# NET READY

## Strategies For Success
## in the E-conomy

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**MAIN IDEA**

Don't take on any new business initiatives in the emerging digital economy or "E-conomy" until you're prepared thoroughly and adequately in four key dimensions:
1. Leadership -- with a dynamic and powerful leader who has the vision of where you need to head.
2. Governance -- the ability to set up and make accountable a business structure that rationally matches the journey.
3. Competencies -- the capacity to change, apply resources, exploit opportunities and meet reality.
4. Technology -- the smarts to build an architecture that is robust, adaptable and comprehensive.

Net Ready companies use these four dimensions to harness the power of the Internet productively to generate growth..

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An organization which is positioned to be able to exploit the impressive economic opportunities offered
by the Internet business revolution is said to be "Net Ready". In practice, the degree of Net Readiness
depend on the four key drivers: 1). Leadership 2). Governance 3). Competencies 4). Technology

Eleven trends of Net Readiness that are redefining modern business behavior are:
 1. Added value in the E-conomy resides in either the content or the container.
 2. Business processes are moving from the simple to the more complex.
 3. The change from tangible to intangible forces industries to shift from static to dynamic models.
 4. Consumers are becoming less forgiving and more discerning about customization.
 5. Channels of distribution are becoming more flexible.
 6. New infomediaries are emerging -- and creating value.
 7. Convergence creates vast opportunities.
 8. Digitization separates form and function -- and allows each to be delivered by different means.
 9. Smart products are becoming more pervasive -- they are becoming information rich.
10. The reduction of transaction costs leads to the compression of costs right through the value chain.
11. Competitive advantage is becoming more temporary.

Generally speaking, Net Ready organizations take on one of five basic E-conomy business models:
1. E-business storefront
2. Infomediary
3. Trust intermediary
4. E-business enabler
5. Infrastructure provider / Commerce community

Any significant new E-business initiative will most likely seek to embrace one or more themes:
 1. Reconceive the product/service
 2. Redefine the value proposition
 3. Move up the value chain
 4. Separate form and function
 5. Unbundle and outsource processes
 6. Adopt a different business model
 7. Compress the value delivery system
 8. Explode price / performance
 9. Redefine the basis of competition
10. Become the channel enabler
11. Redraw industry boundaries
12. Break the unbreakable rules

To succeed as the E-conomy expands, take into account these 11 key new business realities:
 1. Decide whether you should be a rule breaker, a rule shaker, a rule maker or a rule taker.
 2. Cannibalize your value chain. Compete against yourself or someone else will.
 3. Be aware of opportunities -- question, improve and then market new initiatives continuously.
 4. Focus on whatever is currently in motion, not on what's standing still within your field.
 5. Get partners -- nobody can go it alone in the E-conomy.
 6. Turn your value chain upside down -- let suppliers and customers cooperate as never before.
 7. Run, don't walk.
 8. It's the network, stupid.
 9. Smart-size every offer.
10. Think brand equity and channel equity.
11. Planning is critical. Don't do it.
Almost all of these realities are the direct consequence of the Net's most significant impact -- it's ability
to cut the incremental cost of doing business between an organization and its customers.

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