

1999 and Beyond – What's Next?

By Emily Sopensky

▶ With 1999 beckoning, the December meeting of the Austin Software Council featured a forecaster, a capitalist, and a researcher who, as “students” of the future, offered a glimpse of what to expect from technology in 1999.

Panelists were:

• **Larry Vanston**, president of Technology Futures, a 20-year-old Austin-based company that is a leader in the field of technology forecasting, especially in telecommunications.

• **Gene Lowenthal**, who has had a long career identifying emerging markets and technologies. He is affiliated with the Houston-based investment banking firm Growth Capital Partners, and also serves on the boards of several privately owned technology companies.

• **Jerry Tassone**, director of research development at Reality Research, the market research arm of CMP Media. He develops new research programs for the company and is currently working on “E-search,” a syndicated program designed to track vendors providing electronic commerce products, services, and solutions to the enterprise marketplace.

Telecomm in flux

Vanston spoke emphatically

about the future of telecommunications. The industry is in a state of flux, he said, and undergoing a period of rapid growth. But “ubiquitous telecommunications and data communication does not equal ubiquitous communications,” Vanston claimed. “We still must overcome barriers of language and cultural differences.”

When asked if satellite will provide competition to fiber, Vanston was not shy in indicating his preference for fiber.

Technological leaps

Lowenthal listed storage, displays, input, and imaging as four computing areas destined for significant improvements. For example, common storage systems will hold 100 gigabytes of information at less than \$3 per gigabyte and will have an access rate of less than one millisecond. There should be 64-gigabit chips by 2011, he said.

Paradigm shift

“Ecommerce,” predicted Tassone, “will provide the single biggest paradigm shift that will drive us socially as well as business-wise over the next 18 months. And it’s not the ecommerce that we hear so much about — how many flowers and books will be bought over the Internet. The focus will be more on the business-to-business.”



Jerry Tassone, Larry Vanston, Bill Kleinebecker, and Gene Lowenthal. Emily Sopensky photo

Electronic commerce has progressed through four principal stages of evolution, explained Tassone. “The first stage is just access. Gather data and get off the Internet. The second is provisional; being able to put on a website what we call brochureware.”

The third stage is the start of ecommerce when interactivity or self-service capabilities are provided and password-protected. Access to banking information is an example. The fourth and final stage is the ability to

conduct transactions.

Tassone mentioned that Sonar, a Bay-area research firm, reported that over 57 percent of the U.S. companies surveyed said they were going to implement ecommerce by the year 2000. “This is going to be the biggest boon to software companies in the next 12 months,” Tassone concluded.

Lowenthal concurred. He predicted that logistics will be the focus of business-to-business solutions. “There’s a buzzword out there — disintermediation

— which is about the disenfranchising of the middleman. It’s the idea of having everything just in time,” Lowenthal said.

Ecommerce and the Internet are the great equalizers, said the panelists. Two guys in a garage with a high-powered server can appear to be the same size as a major firm with thousands of employees. But success over the long haul, they predicted, will be attained by those companies that build brand equity, deliver value-added services, respond to customers, and maintain loyalty.

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As CIOs Rise in Stature, Levy Documents the Trend

By Emily Sopensky

► As the Information Age barrels along at the speed of light, those who can grasp the present and envision the future become increasingly valuable. "Change" is the operative word, and it is the chief information officer — the CIO — who must embrace it.

Many executives turn to CIO Magazine for insight and guidance. The glossy, content-laden publication, "the magazine for information executives," has a large and loyal readership, currently numbering 130,000. The magazine recently expanded, adding a second section that focuses entirely on the business of Web development.

Joseph Levy, founder, president, CEO and group publisher of CIO Magazine and CIO Communications Inc., was in Austin

to participate in the first Austin IT Executive of the Year Award. He shared a few thoughts about the IT business and about his flagship product.

Sixteen years after joining International Data Group (IDG), the Boston-based mega-publisher that also counts ComputerWorld in its stable, Levy rose quickly through the ranks. He had an idea that wouldn't die: "My view was that all the IS newsweeklies — ComputerWorld, InfoWorld, PCWeek and Information Week — focused on the plumbing and not the benefits of the plumbing. When I pick up the phone, all I care about is that there's a dial tone. I don't care how I got the dial tone, whether it went through



Joe Levy Emily Sopensky photo

routers or switching systems. I felt there should be a publication that talks about technology from the business end. Where is the return on investment? How do you survive the challenges

that CIOs go through?"

Levy firmly believes that the CIO role is being reinvented. "First the CIO must have vision and the ability to sell it to management. And the CIO has to have business expertise." More and more CIOs possess MBAs, he says.

Levy notes that the issues commanding the attention of CIOs today are the Y2K problem, the Euro conversion, and the IT staffing crisis. And, of course, the profound impact of the Internet. "When I went to school, I was taught the criteria to success in the capitalist society were based on capital. Yet Jack Bezos and Amazon.com have shown us that you don't need any of that stuff. Now someone who has never opened a store at a physical location can have the highest market cap of any bookseller,"

Levy explains.

Sales are not the only benefit of the Web, says Levy. "Cisco is a good example. They are saving about \$500 million a year in customer service through their website. The hard part is to have faith that there will be a payback."

In the short run, Y2K is the most demanding problem facing CIOs. While Levy has no intention of moving to a well-stocked fortress by Jan. 1, 2000, he also has no plans to be on an airplane that day either.

He predicts that CIOs will be investing in networking this coming year, especially if it is faster and cheaper than what they have now. Investments also include solutions for retailing over the Internet and any enterprise application that allows you to stay closer to the customer.

Execs Recognized by Austin IT Community

► To honor the stellar performances of IT leadership in Austin, the Association of Information Technology Professionals (AITP) hosted the first Austin IT Executive Awards reception at the 1998 Austin ITEC Expo in December.

A committee of five judges chose **Jerry Gregoire**, Dell VP and CIO, as the Austin IT Executive of the Year. He is responsible for Dell's information systems worldwide. The other two finalists were **Steve Cox**, CIO of VTEL Corporation, and **Carolyn Purcell**, executive director of the Texas

Department of Information Resources.

Gregoire won primarily for implementing the "Run Dell on Dell" strategy. The goal is to run Dell's key business processes on Dell's own self-developed technology products.

It is an evolutionary strategy that allows Dell to deliver business value in an incremental fashion, versus the "big bang" approach of building one behemoth to be launched once only.

Gregoire is considered a gifted strategist and visionary. Because he is constantly looking for new opportunities and new technology to be used in the factories as well as the sales and service areas, many also consider Gregoire to be the chief technologist at Dell.

Prior to joining Dell in July 1996, Gregoire spent 10 years with PepsiCo Inc., most recently as VP of information systems for Pepsi-Cola Company.



Russ Finney and Carolyn Purcell Emily Sopensky photo

Special Technologist Award

In a special award, the judging committee also recognized **Steve Madere**, *Deja News* [► ITXC EXPO page 13]



Jonathan Hines, Sean Lowery, Russ Finney and Steve Madere Emily Sopensky photo

Execs Recognized by Austin IT Community

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founder and chief technology officer, as the Austin Information Technologist of the Year. One of the Austin software community's brightest innovators, Madere works with a team of 50 developers to build and maintain the leading Usenet search engine and one of the most heavily trafficked sites on the Web. Approximately 3.5 million persons

participate in discussions on *Deja News* each month, generating over 130 million page views. Madere's powerful engine is capable of accurately searching a 450 GB full-text database within 2-3 seconds. Even as 1 GB of new text is added each day —

in 17 languages including English — to the *Deja News* archive, the site still manages to satisfy users.

Popular *Deja News* products include *My Deja News*, a per-

sonalized Web-based Usenet newsreader that allows individuals to seek and post to various Usenet newsgroups. *Deja News* licenses its technology to many of the largest sites on the Web, including America Online, AT&T WorldNet Service, Bell South, Excite, HotBot, Infoseek, InfoSpace, Lycos, Microsoft's Internet Explorer, The Microsoft Network, Open Text, WebCrawler,

Yahoo!, and ZDNet.

Judges were Joe Levy, CIO Magazine; Jimmy Trevbigi, founder and former president and CEO of Tandem Computers, now of Austin Ventures; Dr. Marcos Sivilantides, Southwest Texas State

University; Mike Hill, Ernst & Young managing auditor; Bob Fabbio, chairman of the board, Dazell Corporation and general manager, TL Ventures.



Steve Madere Emily Sopensky photo