

“Mystique of the Net Economy—Or is it Really a Mystery?”

Erratic ebbs and flows of the NASDAQ market demonstrate an interesting point: change is afoot in the Net economy. And with such volatility persistent among investor concerns and CFOs alike, the allure and hype of sizzling Internet startups has lost its appetite in the portfolio vision of many venture capitalists. Yet, the buzz of riches untold and market promises unfulfilled still flow without cessation—forcing those beyond Silicon Valley to stop and ask themselves hard questions about the secret amidst success and wealth in the years ahead.

Not just the empire in California's Bay Area proper, but rather each technology hotbed of the nation is facing the severity of investor scrutiny and the waning tap of capital that flowed once so freely. Internet IPOs shudder in dormancy to face today's fierce and uncertain market conditions; they resist the urge to strike a trade listing by swap of additional rounds of funding. The seemingly once generous lifeblood of public investment has slowed from an all-out marathon pace to a cautious hiking step through the failure of many top-brand business models.

For years now, America was preached an order of rules for competing in the Net economy from most every corporate pulpit—from raved product evangelists to the business icons of the speaking circuit. Cast aside your old thoughts and views on how the enterprise should be ran; the strength of Net business is centered upon change, ideas, identity, and risk—to cite just a few. Is this sage advice or merely a pandering for distraction from traditional business philosophy? Where is the 'P' in a Net P&L (profit and loss) statement we might ask? Actually, we did. The market corrections of late echo a resounding reply.

Business models need a firm foundation

Solid footing in the Net economy requires sensible expectations matched to a delivery of promises to the market. Measurement demands critical thinking and discernment—not just an executive's wild guess of sales growth numbers or pent market demand based upon a competitor's latest earnings announcement. If we could pause for just a moment to reflect on historical success, and those binding elements which comprise a healthy business venture, then the future might appear less unstable. History can teach a business scholar a lot in a short period of time; fools never learn. Adam Smith's economic theory of supply and demand concepts hasn't left the capitalist building, at least not just yet.

While the run of venture funds may appear lessened in volume for months past, the pointer is clearly toward engineering future business plans to adopt repeatable steps in reaching attainable profit and output goals—complimented by reasonable expectations to shareholders and commitment to reality itself. No longer will financial analysts tolerate inflated earnings speculation or unverified market valuations. Due diligence is sure to take a new meaning in the role of investor strategy and gain prominence at boardroom meetings—investment decisions return to core ingredients of accounting and finance.

Ill-fated business models will proceed at a lesser rate than in previous quarters, held back by rules of caution and consideration for proven results. Deflated optimism and hysteria meet the solemn spectacles of banker-

savvy management teams; the wrought of great marketing stands the litmus test of economic principles. Eventually, the washout of doomed Net companies will fertilize the growth soil of a return to fundamental attitudes for positive performance and the fair treatment of viable ventures.

Telecommunications is an industry poised for phenomenal position and strength to the global economy in the coming years; this assumes the sustaining need to continue the true miracle of the Internet: *collaboration*. Collaboration not only between businesses, but in an even broader context of customers and suppliers working toward productive and profitable relationships. The missing ingredient hasn't been methods or ways to foster collaboration, but rather a means to ignite productive and sustainable relationships among those in the collaboration mix. Glue of notions for *change*, *ideas*, and *risk* fall quickly back to the basics of people connected to knowledge and sharing information between others with a productive interest.

Save for the energy and enthusiasm that has supported a robust economy in recent times, the melting point is staged for companies to transform collaboration into worthwhile gains. The mystery of the Net economy is unraveled. Return to the business basics and exploit connectivity between communities of people—implying concern for *real* profits and *true* productivity.