Part 1

Rising Expectations

Net Attitude describes a way of thinking which can help an organization take maximum advantage of the Internet's capabilities. If you have a net attitude, you can exceed the expectations of your customers or constituents. The challenge is people have continuously rising expectations. The bandwidth available today is 100 times what was available in 2001, but people want even more. The new Apple Watch has amazing capabilities not dreamed of in 2001, but people are already asking it to have additional functions.. The first three chapters of Net Attitude discuss the nature of people's expectations and two key elements of an effective net attitude: "Power to The People" and "The Customer Is Always Right". Having a net attitude is as relevant and important today as it was in 2001.

Chapter 1

We Haven't Seen Anything Yet

The first chapter of Net Attitude described the need for the Internet. It opened with an example of my experience closing a financial transaction which almost was derailed because of a quagmire of paperwork and faxes. There were good technical reasons why the fax machine should be history by 2015, but unfortunately, the example describing an antiquated process for completing a simple real estate transaction still gets repeated everyday. As discussed in my 2014 book, Health Attitude,[6] the only consistent way to transfer information from a patient folder from one physician to another physician is to fax it.

Doctors are buried in faxes – as many as 1,000 per month. Dr. P. J. Parmar, a family doctor, said, "Fax is a technology that should have disappeared along with beepers. Oh wait", he said, "Medicine is the only field that still uses beepers."[7] Fax machines remain the lingua franca of healthcare.

Chapter 1 described the seven characteristics I identified as emerging in the Next Generation Internet: Fast, Always on, Everywhere, Natural, Intelligent, Easy, and Trusted. I no longer use the term "Next Generation Internet", but the seven characteristics continue as a useful framework for examining past, present, and future capabilities of the Internet.

The focus of a net attitude then and now is on the customer. Net Attitude helps you understand how to get connected to bring your constituencies to you at the least cost and sustain the relationship. The social media tools today dwarf what was available in 2001, but the communications philosophy remains the same. I said in Net Attitude that the only prerequisite for reading the book is a strong desire to meet the rising expectations of people growing up on the Web. This prerequisite is the same today.

It was a hot summer afternoon about 2:00 PM and I had a problem. I was at 590 Madison Avenue in a conference room on the ninth floor discussing the future of the Internet with some IBM customers. I glanced at my watch and realized that I had until 3:00 PM to wire some money to my attorney for a personal transaction. The money was in a money market fund at GE Capital. I called there to see if they could get the funds wired before my deadline. The folks at GE were very cordial and said it was no problem to wire money because I already had standing instructions that could enable me to wire funds to my bank at any time. I told them this transaction was not to my bank but rather to my attorney. In that case, they said they would have to fax me a form to set up new

instructions. I said I had all the information and could give it to them over the phone. They insisted they needed to fax me a form. I said that I could tell that the conversation was being recorded and because they already asked me my social security number, home address, mother's maiden name, date of birth that surely they knew that I was who I said I was. I asked if I could just give them the information. "What is your fax number?" was the only response I was going to get. 590 Madison Avenue is not where my office is located. I was borrowing an office for this meeting in New York City and I had no idea where the fax machine was let alone the fax machine number. So, I scurried around the ninth floor looking for a fax machine where I could receive the form. I was fortunate to find a helpful administrative person who told me which machine to use and he gave me the number. I called GE back and shortly I had the form. I excused myself to the customers telling them I would be just a few more minutes. Wishful thinking as it turned out. Filling out the required data for my attorney was easy but filling out a form with my personal data that they already had in their system was annoying. Then I got to the bottom of the form. It was labeled "Signature Guarantee".

2:30 And Counting . . . .

A lump forms in my stomach and I am getting nervous. It is 2:30 and I have only until 3:00. Even though I knew what "Signature Guarantee" meant I had this naïve feeling that maybe I could talk GE out of it. After all, someone had already asked for my personal data on a recorded line and confirmed all my security information. I called to confirm what I feared. I would have to go to a bank and get my signature guaranteed. Horrors! A bank! Not my favorite place to visit. I called information and asked for the nearest Chase Manhattan Bank. The address I got was just a block away. Relief. I raced for the elevator and ran down the street. On the big glass door was posted a sign: "We have moved to a new location". I raced around the corner and down the street to the new location. Beginning to sweat. I went into the bank and got in line behind quite a few other people. At the head of the line was a person who was talking to the teller. Not sure what they were talking about but the teller was thumbing through a Rolodex! A Rolodex? Here we are in the new millennium and I am standing in an office of one of the largest banks in the world and the teller is using a Rolodex? This does not bode well for my signature guarantee much less for electronic signatures! Finally I got to the head of the line and made my simple request for a signature guarantee.

"That won't be possible" said the teller. "The branch manager is out to lunch". It is now 2:45. "You don't understand" I said, I need this in a hurry". "You don't understand" the teller said, "the branch manager is out to lunch". Now I am getting very nervous. "Get in the line to your far left and you will be first in line when she gets back". It must have been my lucky day for as soon as I got in the new line the branch manager returned. She looked at my driver's license and put the official bank stamp on my wire transfer request form. I rushed out the door back to 590 Madison Avenue, up the elevator to the ninth floor, back to the conference room sweating profusely to apologize to the customers again and tell them that for sure I will only be a few more minutes. I placed a jubilant call to GE Capital. It is 2:55. "One other thing, Mr. Patrick", as she explained that they would also need a fax of a Federal Express or Airborne shipping label to verify that I had

purchased an overnight fare to send them my wire transfer request form. GE wanted to make one hundred percent sure that they were going to get a piece of paper with real ink on it. I said that was ridiculous and they said "maybe so but we won't wire the money until we see this additional fax". "Then you will wire the money?" I asked. "Yes, as soon as we see that second fax". "How about if I don't actually send you the overnight package?" I asked. The woman explained that if I was dumb enough to purchase an overnight Federal Express shipping label and then not ship it that it would be my problem. I ran down the hall, got a blank (free) Airborne shipping label, filled it out, faxed it to GE Capital and then called them yet again. It is now 2:59. Still sweating. GE was happy and wired the money. I was exhausted. I threw the Airborne shipping label away. I figured if a wire transaction is this hard to do it should be next to impossible to undo. This fiasco was not e-business.

The story is not about GE. In fact GE is a model company in many ways and is making a rapid, focused and effective move to become a highly advanced Internet technology-enabled business from top to bottom. I am sure they will be successful. My sad tale of woe could have been through a similar experience at almost any financial services company in the world. Many would have been much more difficult.

The Heart Of The Problem

Why couldn't my wire transaction have been a few mouse clicks on a webpage? Is it a technology problem? Definitely not. It would not be much more complex than clicking to buy a book or reserving a hotel room. Encryption technology and digital ID technology are available from numerous companies that could have secured the transaction. Is it a legal problem? Some would say so but if GE was willing to accept a fax then they have already agreed to accept an image of my signature. That same image could easily be created from my laptop or from a web server. No, the problem is not technical or legal; it is an attitude problem. Net Attitude – or lack thereof. Net Attitude is about preparing your organization, the people that are part of it, and all its systems and processes, to take advantage of everything the Internet has to offer. The Internet has changed not only how people communicate but also has changed their expectations of what is possible online and at the same time created a strong distaste for many of the old-fashioned business processes that exist today. Whether a consumer or a corporate purchasing agent, people's expectations for what an e-business should be able to do for them are expanding by the day. Currently, most websites don't even come close to meeting those expectations. In many cases people leave websites without buying anything or signing up for anything because they couldn't find what they wanted or the server crashed or they clicked for more information and were told, "Call us Monday to Friday during our normal business hours of nine to five!" In some cases they are even told "Print out this form and fax it to us".

Who Accommodates Whom?

The issue starts with how you define e-business. Some would say an e-business is an electronic business where you can "click here to buy"; i.e. e-commerce. E-commerce is a

key part of being an e-business but it is just one part. An e-business is an electronic business that reaches all constituencies of a business – not just those who want to buy something. It includes buyers, suppliers, stockholders, employees, business partners, the press and financial analysts who follow the company. An e-business not only reaches this broad constituency but it provides all transactions and interactions that any constituent may need. Buying something, selling something, getting a price, checking the status of an order, signing up for the local blood drive, changing employee healthcare benefit choices, listening to a quarterly analysts briefing, participating in an electronic meeting, or collaborating on a new product design in a virtual laboratory.

The bottom line is about Accommodation. Organizations of all kinds have a fundamental decision to make. Choice number one is to accommodate the Internet, but continue to do business the way they have been doing business. "Yes, we are really into the Internet. We have an e-commerce website." While "accommodating" the Internet, they tacitly embrace their old vocabularies, old attitudes, and old ways of doing business. Choice number two is to become an e-business and embrace the Internet as the *primary* relationship mechanism -- not an alternate mechanism -- with all constituencies; while accommodating the way they have been doing business until they are able to morph those old attitudes and processes into more Net based ones. Primary relationship mechanism. That is a very big commitment. It means that the Internet is not an alternate distribution mechanism or an additional channel for customer support or a supplementary approach for simulating a new product design collaboratively with engineers on another continent. It means the Internet is recognized as the new medium for all communications and is the primary way in which the organization relates to all of its constituencies. It doesn't mean it is the only way but it means that the strategies of the organization are all built around the Net. Customers will be judging organizations based on their on-line presence; they are already beginning to make decisions about whether or not to do business with companies based on their on-line experience with them, whether or not they have a physical presence. There isn't time for a six-month corporate task force to study this. Nor for multi-year business process reengineering projects. Consumers and business customers are getting impatient. They know what is possible and they expect it. Time is of the essence.

Millions Of E-Businesses

The next evolutionary stage of the Internet will allow for the creation of millions of new e-businesses. They will include consumers selling directly to other consumers -- consumer-to-consumer e-business or c-to-c. They will also include businesses that provide information and products to consumers -- business-to-consumer or b-to-c. They are often called e-tailers and their process e-tailing. The b-to-c e-businesses will be of all sizes. Very small businesses like the Italian jeweler in Verona, whose family has probably been making fountain pens for decades, who is now operating an e-business selling pens to buyers around the world. (They probably didn't do an IPO to bring their website public and their market cap is probably modest, but every single day they are selling fountain pens and likely making a handsome profit.) The handful of giant b-to-c companies, such as Amazon and eBay, will likely succeed but there will be a much larger

number of e-businesses that are extensions to existing businesses. The extensions will give those existing companies new reach. They will all become global and, if they set the right price and have great customer service, they will be successful by any measure. E-tailing is very much alive and well around the world

While I am very optimistic about the future for these business-to-consumer e-businesses, the biggest part of e-business will be e-businesses that provide products and services to other e-businesses – business-to-business (b-to-b). However successful business-to-consumer e-business may become, business-to-business e-business is going to be five to ten times bigger. Meanwhile, behind the scenes there is something even more profound beginning to develop -- a vibrant, multidimensional agora, enabled by electronic connections that include consumers, public sector and industrial buyers, suppliers, designers, customer service representatives, and specialists of all kinds. They will all be participants in electronic marketplaces (e-marketplaces) that facilitate information sharing, standards creation, collaboration, and commercial transactions.

The e-marketplaces will be a form of trading hub and they will exist in every industry as the major players get together and form relationships. It won't just be the top X companies in an industry but perhaps will include geographic or even ethnic clustering of companies, forming their own e-marketplace as a way to share their buying power. They will expect other e-marketplaces to be responsive to their needs. E-marketplaces will become an important and fundamental aspect of most industries; some will become companies themselves and compete with others in the industry. Companies who are not part of an e-marketplace and who choose to stand by and watch the phenomena emerge may find themselves paying fees to an e-marketplace and being disadvantaged.

E-Backlash

During the last months of the year 2000 we began to see many failures of "Internet" companies. In fact, webmergers.com reported that at least 210 Internet companies folded in the year 2000. The Wall Street Journal ran a headline about the failure of a European e-tailer called boo.com that said, "Boo.com's Collapse Further Darkens E-Tailing Picture". The implication is gloom and doom. Actually, business failures are not a new thing. According to data from The American Bankruptcy Institute, there have been an average of more than 60,000 business bankruptcy filings in the U.S. per year since 1980. The failures have nothing to do with the Internet. Business failures are caused by not properly segmenting your market, not setting the right price, not having a great fulfillment system for whatever it is you deliver, or not having world class customer service. Those will be the factors that always separate the winners from the losers.

It surely isn't the Internet that caused the business failures. A business not using the Internet is like a business in the 1990's that didn't have a fax machine. The last months of 2000 and continuing into 2001 have seen an e-backlash not seen before with Internet startups laying off thousands, some closing up shop completely, and market capitalization of many dropping from hundreds of dollars per share to pennies. The layoff of twenty people, the acquisition, merger, or the restatement of goals by an Internet startup

company makes front-page news. Some of the headlines make it sound as though there have never been any business failures before. If there weren't business failures we should really be alarmed because that would mean that perhaps not enough innovative ideas are being tried. The Internet provides a way to try business ideas at a much lower cost and with a much greater speed than has ever been possible before, so we should expect that not all the new ideas will turn out to be good ones.

We may see some existing "brick and mortar" companies fail too -- because they studied the Internet too long. Some may not be able to come to grips with the reach, the range, and the disruption to traditional business models made possible by the Internet. Some may not be able to face the gut-wrenching changes needed in their distribution channels or in the way they would have to provide customer service and support. In other cases it may be the decades long dependence on agents such as securities or insurance brokers, that became sacred. Some of the CEOs used to be such agents for their company and they may not be able to bear seeing their former colleagues be eliminated or redeployed.

The good news is that the bold (some of them too bold) ideas that got launched in the form of large numbers of Internet startup companies or "dot coms" have shown *all* companies the tremendous reach, range, and potential of the Internet. The result is that *existing* organizations of all kinds have gotten the wake-up call and have leapt to action. Some of the world's largest retailers, banks, airlines, and electric utility companies are becoming the pace setters. Many from the throng of people who left these established companies to join startups are now returning to their former employers and sharing what they learned out on the "frontier".

> In late 2000 we saw a backlash with the business models and profitability of pure Internet companies. It may last awhile. In fact, it is possible that the Internet has so penetrated every business and institution that there may not be much room for a pure Internet company. Every company is, or should be, using the Internet in what they do. The original pure Internet companies were the pioneers and showed the way; hence the huge initial valuations in spite of no profits. But, once everyone else started following, and started to leverage the Internet, those same companies no longer looked so pioneering; they just looked like bad businesses with no profit. This is why the bubble burst. A close examination of the statistics will show that e-businesses are alive and well even though the pure Internet business segment may not be. Once everyone is using the Internet, you need a much better business model and a lot better execution to survive in the marketplace. Irving Wladawsky-Berger, co-chairman of the Presidential Information Technology Advisory Committee, says, "We are still in the early stages of the revolution, and much more needs to be done to make the technology highly usable and reliable. Somehow the high valuations caused people to forget how much more there is to be done."

The Next Generation Of The Internet

The Internet we use today is undergoing a massive evolution -- bringing about far more change in the next few years than in the last ten. The Next Generation of the Internet, or

NGi, will make today's Internet seem primitive! Many parts of the NGi are here already. Everyone doesn't have it yet but millions do. There is no arrival date but each day we get a step closer. Not only will the Next Generation Internet be orders of magnitude faster but it will also be Always on, Everywhere, Natural, Intelligent, Easy, and Trusted. The impact of these characteristics on organizations of all kinds will be dramatic. Many people expect or hope that the NGi is going to bring us incredible speed for surfing the web. Speed is in fact one of the characteristics of the NGi but all seven characteristics are profoundly important.

> I abbreviate the Next Generation of the Internet as NGi for a reason. The capital letters of next generation are to signify that the focus is on what is coming next because it is so profound. The word Internet is generally capitalized to signify the collection and interconnection of many networks around the world into a single Internet. I use the small i in NGi to signify that the Internet will become such a natural part of our lives that we will take it for granted.

Fast: Adam Smith's invisible hand is at work on bandwidth (the speed of the Internet). Competition among cable, telecom, satellite, and other media to provide Internet access, as well as technology advancements will assure the rapid expansion in bandwidth. Using the NGi will be a dramatically different experience compared to using the Internet of today. High quality full-screen jitter-free video will enable experts to appear on video walls in hospitals and classrooms from thousands of miles away.

Always on: no more logging on; you will just be on. You don't log on to the power grid to use your toaster; you won't long on to the Internet to tap the vast resources that it offers. They will just be there. We will begin to think of the Internet as a powerful communications network that is not just for surfing the web, but since it will be Always on, we will use it to monitor real time data from weather stations, industrial processes, and even medical monitoring equipment attached to real people.

Everywhere: the Era of the PC as the center of the webis over. Mobile phones, kiosks, PDA's, pagers, and new wireless devices will enable the Internet to be everywhere; not just where our PC is. Digital signatures will enable us to wire money, transfer securities, and sign contracts electronically from wherever we are: at home, on a train, walking down the street, or from an airplane moving at 500 miles per hour. When we walk down the Champs-Elysees in Paris our mobile phone will vibrate and remind us that we are walking by a store that happens to have that rare wine we have been looking for.

Natural: envision a real-time multilingual intercom for customer service. Integrated telephony and voice recognition within webpages will enable us to ask a question of customer service in the language of our choice and have that question be routed to the most knowledgeable expert who will answer the question in their native language and then enable us to hear the answer in our own language. All forms of media, in fact our entire collection of pictures, sound, and movies, will be able to be carried around in our pocket

Intelligent: A new web standard called XML (extensible markup language) will add context to webpages that will enable people to find things and will enable application software programs to be seamlessly integrated with each other. Finding things on the web will no longer be an exercise in frustration. Instead of millions of matches, we will get a few relevant ones. A new design for computers called autonomic computing will enable systems and networks to become self-healing much like the human body.

Easy: A software system developed by a student in Finland, called Linux, is changing how computers will operate. From Beijing University to Taiwanese entrepreneurs, Linux is taking Asia and the rest of the world by storm. As more and more computers use Linux and more and more students come from school with Linux skills, it will make e-businesses much easier to build and maintain. A new approach to creating software applications, called "web services", will allow websites to do much more than "click here to buy". The result will be that websites will do much more for us and we will stand in fewer lines in the physical world and have to endure fewer telephone call centers that want to control us. Fulfillment models at our favorite retailer's website will result in the staple goods we need just showing up outside the garage door when we need them.

Trusted: Security is not going to be the biggest issue. Authentication is. Who is that web server you are dealing with? How do they know it is really you they are doing business with? The NGi will use Digital ID's so that we can have authentication; i.e. be able to establish that we are who we say we are and without having to go to a Notary or a bank. We will also know that websites we visit really are who they say they are. We will be able to send messages to friends and businesses that only they can read, be assured that no messages were changed, and allow our financial transactions on the web to stand up in a court of law. Once we establish who we are we will also be able to establish the level of privacy we would like to have.

The potential of the Internet is much greater than meets the eye. As the Internet evolves to the NGi, it will be so pervasive, reliable and transparent that we will take it for granted. It will be part of our life—like electricity or plumbing. We know that the Internet is already transforming business, education and entertainment. Even larger changes are coming as the Internet becomes more reliable and robust. Net Attitude will help you get comfortable with the seven characteristics of the NGi and allow you to start planning for how to take advantage of them.

Next Generation Attitude

To build a successful e-business requires insight about what the Next Generation Internet will make possible and an e-business strategy that is deeply embedded into the fabric, the culture, and all the operational systems of the company. Also required are a solid business plan, a robust technology plan, and in-house or outsourced human resources with all the latest skills. But even having all of these things at your disposal is not enough to build a successful e-business. In fact, all the technology and money on the planet won't enable you to meet people's expectations if you don't have the right attitude. It is essential to have a "next generation" attitude imbued in management at all levels of the

organization --company, university, hospital or government – so they are prepared to think and act in new ways that meet the rising expectations of customers and constituencies.

Part of net attitude is looking to the future, following the Internet standards, and anticipating new technology -- but a bigger part of it emanates from the grass roots thinking that was part of the evolution of the Internet itself. It is a way of thinking that is extroverted in nature – very people-oriented. A net attitude is hard to describe but you will know it when you see it. Young people tend to have it but it is not really an age thing. An increasing number of seniors have it too. The masses of people in the middle layers of large organizations often don't have it. It is not that there is anything wrong with them as people; it is just that the bureaucracies of large organizations have shielded them from the new way of thinking and in some cases Darwinian instincts have caused them to bring up their own shields. A net attitude includes the ability to think globally but act locally, to think big but start simple, to think outside-in instead of inside-out, be able to accept "just enough is good enough", engage in "trial by fire", transform to a model of "sense and respond" instead of the traditional model of "plan, build, deliver". These new ways of thinking will all be discussed in more depth.

Goals

This book will give you the background and insight to enable you to adopt a net attitude. It provides the cultural insight that the author has gained from years of participation in the center of the evolution of the Internet. *Net Attitude* explains the new attitudes of your future customers. It provides commonsense examples and personal vignettes executives and managers can relate to. It explains the importance of talking to teenagers and seniors, the two segments of the population that "totally get it" even if the middle management layers in companies and universities and government agencies sometimes don't. It describes the role of the "Skunk works" and how to set one up in your organization without breaking too much glass. Bottom line, *Net Attitude* tries to help you think like an Internet startup while capitalizing on your existing strengths.

What To Expect

Net Attitude will provide you with a view of each of the seven emerging characteristics of the Next Generation Internet: Fast, Always on, Everywhere, Natural, Intelligent, Easy, and Trusted. Each of these characteristics is profound and *Net Attitude* provides the practical examples that will help you understand, apply and capitalize on the incredible capabilities that are just ahead. The focus of *Net Attitude* is the customer; be it a consumer or a corporate purchasing agent. *Net Attitude* tells you how to "get connected" in a way that will bring your constituencies to you at the least cost and form lasting relationships. *Net Attitude* focuses on the human and management aspects that are important to get an e-business started and links them to how the evolution of the Internet is changing the game. It will also help you get the right mindset for e-business. The only prerequisite for reading this book is a strong desire to meet the rising expectations of people growing up on the Web. The economies of the world are rapidly transforming to

Internet digital economies causing a major shift of power from institutions to people. Think outside in. Outside is where the people are. They have the power. *Net Attitude* will help you walk in their shoes.