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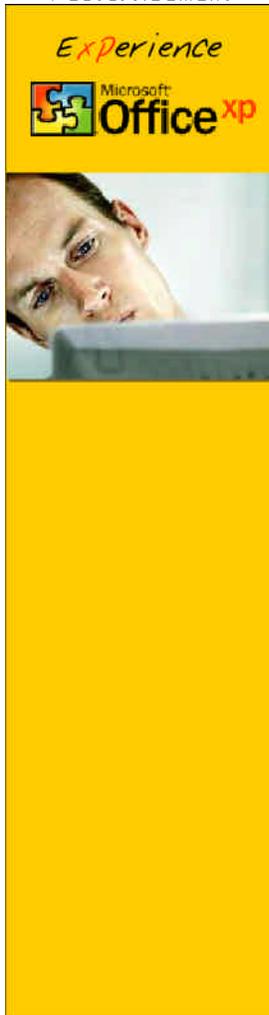Page One | Hardware | Software | Networking | E-Commerce | Commentary

UPDATED: AUGUST 14, 2001 11:13 AM PT

IBM gives AMD a jolt

Big Blue discontinues selling Athlon- and Duron-based systems in North America but it will continue to sell them in Asia--a clear win for Intel in the bitter chip struggle.

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.biz overseer sues Amazon over 'lottery'
In a pre-emptive strike, NeuLevel tries to gain approval for its domain-name selection lottery after Amazon complains that the system is illegal and unfair to trademark owners.
- Net name landlord garners big bucks

New graphics chips raise ATI's game
With archrival Nvidia nibbling at its market share, ATI Technologies cranks up performance in its Radeon family of graphics chips. They'll run up to three times better, but cost about the same as a year ago.

New Palm PDA on the way?
Sources suggest Palm will launch a low-cost handheld--dubbed the m125--next week, in time to catch the back-to-school shopping season. It'll likely be compatible with high-end peripherals.

Motherboard could ground Xbox
Analysts say a flaw in an Intel motherboard could push back the manufacturing date of Microsoft's eagerly-awaited gaming console by up to a month.
- Report: GameCube to go online in 2002

Software magic for e-tailers
'Multichannel Web marketing' could revolutionize the way people shop. It promises a huge advantage to retailers with both online and bricks-and-mortar stores.
- E-banking: Familiarity breeds content

3ware delivers bytes in a pizza box
The company's pizza-box-sized storage device plugs into ethernet, uses little power and stores more than half a trillion bytes of information.

Study: Cable Net access surges
A cable industry survey showed the cable is growing on all fronts--television, Net access and telephone--including almost a million new customers with cable broadband.
- Net access passes 100 million in U.S.
- Pilotless planes may provide broadband relief

Court sides with anonymous posters
In a decision hailed as a victory for anonymous speech, a California judge rules that Yahoo won't be compelled to reveal the identities of people who posted critical remarks online.

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Page One | Hardware | Software | Networking | E-Commerce | Commentary

COMMENTARY

The Internet as a corporate power tool?

By Tom Kuhr
ZDNet News
August 14, 2001 5:17 AM PT

TALK BACK!
Tell us your opinion!

COMMENTARY--When the once red-hot IPO market began to cool--and then freeze--roughly one extremely long year ago, mergers and acquisitions quickly gained increased visibility as the exit strategy of choice. The proof is everywhere: The first quarter of 2001 saw mergers and acquisitions among venture-backed companies increase by more than 38 percent over the previous quarter.

Companies spend billions of dollars every year building their brands and increasing their levels of market awareness. Whether they realize it or not, though, that extraordinary investment, along with the blood, sweat and tears that accompanied it, can be destroyed in the click of a pen when organizations come together without adequate foresight and preparation.

Venture-backed companies are far from the only ones that pursue M&A activity--witness the ill-fated pairing of General Electric and Honeywell or, more currently, First Union and Wachovia--and the mandate to protect the sanctity of each individual brand can easily get lost in the shuffle. In fact, the problem is often even worse in the case of such large, public companies. Mergers require the parties involved hit the ground running, and Securities and Exchange Commission regulations explicitly prohibit representatives of such organizations from being in contact with one another--not a great way to make sure that brands are protected as the process moves along.

One of the most difficult tasks for the modern enterprise going through the M&A process has been merging two disparate IT infrastructures. This is true for a number of reasons: Will the two platforms integrate with one another seamlessly? Which company's platform will take the lead, and which will become subservient? Will one platform have to be trashed altogether?

At first blush, executive officers of merging companies may not consider problems experienced within the IT department to be of overriding immediate importance amid a merger's implicit mayhem, but consider this: The main goal of any merger or acquisition is to create a whole greater than either of its individual parts. Quick recognition of the companies' existing synergies--along with an equally swift ability to leverage them--is critical to the newly formed organization's ability to show an immediate return on investment.

Anything that impedes this process, whether it is a perceived lack of a coherent corporate vision, an inability to articulate and execute that vision or an organizational failure to communicate on a personal, systems or infrastructure level, can easily place a nascent merger or acquisition in peril. The company's IT infrastructure, its intranet and its attendant systems, is the ultimate key to all of the above. An organization's internal messaging directly drives its external brand, and effective communication of consistent messages throughout the entire process is critical to the success of any merger or acquisition.

Effective distribution of knowledge during a merger or acquisition has traditionally been extremely difficult, but the Internet exists as an extremely powerful tool that, if leveraged correctly, can be of tremendous use in overcoming these very real obstacles.

It is now possible to access and manage the electronic resources and content of two completely distinct companies, both before and after the merger, without physically migrating a single bit of data or moving it all into a single system. New technologies make it possible for disparate systems to remain independent while the data contained within each one is unified on top of the applications.

While it used to take years to leverage these existing synergies, it can now be accomplished in only days or weeks. Using the Internet to unify data is the essence of true enterprise content management.

The benefits go far beyond mere cost-effectiveness--leveraging the Internet's potential can actually mean the difference between the life and death of a newly formed enterprise.

The faster merging companies are able to provide their audiences--both internal and external--with accurate information that can be put to immediate use, the more quickly the new company's leadership can turn its attention to the task at hand. Return on investment--the reason the organizations got together in the first place--can be made that much more immediate.

Tom Kuhr is vice president of product management and marketing for Day. He previously served as vice president of international operations at Stamps.com. Kuhr has a bachelor's degree from the University of California at Santa Barbara in Aquatic Biology.

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