



Never in the history of the world has a technology been so widely accepted so quickly as the Internet. The adoption rates of other such devices—the printing press, the telegraph, radio, and television—pale in comparison. Once people heard of the World Wide Web, it took the Internet just four years to reach 50 million people; it had taken television 15 years to capture so large an audience.

The Internet is a tool of proven power and unimagined potential. Since the debut of the Web, Internet usage has soared at an unprecedented rate; it continues to grow exponentially. By 2000, barely six years after the general public became aware of the Internet, the Web had grown to more than 200 million users worldwide. By the year 2002, about 490 million people around the world will have Internet access, and almost 1 billion people will be online by 2005. Globally, both business and consumer segments are growing rapidly. In 1998, the number of e-mail messages transmitted over the Internet was double the number of letters delivered by the U.S. Postal Service. By 2001, in Europe alone, Internet users were sending each other more than 3 billion short text messages each month!

At the end of the '90s, the “New Economy” looked infallible. Yet in the first year of the millennium, over-extended Internet companies made daily headlines as they reported lower-than-projected income, huge layoffs, and often bankruptcy. Technology stocks traded on NASDAQ took a severe blow, and as a result many people began to feel skeptical about the future of e-business. Getting past the downturn may be difficult for some, but the truth is that e-business is here to stay.

In fact, we are just at the beginning of the revolution that the Internet and related technology will bring, as those technologies continue to evolve. The recent, highly publicized failure of scores of popular dot-com companies has taught us some important lessons, notably that quick-to-move but badly managed businesses are bound to take a hard fall. A shakeout was inevitable. Companies raced into the new frontier like pioneers at the dawn of the gold rush, but those unprepared to brave the elements were destined to fail. New e-businesses trying to capture enormous pieces of the Internet pie chewed through cash like there was no tomorrow. For many of them, there wasn't.

To ease your concerns for the future, it is important to understand that the Internet, the new medium of communications, will continue to create jobs and wealth. Internet companies will continue to attract capital, and they will help to sustain the overall economy.

For example, the quest for faster and smarter access is still moving at full speed. Telephone and cable companies continue to invest huge sums of money into fiber optics and other broadband technologies—and the wireless revolution has not even begun. The need for speed in this sector is a driving force: The newer, faster wireless infrastructure will require new applications, adaptations, hardware, and software. Every day, a startup with its sights on the future will scramble to fill whatever needs may arise.

Companies that use Internet technologies to cut costs and improve efficiency and productivity are reaping big rewards. Internetworking, information collection, and transaction immediacy can greatly improve the bottom line of any organization, across all industries and in government.

In the meantime, because of the so-called shakeout, the way we approach and value Internet business in the next few years is changing rapidly. Today's e-businesses need effective and efficient leaders, managing well-targeted and well-constructed ideas. For companies with a clear direction, focused on quality products and service to the customer, the opportunities for business continue to be boundless.

This book will be a helpful guide for those who are still skeptical of the Internet's business future, or are uncertain how best to take advantage of the opportunities available through the use of the Internet. Understanding the concepts that underlie a successful e-business is essential to charting a path through this still feral frontier.

I discovered the Internet in 1994, shortly after the release of the first Web browser, Mosaic. I gushed at the revelation of this phenomenon. I literally ran through the streets of my small community (go ahead, ask anyone—they'll tell you it's true), touting the power of this marvelous technology. I thought, "This is an incredible world, where all the information we could possibly need is at our fingertips." I didn't sleep much in those early years. I spent my time surfing the Internet for all sorts of valuable information that helped me grow my business.

I remember defending computing. "Computers will not create a cold emotionless world, leaving masses of people jobless," I told the skeptics. "They will create a society where people have more and better communication with each other, not less. Where there will be more satisfying jobs rather than joblessness, and where government will have more effective tools to listen to the people."

I prepared lengthy training sessions for business clients and colleagues and preached the power of the new frontier as if it were a religion. I started an Internet company that offered dial-up Internet access, Internet training, and Web development. But even though I prophesied every aching minute, I never imagined exactly how radical the Internet would become, how it would alter fundamental business processes, how it would revolutionize the way we live and work. How it would transform our relationships, our family life, and our leisure time.

A few years ago, on a beautiful, sunny afternoon, I decided to take a tour of New York City in a double-decker bus. I have lived close to New York all my life; I visit the city often and know my way around. Yet this tour was an opportunity to spend an afternoon and experience this familiar territory in a different way. I sat on the top deck of this open bus, and as we approached Times Square, I was filled with awe. There, about 30 feet above street level, it seemed that I was nearly eye-to-eye with billboard advertisements that may have been 50 feet high by 100 feet long—and every single one of them was promoting a dot-com.

At that moment, I began to recognize how large the Internet loomed over the world of business. I realized that the Internet as I knew it, that e-commerce as it exists today, is just the tip of the iceberg. We have yet to see anything like the full magnitude of the business transformation unleashed by the Internet. The evolution of the human condition, of our lifestyles, has barely begun. Opportunists, visionaries, and early adopters of Internet technologies have only scratched the surface of the possibilities inherent in this new medium.

10 Internet Prophets

At the risk of abusing the metaphor, the prospects for businesses today are comparable to those during the gold rush of the 1800s. If a business overlooks the power of the Internet, it is destined to fail. Those companies that embrace this power, that dive into Internet business with conviction and purpose, will reap the rewards. In order to be successful, today's business leaders need to grasp the fundamentals of this new business landscape. That is what Part I of *Internet Prophets* is all about.