

CIO

THE MAGAZINE FOR INFORMATION EXECUTIVES

APRIL 15, 1997

EIGHT DOLLARS

BELGIUM BF240
FRANCE FR40
GERMANY DM12
ITALY L13,000
JAPAN ¥780
NETHERLANDS G13
SPAIN P1000
SWITZERLAND SFR10
UNITED KINGDOM £5

High-Octane IT

How Mobil Is Getting
More Mileage
Out Of Its Systems

PAGE 62

Global Information
Manager Ellen McCoy

PLUS
Is Your Web
An Internal
Battleground?

PAGE 74

AN INTERNATIONAL DATA GROUP PUBLICATION

**DOCKET
ALARM**

Find authenticated court documents without watermarks at docketalarm.com.

Inside CIO

VOLUME 10 • NUMBER 13 • APRIL 15, 1997



62 *Mobil's IS group answered the CEO's call for increased global reach and cost cutting.*
Cover photo by Katherine Lambert

Features

CIO PRIORITIES

48 Weighing the Nos and Cons

Trying to figure out how to set priorities for IT projects? Start with a spreadsheet.
By Miryam Williamson

COVER STORY: SYSTEM REDESIGN

62 Getting the Lead Out

By standardizing IS operations and cutting costs, Mobil honed its competitive edge.
By Daniel Gross

CIO/WEBMASTER RELATIONSHIPS

74 Web War

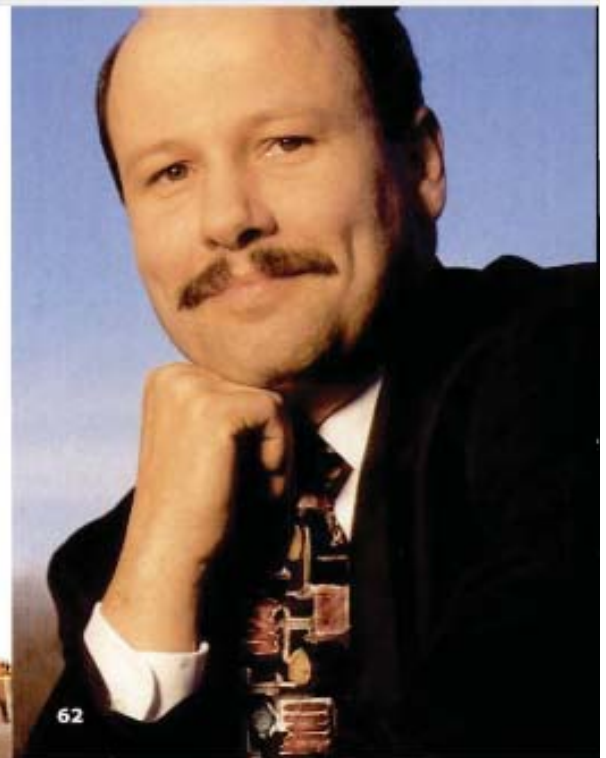
When webmasters and CIOs clash, the chaos rivals that of a bad B-movie.
By Carol Hildebrand

BOOK EXCERPT: WHAT WILL BE

84 The Next Wave

A consultant details what he calls the "Third Revolution."
By Michael L. Dertouzos

74



108



Enterprise Value Awards application follows
Page 86.

In Every Issue

IN BOX **12**

Letter from the editor, reader feedback, how to reach us

18/ Publisher's Note

TRENDLINES **20**

20/ Mixed Signals Getting the job and keeping it

26/ Scrap Your PCs and Save?
Network computers cut costs

28/ Experimentation Without Taxation
Application development tax break

PLUS/ Government waste, year 2000 hotline, online merchandise inspection

CIO PORTFOLIO **114**

Products and services from CIO Communications Inc.

■ **Surveys** Maximizing the Internet, Managing IT Standards, Executive Compensation

■ **Next CIO Conference** "A Tale of Two Webs: Making Your Intranet and the Internet Pay Off," May 18-21, at the Doral Golf Resort & Spa, Miami

INDEX **116**



20

Emerging Technology

about \$150 to \$300. Monthly access fees typically run from \$25 to \$50, plus per-minute charges of zero to 25 cents (depending on whether the connection is made during peak or nonpeak hours). ISDN modems, also known as terminal adapters, are generally priced from \$200 to \$400.

If one is lucky enough to be in an area with multiple ISDN providers, one can shop around for access on the basis of price and technical quality. Some ISDN providers don't offer BRI service at the full 64Kbps rate. Switching equipment limitations force Pacific Bell, for example, to limit the maximum throughput in some areas to 56Kbps per channel.

Linking to the Internet via BRI can also be more expensive than with an analog modem. Although many Internet access providers are bringing their ISDN fees closer to the "\$19.95 per month, unlimited time" deals available to analog modem subscribers, others continue to charge ISDN customers significantly higher access fees—\$30 to \$65 per month plus per-minute charges.

The 56K Challenge

Although ISDN has blossomed, several challengers loom on the horizon. The most immediate threat comes from new 56Kbps modems, which promise to provide near-BRI-class service without the complexity or extra cost. U.S. Robotics Access Corp. of Skokie, Ill., and Rockwell Semiconductor Systems of Newport Beach, Calif., have each developed 56Kbps modem technologies (called x2 and K56Plus, respectively) that work over standard telephone lines.

Both technologies take advantage of modern digital phone networks and digitally connected modem racks at the server end of the telephone network. The 56K modem is a useful solution for individuals and companies that want faster data communications but aren't ready to invest in ISDN, says Robert Bauer, vice president of marketing for U.S. Robotics Mobile Communications Corp. in Salt Lake City. "56K can very

Suit Yourself

Design systems allow consumers to create products exactly the way they want them

AT GLOBAL NETWORKING supplier Cisco Systems Inc. in San Jose, Calif., when sales reps or resellers need new connectivity, they dial into Cisco's secure Web site, choose from a menu of options, and then design and price a customized product that meets their specific needs.

At Chrysler Corp. in Auburn Hills, Mich., customers soon will use the Web to design and order their "dream cars" equipped with the features, color and financing they require.

The common element in each transaction is interactive product configuration, a new generation of sales technology that allows easy customization of complex products. Beyond sales force automation, which streamlines the sales process, configuration systems aim to better match a company's products with its customers' specific needs. Two prominent vendors in this emerging field are Calico Technology Inc. in San Jose, Calif. (www.calicotech.com) and Trilogy Development Group Inc. in Austin, Texas (www.trilogy.com).

Cisco's sales configuration is enabled by Concinity Configuration Engine, which, like an experienced sales rep, provides users with feedback on the selections they make. Concinity uses an object-oriented approach to develop models that describe how each product is configured, priced and quoted, and the relationship between options and how they solve user needs. The systems integrator tools provide developers and integrators with optional services, including application programming interface support, Microsoft OLE Automation, open database connectivity driver and an

enterprise resource planning (ERP) translator that enables customers to extract product data and business logic from ERP systems.

Concinity, which Cisco has used since 1995, has helped reduce the error rate on customer orders by 30 percent, according to vice president of IS and CIO Peter Solvik, who says Cisco recouped its investment in Concinity within a year.

PRODUCT CONFIGURATION

Chrysler's approach is refined by Trilogy's Selling Chain software, a client/server enterprise application suite that helps companies streamline front-office business processes and create direct links between customers and enterprisewide information systems. With a backbone that supports Microsoft's OLE, Selling Chain creates a consistent interface for product, pricing and market information while providing a real-time view into the sales pipeline of orders, requests and sales information. Selling Chain also integrates with ERP systems from such vendors as Oracle Corp., Baan International Inc. and SAP. At Chrysler, Selling Chain will be used to help customers shop for and design new cars via the Internet or at free-standing kiosks in dealer showrooms. By typing in their specific needs—color, monthly payment limits, safety features—customers will be able to get the car they want rather than settle for an available car that almost meets their needs.

Although the Web-enabled configuration option won't be available to customers until later this year, Chrysler officials say the new technology will revolutionize auto sales and production. Rather than base next month's production on last month's sales, Chrysler expects to build the cars customers want, when and where they want them.

—Tom Field

