles developed and honed since the beginning of the industrial revolution. We build organizations where employees are bound by common membership in the organization, and are people with roles upon which to base relationships. Managing these relationships in such a way as to improve efficiency has been the subject of business texts dating back to *The Wealth of Nations*.

Paradoxically, the strategy has been to integrate our employees into the company so they would better serve the customer. The organization is a process of linking people together so that large numbers can communicate with each other. We have hierarchical relations to organize power and authority. Without such hierarchy we would have great difficulty controlling and managing large organizations with thousands of members.

## **THE *ecommerce* ORGANIZATION CONNECTS TO CUSTOMERS**

The *ecommerce* organization is designed to relate every employee and manager to the customer. The organization is built around the customer, not around the employee. The first examples of this are such companies as Dell and Amazon.com Using the Internet or by calling, I order a standard computer from Dell, except that I want my standard computer customized for me. I want a larger screen, more memory, larger RAM memory, and I want a ZIP drive, etc. I order my computer and it has my name on it. The order person or recipient has logged my "cookie." The manufacturer while making an assembly line product has factored in my customized additions or subtractions. It has my name on it. And no one has ever said to me, we cannot do that. The computer is produced in the United States, but the monitor is produced in Mexico. UPS, as part of their virtual company, picks up the CPU and the Monitor, and delivers them to me. I am their customer also. I can track when they made the pick-up and where the items are now, and when they will arrive at my door.

## **THE VIRTUAL ORGANIZATION**

Any entrepreneur can produce products and services without owning any of the production facilities.. By which I mean that I can put together all those who are required to actually produce a product and manage the production of the product. This is what we mean by a virtual organization. I can make computers by organizing the assembly of the parts made at different locations by different organizations. The shipping can be handled

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by another organization. The marketing by still another and the Sales by still another. What makes all this possible is the Internet which permits the exchange of information instantaneously.

And even if I bring them all together in one location, I can still behave as if they were a virtual organization, because I can use the transformation of information as the key.

And now everything changes. Paradoxically, by connecting everyone I isolate every one. Where there is no electronic communication I can only communicate or relate by some form of verbal or written connection, which takes place over time and usually connects me to someone. But if I am connected electronically, I am separate and isolated, alone. I do not have to be with anyone to be with everyone.

In electronic commerce the members of the virtual or non virtual organization are or can be connected to each other by electronic information. There is no need to be connected organizationally. Every one can speak to everyone and be heard by everyone. I can send e-mail to 100, or 1000 people at the click of a mouse. I no longer need to create an organization to link people together. We are all already linked together, whether we are aware of it or use the link. Therefore, I can connect directly to the customer. I do not have to go through the organization to do it. And that is the first and most significant aspect of electronic commerce. Every employee is connected to the customer.

### **DECONSTRUCTING THE ORGANIZATION:**

If I want to become an *ecommerce* company do I transform my company, do I start a new e-commerce company or do I do something in between. Each organization is faced with this dilemma. If you are small it is less of a dilemma. But if you are large, it is an awesome challenge. Barnes and Noble turned around one day to discover that Amazon was not only a river in Brazil, but a fierce competitor chewing them up. They had to get on the Internet in order to compete. But should they deconstruct their organization or should they start fresh. They chose to take the swiftest course available and created a new company: barnesandnoble.com. One may debate the merits of their choice, but the issue of importance is that they had to make a choice. They did and acted.

The role of every single employee and managers is altered by the new *ecommerce* organization. The Net is not just another channel for selling, although most organizations appear to be approaching it in that way. The use of the Internet requires or more aptly makes possible the reorganization of your company around the customer.

### **HIERARCHY VERSUS INFORMATION**

The pre *ecommerce* organization values hierarchy. It is a defining characteristic of the organization. Hierarchy in the *ecommerce* organization is much less important. Information and how to use it are much more important. The organizing principle behind a commercial organization is power and the manipulation of it. The organizing principle behind electronic commerce is the customer and how to serve her. Moreover, the



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discontinuity of relation, i.e. the lack of actual physical connection to each other, means that I put more trust in the individual to perform. The individual is now directly connected to the customer and is more likely to feel that obligation to deliver.

This is not to minimize the role of power in the *ecommerce* organization. But power is shared because the capital of the *ecommerce* organization is brains as well as capital. That is why so many employees own stock in their organizations. Capital alone is useless in the new *ecommerce* organization. Without the brains of the managers and the employees, the specialized knowledge so necessary to drive the business, there would be no business.

## MARKETING PRE AND POST **ecommerce**

Marketing: Every principle of marketing is inverted by electronic commerce.

The business strategy of any corporation is designed to serve a mass market. And to do this there are a whole series of trade-offs.

## SALES AND MARKETING IN THE **ecommerce** BUSINESS

SCALE vs. FLEXIBILITY	
<i>Before eCommerce</i>	<i>After eCommerce</i>
Economies of Scale reduces the flexibility of manufacturing.  As Ford famously said, you can any colour you want as long as it is black. Flexibility reduces productivity.	In the computerised, electronic era you can mass produce customised products. Dell, Levis, Yahoo, Amazon all have flexibility and productivity.

In the post *ecommerce* world there is no longer a single sliding scale of economy. With mass customization of products and services, you can have economy of scale and flexibility.

CHOICE vs. INVENTORY	
<i>Before eCommerce</i>	<i>After eCommerce</i>
Large inventory is required to have	Information replaces inventory and

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availability and choice.  Reduced inventory limits choice, but also reduces costs, increases turnover and profitability.	logistics replaces warehouses.  The mouse creates your product and DHL delivers it. (Fiat and Auto Parts)
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The same is true with regard to inventory. Fiat used to have warehouses throughout Europe in order to maintain inventory for the repair of their cars. With the advent of electronic communication and the overnight delivery service that is no longer necessary. They need only one warehouse in Italy. An order from Sweden can be received and acknowledged in seconds and the replacement part delivered overnight. It will probably get there before it could be found in the warehouse, if there were one.

<b>CUSTOMISATION vs. PRICE</b>	
<b><u>Before eCommerce</u></b>	<b><i>After eCommerce</i></b>
The standard product or service is always cheaper than the customised one. Shoes, shirts, jeans etc., hand made will often triple the price	Computer aided design and manufacturing, (CAD/CAM), Internet, and mass production make it possible to customise your shoes, your shirts and your jeans for the same price.

The customized product is no longer necessarily the more expensive product. One can have standardization and customization at the same time. The key is our relation to the company, the most important issue of all, as we will soon see.

<b>VERTICAL vs. CUSTOMER</b>	
<b><u>Before eCommerce</u></b>	<b><i>After eCommerce</i></b>
Mass marketing is a vertical distribution system to anonymous customers. The car dealer, clothing manufacturer, furniture manufacturer, etc. does not connect with the customer.	In the electronic era not only does the manufacturer know the customer, her individual needs and tastes, but they have made them not only a collaborator but a member of the organisation.

The present chain of distribution isolates the producer from the consumer. No manufacturer of mass produced goods knows who her customer is. This is not only not true in the post *ecommerce* era, the essence of marketing in the *ecommerce* era is

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relational. The manufacturer can distribute directly to the customer without benefit of the wholesaler or the retailer. The middleman is no longer required in the *ecommerce* world. (There is an electronic middleman who links suppliers and customers i.e. the truck driver who has just offloaded a delivery and wants a load to carry back can now go to an electronic middleman who will offer solutions to those wanting to get delivery cheaply.)

<b>BUNDLED vs. FOCUSED</b>	
<b><i><u>Before eCommerce</u></i></b>	<b><i>After eCommerce</i></b>
Mass marketing requires you to bundle together the attributes that will satisfy the most people.  The more specific the focus the smaller the market.	The electronic era permits you to bundle the product for the mass market and then through information management customise it for each customer.

Before *ecommerce* the customer was an anonymous composite of all customers and one attempted to bundle together those product characteristics that appealed to the most people. Today you can do that and add those special characteristics that appeal to a few selected people. You can customize. No trade-off is required.

<b>SERVICE vs. PRICE</b>	
<b><i><u>Before eCommerce</u></i></b>	<b><i>After eCommerce</i></b>
The greater the service the more money it costs the company.  The goal has been to reduce service in order to lower the cost to the company and increase the profit.	The great advantage of <i>e-Commerce</i> is that the customer becomes an adjunct to the business. This will mean increased productivity, improved service and reduced costs à la ATMs.

Service costs. Every time an employee provides service to a customer it cost money. The classic example is the banks that used to provide tellers to handle all your banking needs. Today an ATM machine handles your standard needs. You do the work of the teller. Moreover, the banks are now charging you to provide service to yourself. I become a source of productivity for the Banks and a source of income at the same time. As we will see this is the future of *ecommerce*.

In other words, all the trade-offs of the pre-electronic era get turned on their head. The shift to *ecommerce* is not simply another way of conducting business, another way of

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marketing your product. It is an entirely new way of conducting business. And it is already here.

### **EVERYTHING BECOMES A COMMODITY**

Competition is increasing at an exponential rate.

Improve your technology and you will soon discover that every one has upgraded to the same technology and some one will soon surpass you. Lower your prices and you will quickly find that everyone has lowered their prices and someone will soon undersell you. Improve your quality and everyone will meet if not beat your new quality standards. Improve your service to the customer and soon discover that others are offering the same or better service.

Why? Because electronic technology, computers, chips, software and the Internet are available to everyone everywhere and have created a global village where time and space are collapsed. The means of production are available to everyone everywhere. Anyone can purchase the same technology, tools, machines, etc.

Every product or service is reduced to a commodity. The latest strategy before *ecommerce* was the belief that service could be used as a differentiating competitive advantage. But everyone got the same idea at the same time.

### **MEMBERSHIP**

In the *ecommerce* world the competitive advantage is membership. *ecommerce* changes all relations and the greatest change is with the customer. Because we can communicate with every customer separately and personally, we can customize their products and their service, we can bring them into our organizations. No person ever bought an item or a service once. By enrolling them in the organization we gain a competitive advantage: The customer brings money, brains, ideas, and service. The gains in productivity in the future will come from the customer. The banks have already learned that. Not only does the customer provide service but the customer pays to provide that service.

What is the first thing that every *ecommerce* site asks for when you click onto their web page? They ask for your name and your e-mail address. They create what is called a "cookie" which captures all the electronic interchange and captures the single most important piece of information; your name and location.

From that point forward the goal is membership. Amazon.com wants me to write book reviews. Yahoo gives me my own customized page, complete with Stock quotations, news stories, clipping service, weather reports, et al. I get free articles, if I will give my name and address, free gambling for my name and address.

### **THE COLLAPSE OF TIME: SIMULTANEITY**

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*Time* is the key to understanding the difference between the corporation of today and eCommerce. No matter what product or service you used to provide in a business, it took time. Hand made products took a lot of time, and mass produced products took less time. And once you produced a product it took time to market it, to transport it, to distribute it. You had warehouses with large inventories to ensure customer service. It took time to develop new products and it took time to bring them to market. Every thing was related to how much time it took to get it done.

With the development of the electronic world, time began to collapse. Communications became virtually instantaneous. Manufacturing processes became more automated, computers generated processes and chips became part of the product. Travel speeded up and more people traveled. Telephones, radio, television, cables, computers, fax machines, and finally the Internet.

Today time has collapsed. The Internet has become the network of networks, linking all networks together and linking each human to every other human being. The world ceased to expand and instead began to implode. As McLuhan put it, we have created a "global village."

### **WHAT HAS CHANGED?**

Everything has changed. Perhaps if we examine the global village image it will help to clarify what has changed. In a village everyone knows everyone else. One also knows, fairly rapidly, what is happening in each person's life. There are few secrets. In a large urban city the opposite is true. We know few if any of our neighbors and we seldom are aware of the personal aspects of their lives.

As businessmen in an urban environment we cater to a mass market and make the trade-offs outlined above. But in a village, even a global village, information is more or less instantaneous. The shift from urban to electronic village life creates new relations.

### **THREE KINDS OF RELATIONSHIPS: THE NEW SEGMENTS**

In the *ecommerce* organization the customer is defined by the relation he or she chooses to have with the company. There are basically three types of relations:

1. The first relation is the one-off **transaction**. I do not want a relationship and no relation is required; this is a transaction of money for goods or services. I buy my camera from the cheapest available source. I do not want a relation, I simply want a camera, or a pair of jeans, or a book, or any of a thousand day to day items. However, and this is the significance of electronic commerce: since the e-tailer can connect personally to everyone he can personalize the sale of everything. Remember that no one ever buys an object or a service once. Every thing we buy we buy again and again. The challenge of the electronic commerce vendor is to transform a temporary transaction into a relationship. To convince us to join that

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company. That is why every *ecommerce* contact begins with the request for your name and address.

2. The second relation is the ***Interrelated or circular*** relation. We have had such relations for years. The manufacturer and the supplier are in such a relation. A relation is required. It is an interdependent relation, but not a marriage or a partnership. A manufacturer usually has two or three sources of supply. If one defaults the others are there to compensate for any problems. These are what are frequently referred to as the business to business relations.

However, there are a series of relations that have existed for a long time and which will now undergo major changes: these are the middle men, the distributors of white goods, or food stuffs, automobiles, etc. With the advent of electronic commerce one of the most viable and integral relations will undergo cataclysmic changes. This is what is meant by electronic commerce being driven by business to business relations primarily in the early years. The economies of scale, the direct access to other businesses, the seamless connection, and the reduced cost and improved quality of service and relations all mandate the removal of the middleman. The wholesaler and even the retailer will become less and less viable roles or economic necessities.

3. The third type of relation is the ***integrated*** or interconnected relationship. These are made up of partners who are actually integrated into our business or into whose business we are integrated. DHL replacing the warehouse of Fiat is a good example. The overnight service delivers the Fiat auto parts all over Europe overnight. Fiat now has no need to warehouse parts in every country. One warehouse in Italy is sufficient. This is a marriage which will require significant malfunctioning to dislocate or separate the partners.

### **MAKING RELATIONS: TO JOIN OR NOT TO JOIN, THAT.....**

This is the dance that is going on now. The *ecommerce* organizations need to involve the customer in a relation in order to get their repeat business. But the customer, used to anonymity and relative privacy is now threatened by this over exposure of personal information. This explains why every web site has a privacy policy prominently displayed in order to convince you that they will not sell your privacy to some one if you will only give them your name and address.

Membership is the devoutly sought after relationship between the retailer and the customer. By joining I make a commitment. Moreover, I bring money, power, ideas and potential. The future productivity of our Organizations will come from our customers.. Just by visiting a site you have added value. Look at the stock of a company with 20 million "hits" versus one with a few thousand "hits"

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### **TODAY.....**

In contrast, the corporate customer is dependent and passive. The Corporation creates a mass portrait of its customers and manages the image not the customer. The individual customer is faceless and nameless. When the customer attempts to interact with the Corporation he or she becomes a liability. There is the cost of providing telephone service, not to mention the cost of repairing a product. Moreover, the organization is not designed to deal with separate human beings; it is designed to deal with the average person.

And the customer is always dependent upon the corporation to provide the services or products he or she wants. There is the Corporate fantasy that they are only responding to what the customer wants. Which is why they are always doing customer surveys, marketing studies, etc. In the pre-electronic age the individual customer is almost always at variance with the statistical creation of the corporation. Which is why a real honest to goodness customer is a genuine burden to the corporation.

And the real customer is constantly dissatisfied with the corporation. It never quite gets it right. There is always something not quite right with the product. But any attempt to correct or change the product is met with indifference or hostility. The customer, the non-statistical reality, is an anomaly. And is totally dependent on the good will of the corporation. The corporation has already spent millions of dollars finding out what the customer wants and marketing it to them.

### **TOMORROW.....**

In the electronic world of eCommerce, every customer has a voice and wants to buy the product that suits their needs. And every product or service is capable of being customized, at little or no extra cost, for the customer. The customer now gains control to become a collaborator with the manufacturer. An *ecommerce* market study is an analysis of what the customer did, not what she said she intended doing.

Electronic commerce is built around the customer. What does this mean exactly? In the old paradigm there is the source of supply, the transformation of the raw material into a product, the product, its distribution through an intermediary and the customer.

In the new paradigm the supplier gets incorporated as a partner into the manufacturer and the distribution is part of the manufacturer/customer relations. The retailer is eventually eliminated or becomes a temporary source of product.

In the old paradigm the process is linear with the customer as the last in the sequence. In the electronic commerce paradigm, the relation is not linear, but is circular with the customer at the beginning of the process. . The customer is part of the process. He or She provides the input directly to the manufacturer and the manufacturer interacts directly with the customers. You manufacture in response to the demands of the customer and

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you customize. The product is the out come of the relation between the customer and the manufacturer.

This is the optimum scenario. The point is that the producer who links directly to the customer and makes her a member of the system, will retain that customer. The product can be made specifically to meet her needs, at a lower cost , more swiftly, and delivered directly to her door. The elimination of the numerous middle men, the manufacture to order, the repeat business all reduce cost and increase revenue.

### **HOW DO YOU BEGIN TO CREATE AN *ecommerce* COMPANY?**

If you were to start with a clean slate, how would you go about creating an *ecommerce* organization?. Let's explore for a minute what the objective and the goal would be. The objective is to create an *ecommerce* business for the many reasons already discussed. The goal therefore is to create an organization that is built around the customer, in which each manager and employee is directly connected to the customer.. It means that all the traditional marketing and organizational theories must be put into question and a new map of the territory created. Every single person in the organization will be taking up a role different than that ordinarily found in a more traditional organization.. And the rules governing the relations and how you take up your roles are also put into question.

Many *ecommerce* organizations start with the IT department and focus primarily on the technical aspects of *ecommerce*. After all this whole change is called Electronic and it is basically a technical change, isn't it? The answer is no. From a technical point of view the internet is an orderly evolution of a long time development of the technical infrastructure of computers and information technology. The real change is in the impact that the internet has on human relations.

#### **Step 1: Shape a Skeleton Vision**

The IT people should not be shaping your business. You, the manager, and your colleagues should be shaping the business. You have first got to begin to confront the issue of how an *ecommerce* business would be run, not technically but service-wise. This means establishing a multi level brainstorming team to develop the skeleton of an *ecommerce* business. The brainstorming team should include key managers, organization specialists, marketing specialists, etc. and an IT person, and work out the skeleton of your ideal *ecommerce* business. The team should not exceed 10 people. Their role is to make the first cut at outlining a the new *ecommerce* business.

#### **Step 2: Basic Executive Decisions**

Once the brainstorming group has produced a basic skeleton plan of the new *ecommerce* business it needs to be reviewed by the Executive team. The Executive team needs to establish the basic decision regarding company strategy:

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- Whether to start a new *ecommerce* organization or transform the present one?
- What plan of action to follow?
- The new role of each Executive in the *ecommerce* organization?

### **Step 3: Develop Strategy & Action Plan with top 3 levels of Management**

The next step is to bring together the top three levels of management and develop collectively the strategy and action plan for transforming that skeleton into a business. As part of this process the top three levels of management must redefine, collectively, their roles, relations, and rules, for this new *ecommerce* business and start put it into place immediately.

As a part of this process it should be understood that the initial decisions of the Executive are open to examination and to change. In addition, a key part of the process is to help the managers to redefine their roles, rules, and relations within the new organization. Anything less than a redefining of the roles, can almost surely portend serious problems and constraints for success.

### **Step 4: Communicate the Strategy and Plan to Every Employee**

You need to begin to communicate these goals and the change in roles that go along with it to every single employee in your organization. Why? Because the role of every employee will be changed.. The maps they hold in their head, whether it is a new venture or a transformation, are outmoded. You need to help them draw a new map of the system, of their roles, and their relations to the system. If not, they will ensure you do not succeed, not out of resistance, but out of ignorance. As Upton Sinclair famously said, " It is difficult to get a man to understand something when his salary depends upon his not understanding it."

I believe the single greatest barrier to change is the maps we hold in our head. In most cases these maps are unexamined and out of our awareness. The key to a successful change of any kind, let alone the magnitude of a change to *ecommerce*, requires getting at the maps we hold in our head and redrawing them. Our behavior is a function of our understanding of the roles we take up in the organization. If these maps and those roles are not redefined, no amount of communication or challenge will bring organization change or success.

Every employee means every employee. It does not mean key employees, managers, or production units. It means every single employee. The cost may be high, but the returns are greatly in excess of the cost.

### **Step 5: Begin the Technical Development**

And when you have started this, then, and only then, you need to tackle the technical aspect. Why do I say "then and only then"? Because the key to a successful

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transformation is for the manager to manage the business and drive the change, including the technical change. The technician by definition does not know your business, your customers, your suppliers, or your industry. You do. He should be able to contribute many ideas about how to do what you want to do better. But he cannot know what it is you want to do or need to do.

Some years ago I developed a succession planning program for the Coca-Cola company. When I left them I had it computerized and sold the system world wide. I have since sold the business and am out of the field. Our competitor at the time, had a product designed by a computer expert. In order to get started with this program you needed to create an entire company and fill in thousand of details. It could take months to get started and yielded more data than you needed or wanted. Our program could start the minute you put two pieces of data in and transformed the data into information immediately.

You will need the services of the best IT personnel you can afford. But if you are not in charge, if you do not have the vision, if you are not managing the IT personnel but he is managing you, then you are for serious trouble.

Once you have begun the process of managing IT and shaping the new *ecommerce* business, you need to implement the new approach as rapidly as you can. If you have to wait until all the systems are in place, then you have the wrong IT person..

### **Step 6: Control and Development:**

At the same time that you begin technical development and communication, you need to face the issue of employee development and employee controls. Development refers to the fact that your managers will almost certainly need supportive training and development in how to take up their new role. The will to do the right thing is insufficient if you have no idea how to actually fulfill that will.

The issue of control relates to the succession development problems associated with any fast growing organization – or organization in decline. Control is a question of information. With sufficient information regarding the potential, development needs, performance, and organizations weaknesses and strengths, and the relation of these factors to organization strategy it is relatively easy to maintain control.

Having control will not ensure organizational success, it will ensure the opportunity to manage success. The lack of control will almost surely engender potential problems and create constraints that can inhibit organizational performance. In other words, if you are not developing your managers, you will likely get in to trouble.

### **SUMMARY:**

Entering the *ecommerce* business is a rite of passage. There is no easy or simple system. The act of changing or creating an *ecommerce* organization and business changes all relationships: between suppliers and manufacturers, between manufacturers and

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customers, between retailers and manufacturers, between distributors and manufacturers, between anybody who works with us in our enterprise.

Technology, while expensive and complex, not to say difficult to customize, is not the most difficult challenge. The real challenge is transforming the maps we all hold in our head to conform to the *ecommerce* organization we are trying to create. We must redefine our roles, our relations with everyone, and establish new rules to guide these new relations. Everyone, without exception needs to take up this challenge.

The new *ecommerce* enterprise will be built around the customer. Every employee will have a direct relation to the customer. Power will devolve to those with information and responsibility. The *ecommerce* system will not start full-blown, but will come into existence, one step at a time, building on the strengths that already exist. The technical introduction should be managed after the management has clearly identified the *ecommerce* skeleton and begun its communication to all managers and employees. The greatest asset and insurance for success is the support and knowledge of the managers and employees.

The process of conversion or a new start in *ecommerce* is a challenge unequalled in business history, except perhaps for the initial development of business following the introduction of the printing press. However, it is not an option, it is a necessity if one is to survive and prosper in the coming years. This means the next five to tens years maximum.

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