



Are we e-ready?

Sankar Radhakrishnan

ON Independence day 1995 there were 2,000 Internet connections and 10,000 users of the Net in India. Today, there are over nine lakh Internet connections and 32 lakh Net users in the country. These figures, according to a Nasscom (National Association of Software and Service Companies) survey, could become a mindboggling 60 lakh Internet connections and 1.6 crore Net users, by 2003.

The survey also expects the total volume of e-commerce transactions to touch Rs 15,000 crore by 2001-02 from Rs 450 crore in 1999-2000. Much of this will be Business-to-Business transactions.

Even the most sceptical will agree that the Internet has arrived in India, and is becoming a part of life in the country. For corporates, this means that, whether they like it or not, the Net and its influence have to be factored into their business plans and strategies.

For them technology is changing so rapidly that they are always on the learning curve. This means that businesses have to not just keep up with the latest technology and practices, but often have to create new ones and leverage them if they want to stay ahead.

Thus, for traditional brick-and-mortar corporates, the rules of the game have changed. With geography almost history, a competitor is no longer a street or a city away. Most often they are a continent or two away. And, they are able to offer a similar product or service at a competitive price, and often of superior

standards. To play this game, new attitudes and skills are required. For the size of the playing field has changed dramatically.

And, transactions have gathered speed. Today, a customer orders a product and wants it delivered, not 'tomorrow', but 'yesterday'. And, this is possible only by corporates that have integrated the Internet into their business.

This has created the nightmare of logistics. For the e-world demands a highly evolved logistics backbone if a business is to survive, let alone thrive, in the 'e-economy'. Being e-enabled does not end with attractive Web sites or company-wide e-mail. More important is the seamless integration of technology and logistics so that online transactions are completed with speed and efficiency. For corporates, as important as these systems are those who use them. Especially for brick-and-mortar businesses trying to come to terms with the new business environment. Corporates, dotcom or otherwise, are increasingly being confronted with the need to provide employees with a working environment that is stimulating, challenging and non-stifling. There is also the question of structuring compensation packages that attract and retain talent. Developing HR policies for the new economy companies is no easy task, particularly for the transiting traditional businesses dragged by their history and tradition.

But, change business must, or face extinction in the new economy. As Professor Krishna Palepu of Harvard



Shaju John

Business School told Business Line earlier this year: "We are in the new economy, all of us." That is the reality today: All businesses are in the new economy. And, to survive, each must make the transition from brick-and-mortar to bricks-and-clicks by integrating the Net into operations.

To do this, businesses need to be ready, both physically and psychologically, to play on the World Wide Web.

So, is corporate India getting e-ready? ■