

Business Planning in an eCommerce Environment



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Business Planning in an eCommerce Environment



What is the
secret?

Business Planning in an eCommerce Environment



- What is “eCommerce?”
- How does it differ from “Commerce?”

Business Planning in an eCommerce Environment

“We’re back to seeing business plans that contain business fundamentals. There was this giant concept for a time where anyone thought they could be an entrepreneur and that anything could be a company -- apply “Internet” to anything and make a business plan. We’re seeing more focus on a particular technology or business process. It’s really come back to “Here’s what we’re willing to build. Here’s what we’re willing to charge for it. And here’s how we’re going to be profitable.” It’s really quite comforting to come back to the fundamentals.”

Heidi Roizen, Business2.com, May 29, 2001

Business Planning in an eCommerce Environment



*"Hey, kids! Let's put on
a show!"*

Essential Ingredients



Successful Show

- Talent
 - Singing
 - Dancing
 - Set Building
- Money
 - Backers
- Management
 - People who know about shows

Successful e-Business

- Talent
 - Programming
 - Marketing
 - Fulfillment
- Money
 - Venture Capitalists
- Management
 - People who know about business

Business Planning in an eCommerce Environment

A decorative graphic consisting of a horizontal bar with a color gradient from dark blue to yellow, followed by a series of overlapping, semi-transparent, teardrop-shaped elements in shades of brown and orange that point to the right.

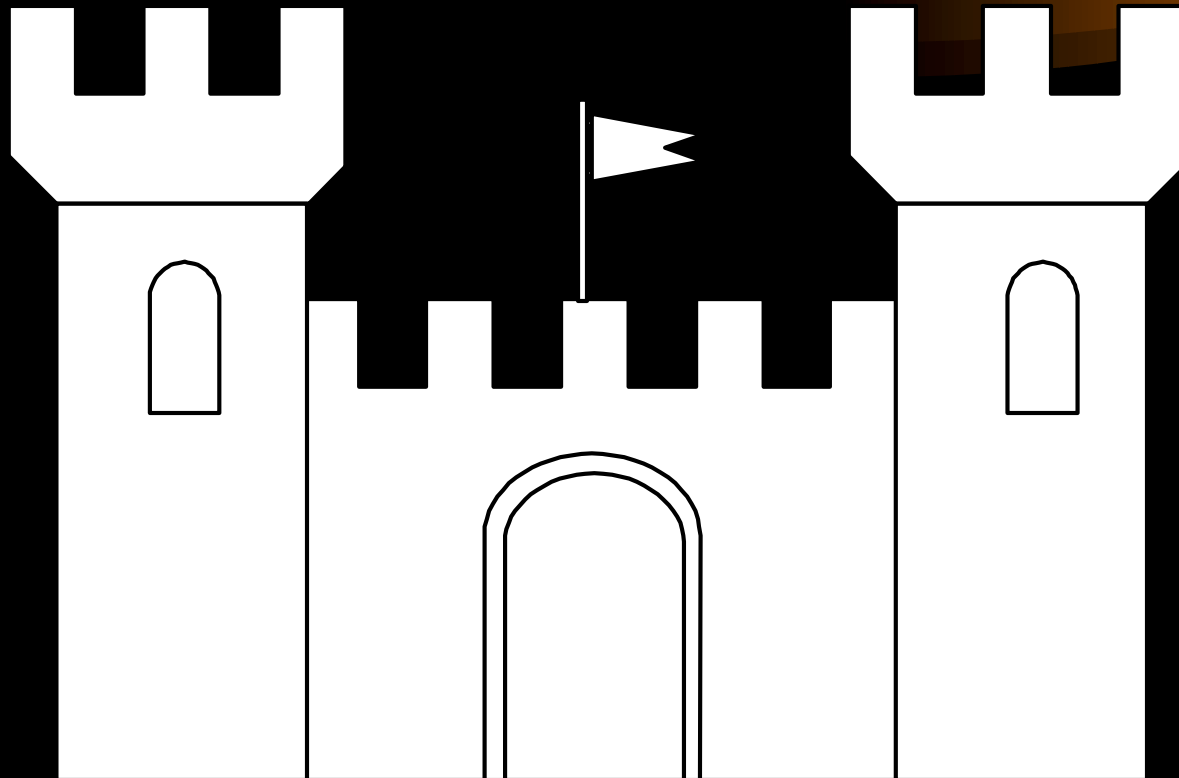
- Plan your work.
- Work your plan.

The Planning Process



- Define mission statement.
- Identify business goals.
- Identify specific objectives.
- Identify information and processes (systems).
 - Software
 - Hardware
 - Infrastructure
 - Personnel
- Prioritize the systems.

Leo's Luxury Lodgings



Mission Statement



- We will enable the top 1% of the earners in the U.S. to acquire homes that fit their lifestyles in a manner that fits their lifestyles.
- We will treat our clients with the courtesy that they deserve and will, in a reasonable time frame, find them homes that reflect their individual tastes and accomplishments.

Business Goals



- Become known as the premiere provider of homes to the top income strata in the U.S.
- Partner with medium size privately held real estate agents who cater to the wealthy in major markets.
- Become profitable within 12 months of start up.

Specific Objectives



- In 2002:
 - Sell 100 homes in each of three major markets (Chicago, Houston, Atlanta).
 - Establish mutually profitable partnerships with two local agencies in each market.
- In 2003:
 - Sell 150 homes in each established market as well as new two new ones.
 - Establish mutually profitable partnerships with three local agencies in each market.

Required Systems



- Marketing
- Sales
- Administration

Software



- User Interface
 - Easy to Navigate
 - Fast Response Time
- Back Office Support
 - Supports User Interface
 - Integrates / Interfaces with Corporate Systems

Hardware



- Located Strategically
- Sized Appropriately
- Balanced for Applications

Infrastructure



- Multiple URLs
 - Regional Access
 - International Access
- Links
- Security
 - Your System
 - Your Customers' Systems

Personnel



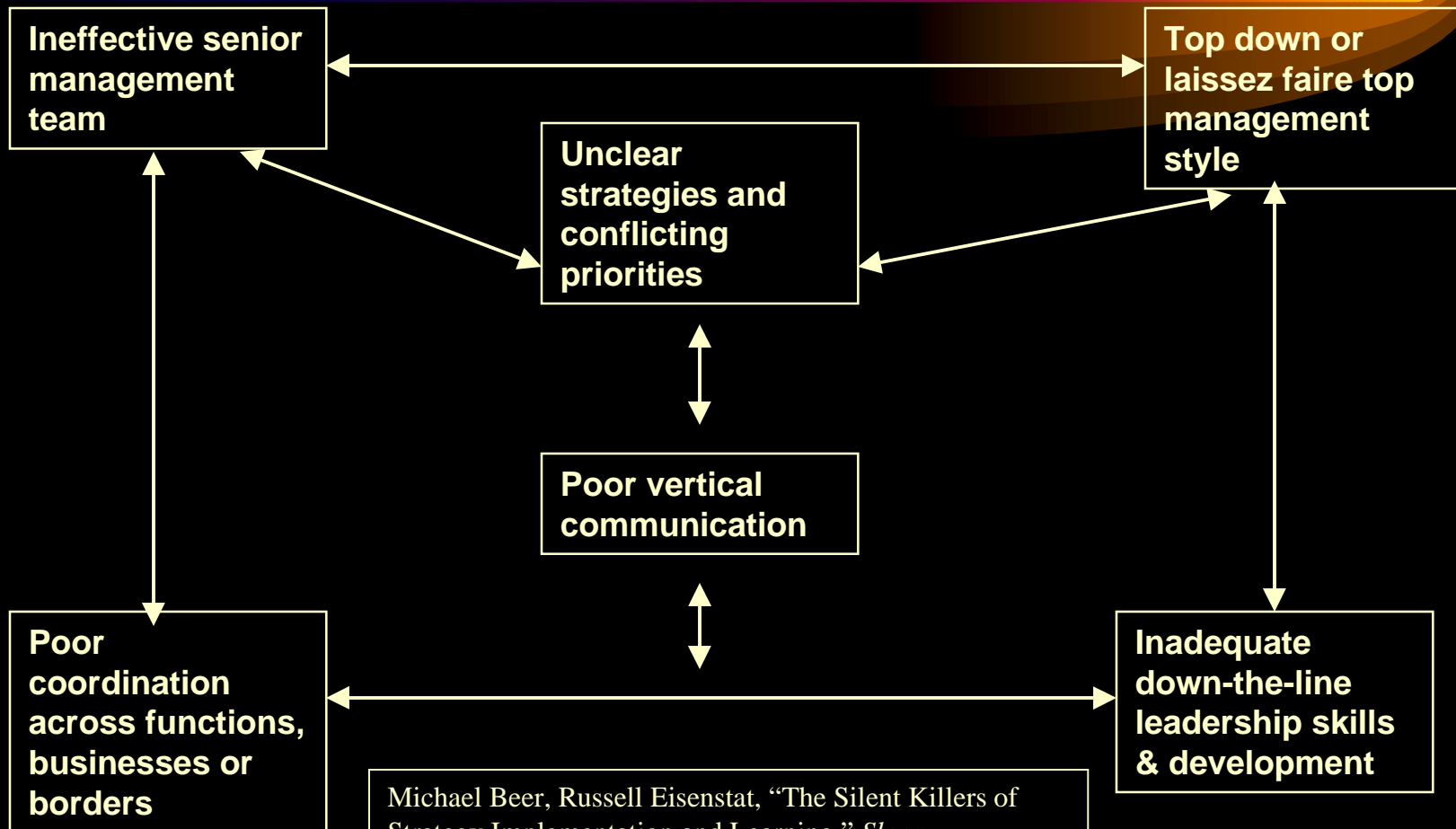
- Types
 - Technicians
 - Users / Customers / Partners
- Considerations
 - Training
 - Communications

Working Your Plan



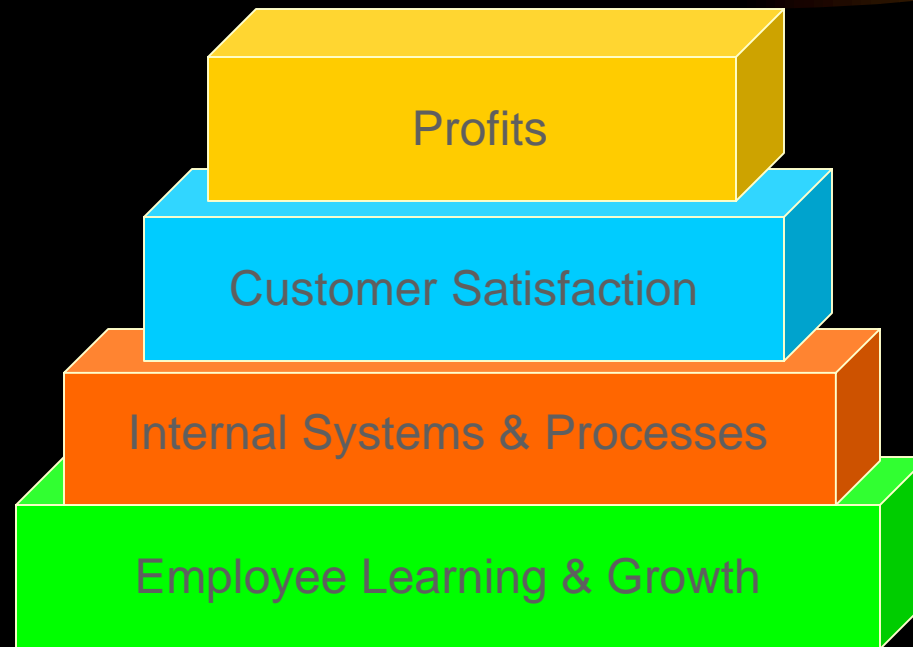
- Be careful of “Strategy Killers.”
- Use the Balanced Scorecard Method.

Strategy Killers



Michael Beer, Russell Eisenstat, "The Silent Killers of Strategy Implementation and Learning," *Sloan Management Review*, Summer, 2000

Balanced Scorecard





Profits

- **Benefits**
 - Facilitate funding.
 - Reward owners and employees.
 - Assure customers.
- **Depend on:**
 - Satisfied customers
 - Smooth internal operations

Customer Satisfaction



- **Benefits**
 - Retains current customers.
 - Attracts new customers.
 - Ensures long term profits.
- **Depends on:**
 - Smooth internal operations
 - Trained and capable employees

Internal Systems and Processes



- **Benefits**
 - Smooth internal operations
 - Satisfied customers
 - Increased profits
- **Depends on:**
 - Trained and capable employees

Employee Learning and Growth



- **Benefits**
 - Satisfied employees
 - Increased ability to utilize systems
 - Satisfied customers
 - Increased profits
- **Depends on:**
 - Company's willingness to invest in its people

Focus on Success

E.piphany's 10 Commandments of Success

- Bold Consistent Vision
- Focused
- Customer Satisfaction
- Relentless
- Respectful
- Extraordinary Teamwork
- Accountable
- Intelligent
- Open, Honest Communication
- Listen well, act quickly.