

Global Intranets

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Abstract

Companies with scores of offices scattered across the globe might have the most to gain from the Intranet explosion. Centralization, information sharing and production maximization are just a few of the benefits. This research project details current initiatives in Intranet development. In addition, a future initiative into global Intranet backbones is briefly examined.

Global Intranets

What does WorldCom, MCI, Conrail, Norfolk, CSX, Lucent, AT&T, Boeing, McDonnell, Westinghouse, Dean Witter, Morgan Stanley all have in common? These are just a highlight of the companies who have merged and/or acquired other companies in the 1990s. The reel of 1990s mergers and acquisitions (M & A) includes more than \$24 billion so far in 1998. However, there has been one merger this year alone that has surpassed the \$24 billion, it is the Chrysler and Daimler Benz merger. This merger has hit the \$40 billion mark.

There is not a newspaper, a magazine, or a newscast that has not talked about this big event. Chrysler Corporation and Daimler Benz has merged together to form the newest company called DaimlerChrysler. Tuesday, November 17, 1998 marks the beginning day of this new company. The merger was finalized in record time, only taking a little more than six months since the announcement of May 7, 1998 (Employee News Daily, 1998).

To celebrate the two sides of the ocean coming together, DaimlerChrysler's chairmen, Robert J. Eaton and Jurgen E. Schrempp rang the opening bell to start trading the new company, DCX, on the New York Stock Exchange (NYSE). In addition, "two 150 pound cutouts of the front ends of a Jeep Grand Cherokee and a Mercedes-Benz C class honked their horns and flashed headlights to get the attention of the traders on the floor of the stock exchange before Eaton and Schrempp rang the ceremonial bell to signal the beginning of trading for the day. The moment marked the historic first exchanging of DaimlerChrysler stock" (DaimlerChrysler Intranet Team, 1998).

This significant event is creating an opportunity for growing revenues, profits, and compatibility of people, cultures, products, and operations. The new company's portfolio has some exceptional assets: some of the world's most innovative products and powerful brands, financial strength and flexibility, superior engineering and technological skills, a balanced portfolio of vehicles in every market category. "We have about 100 working groups well on their way to implementing synergies and have established a post-merger integration team to review and prioritize all synergy projects. Keep in mind that we are creating a new company, not simply imposing a holding company structure on two independent operations" (Employee News Daily, 1998).

The key phrase is the 'creation of a new company'. This is not just running two independent operations. Therefore, the success of this new company is dependent upon the integration process. It is the combining of two very strong and differing corporate cultures that will determine the foundation and future outlook of the new company. However, DaimlerChrysler has taken the first step in building this foundation, the creation of one global Intranet site. This research project details current initiatives in Intranet development. In addition, a future initiative into global Intranet backbones is briefly examined.

Global Companies

Global companies, such as the newly formed DaimlerChrysler, face significant challenges over domestic counterparts. "Not the least of these is operating across vast distances and time barriers. Global companies are creating Intranet sites and corporate intranets, expanding videoconferencing facilities, looking at next-wave technology such as virtual private networks and finding ways to help their employees be successful working in real and virtual offices around the world. Managers are combining technology and face-to-face gatherings. And they're working to build corporate cultures open to information exchange and communication" (Solomon, 1998).

Corporations that have offices scattered across the globe have the most to gain from the Intranet explosion. "By creating instantaneous, shared access to data, large companies can leverage their worldwide brainpower and minimize logistical hurdles" (Anonymous, 1998). "It's not the specific technology so much that's important, but more a discipline. It's a mindset [in which] the organization realizes at the highest levels that it must put human procedures, cultural procedures and technology in place to leverage the information it has, says Jackie Fenn, vice president and research director of advanced technologies for the Gartner Group, a consulting firm based in Burlington, Massachusetts" (Solomon, 1998).

In order to be competitive and have equal access of resources without duplication, Intranets seem to be the technological key. Intranets provide the infrastructure that help large global companies maximize productivity, eliminate redundant costs by centralizing data, and foster employee collaboration. "At Arthur Anderson, global HR managers using AA Online can access a huge database, search libraries of survey and policy information, read procedural data, and use bulletin boards to post and read announcements. It was one of the first global firms to harness technology's power to centralize information. Sharing data via its Intranet and in turn via the company's Internet site and other tools, global managers and consultants can reach 40,000 clients, employees and international assignees" (Solomon, 1998). Today, Intranets are becoming more and more prominent. Next a look at current initiatives is discussed.

Current Initiatives

Groupware

Groupware is now broadening to include business-to-business collaboration. In essence, companies are now utilizing their groupware features for their Intranets. "Companies are taking Intranetbased groupware to the next level by collaborating with customers and suppliers over Intranets, extranets, and the Internet. Think of this broader collaboration in terms of 'superworkgroups'" (Adhikari, 1998).

Many companies are utilizing the groupware concept. Visio Corporation <<http://www.visio.com>> in Seattle is using an Intranetbased superworkgroup package called CompanyStore. "Visio has about 400 employees who purchase millions of dollars worth of office supplies, computers, and other equipment. Before CompanyStore, making purchases was a complex process, says Neal Myrick, director of worldwide IT at Visio. Employees had to call the purchasing department to find out product prices, log on to the corporate Intranet to enter details of their planned approval, and hand it to the purchasing department, which entered the data into an SAP R/3 program. Easy ordering that was too cumbersome for Myrick, who decided to roll out CompanyStore, which is easy to use and up to date and is integrated tightly with SAP's application programming interfaces to reduce repetitious data entry" (Adhikari, 1998). Now their employees enjoy a more easy and friendly Intranet purchasing system.

Another company who utilizes the extended groupware features in their Intranet is General Motors' Powertrain division. They have achieved record production turnaround times. David Poirier and his group are responsible for the software code, product engineering, and manufacturing of embedded controllers for small computers that GM uses to control engines and transmissions on vehicles. "The software code for these computers is updated regularly. Poirier's group uses an Intranet and Internet to collaborate with contractors to write new code. An IBM 704 server runs Windows NT 4.0 and Microsoft IE 4.0 web server software customized for the GM divisions' workflow processes. Once the code has been cleared for release, Poirier puts it on a dedicated server linked to GM's Intranet and notifies GM's suppliers that it's ready" (Adhikari, 1998).

One company not to be left out of the superworkgroup arena is Motorola <<http://www.motorola.com>>. Motorola is launching a global Intranet architecture called Compass. Initially Compass will be used by Motorola employees to share information across global business units with a later extension of supporting customers and suppliers. "Compass provides a powerful enterprise-wide collaboration and information-sharing infrastructure. The major components of the Compass system include an Intranet resource library, a robust document management system, on-line discussion groups, sophisticated workflow process management tools, and static web page hosting" (Mathes, 1998).

Compass is base on Livelink Intranet 8.0. Livelink Intranet is a web based collaborative knowledge management package from Open Text Corporation. "Livelink 8 includes several important building blocks for your Intranet: an Intranet user directory, personal work space for users, collaborative application templates, document sharing, and search capabilities. It runs in conjunction with existing web servers, messaging systems, and relational database management systems (RDBMS)" (Symoens, 1998).

PacifiCare Health Systems is one who has utilized Compass for its Intranet technology of choice. "Compass is our way of providing a secured, internal net that recognizes the need to share information with a broad selection of individuals, says Jim Williams, PacifiCare senior vice president and chief information officer" (Watt, 1998). Many executives can

view proprietary records such as sales figures and budgets via Compass. In addition, executives can select various formats and even import these records into spreadsheet applications. Groupware based Intranets are not the only initiative going, Bristol-Myers Squibb Company utilizes HTML based applications for their Intranet.

HTML Based

BMSnet network is Bristol-Myers Squibb Company's <<http://www.bms.com>> global Intranet network. It is HTML based. "HTML-based applications on BMSnet include cash-flow management, financial reports and a legal-expense tracking system. The main development work involved Netscape and Oracle publishing tools aimed at connecting the applications to back-end financial systems using the Open Database Connectivity protocol and Common Gateway Interface scripts" (Messmer, 1998).

The company generates more than \$51 billion annually through sales of more than 100 countries. Their new Intranet now helps thousands of employees and outside contractors submit data in web forms for direct processing. By doing this, manual entry of paper-based information was eliminated.

"In one of the more unusual uses of its intranet, Bristol-Myers is saving \$2 million per month by using it to manage currency trading internally rather than outsourcing the procedure to a bank, as the company did before. Doing business in 100 countries, each site may have excess currency it doesn't need, and the sites submit the balance and swap it over the Internet to gain currency advantages" (Messmer, 1998).

A Future Initiative

Groupware and HTML-based Intranets sound fantastic. However, all global Intranets require backbones. Two companies, AT&T and British Telecommunications, are going to be the first ones there with their big plans for an international IP-based network. "AT&T and BT have grand plans for their unnamed joint subsidiary, including construction of an international IP-based network that will connect 100 cities across the world at 200G bit/sec. The network will serve as a backbone for corporate customers that want to setup global Intranets, international call centers and multimedia networks" (Greene, 1998). The joint venture sounds appealing however neither company has committed to a completion date.

Conclusion

The Information Age can drive you crazy with so many options. However there are companies who are trying to package current groupware and HTML features into easier company Intranet setups. Compass and Livelink 8.0 are just a few of those tools. In addition, companies such as AT&T and British Telecommunications are realizing the

expanding presence of companies who are going/already global and require centralized information sharing Intranet backbones. Time, distance, and place will not matter with global Intranets. In conclusion, for a newly formed global company, such as DaimlerChrysler, it will find their Intranet to be a very valuable and irreplaceable asset.

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