Some Excerpts from "INNOVATION"

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Web Sites for Buyers (Rather than Sellers)

Systems to facilitate corporate buying-and-selling may turn out to be the "killer app" for Web commerce, and some business-to-business systems are already in operation (e.g., Nets Inc. , which is working with PNC Bank Corp. in Pittsburgh to let corporate purchasers buy virtually anything. Steven Johnson of Andersen Consulting says that Nets Inc. provides the ability to invert the traditional purchasing process: "Companies can post their supply requirements at a Web site where anyone can bid on them. 'Here's what I need. Hit me.' That could have a huge impact." (David Stipp, "The Birth Of Digital Commerce," Fortune 9 Dec 96 p159)

Electronic Signatures with a Personal Touch

As electronic commerce becomes more prevalent, the reliability of online signatures is paramount. PenOp software does this by combining biometric signature verification with cryptography to create what the company calls the legal equivalent of a handwritten signature on paper. A user signs his or her name using a digitizer, and the software stores it as an encrypted data object linked to the signed object. The signature is linked to contextual data bout the act of signing, including a time stamp, the reason for signing, the claimed identity of the signer and a cryptographic checksum of the signed document. In addition, PenOp creates templates of people's "signing behavior," such as speed and stroke direction, based on a series of signatures. The software then checks each signature against the template and scores it based on a 0 to 100 scale. (CIO 1 Jan 97 p30)

Over the Chasm and Through the Tornado

Author Geoffrey Moore ("Crossing the Chasm," HarperCollins, 1991, "Inside the Tornado," HarperCollins, 1995) says the day of full-fledged e-commerce is coming soon: "On the retail side, the issue is access to consumers. And right now it's not quite so urgent, because the consumer demographics of the Web are still pretty geeky... The problem is that when consumer EC (electronic commerce) does blow open, it's going to go like mad, and the last thing any company planning to engage in EC wants to do is be a year late to it, when the competition's already in. What will drive the consumer stuff will be airline, hotel and car reservations, and then car purchasing, and then real estate browsing. Those are some fundamental personal transactions for which people are getting on the Web a lot more than you would expect. It's going to go beyond geeks very fast because they are already spending a lot of money in these areas." (Geoffrey Moore, interviewed by Carol Hildebrand in CIO 1 Jan 97 p93)

The globalization of Everything

Author Peter Huber points out that for the first time, the average investor is able to move assets around to take advantage of different countries' rules and rates, just as giant corporations have for years: "... New payment technologies have lowered the cost of wiring money from $20 to 2 cents per transaction. This opens up the world of

offshore banking to small investors -- and it's all perfectly legal, so long as you keep paying your income taxes. Offshore banks pay higher interest on deposits and charge lower rates on loans because they aren't subject to the wide array of bank taxes, mandatory insurance premiums and anti-redlining decrees imposed by U.S. regulators. For the first time, small depositors can decide for themselves whether the Federal Deposit Insurance Corp. is really worth the price they pay in less favorable interest rates." Securities regulation is just as easily circumvented. With the large number of stock exchanges and brokerages moving online, it's easy to buy, hold and sell U.S. equities completely outside U.S. jurisdiction. And although labor will never be as mobile as capital, many more U.S. jobs are headed overseas -- particularly in the insurance, tax consulting, accounting, software development, film, music, finance, advertising and even health care and education sectors. (Peter Huber, "Cyberpower," Forbes 2 Dec 96 p142)

The Secret Sharer

On the one hand, there is reason to be concerned about the vast, largely secret information market that sells and uses personal data about us; on the other hand, we welcome the many advantages of life in the information society (banking, medical, credit, etc.). This tension will inevitably result in an accommodation, in which we allow ourselves to sell -- at our own discretion and our own price -- personal information about us to interested organizations. Computer scientist Michael McCandless says that the requirements for making this possible will include dedicated networks to the home, protocols for secure online payment, cryptographic support for online authentication, legal changes to support (and limit) information exchanges, and a rating system that shows how information-safe a company is. "With the arrival of such a technology, someday you might actually look forward to divulging your secrets." (Michael McCandless, "Managing Your Privacy In An Online World," IEEE Expert Jan/Feb 97)