

A fundamental shift in business

Beating the Internet drum is not new. We have all witnessed the overhyped view that the web will change the world overnight. But those same financial markets that greatly over-inflated web businesses are now the ones attacking the web.

We shouldn't let this jockeying and posturing confuse us. Although the Internet landscape has certainly shifted over the last two years, we have only taken the first few steps along a very long and important highway. There is general agreement that the web is affecting all aspects of business. Customers' expectations are changing and technology is helping to revolutionize the way we do business. And there are even greater changes to come. Businesses must fundamentally understand the shifts going on around us, and the emerging opportunities to take new positions, to be able to succeed in their journey.

At ABB, we are more focused than ever on our customers, and this is also a natural starting point when looking at eBusiness. It all begins with determining our customers' expectations and how we can help them be more competitive in a rapidly changing and increasingly networked world. The customer's view of ABB is determined to a large extent by the way we interact with him, and the web plays a big role here. Collaborative commerce – where manufacturers, their



suppliers and customers link the business processes together into a real-time information 'ecosystem' – is the name of the game.

ABB is leveraging eBusiness to generate value all along that

extended value chain. This includes a portfolio of web-based solutions aimed at taking our customers (and ourselves) to entirely new levels of productivity and competitiveness, while opening new ways for us to work together and create value for both of us.

A large part of this effort is made up of sharing best practices and lessons learned. In this issue of *ABB Review* we will highlight some of the key initiatives that enhance our ability to create value for each unique customer based on the right combination of ABB products and services, delivered efficiently and effectively – applying some of the potential of 'eTechnology'.

In our customer-centric transformation of ABB, implementation of an integrated and widely penetrating eBusiness strategy is a high priority. This issue illustrates some creative moves in this direction.



Andrew Eriksson
Executive Vice President
Head of Group Processes Division

eImagine...

The Internet began with an idea. In someone's imagination an idea was conceived which grew into the world's most powerful communications tool.

Imagining is one of the things ABB does well. ABB already has tools and technology in place to support our commitment to eBusiness, and in this issue we take a look at a small selection of these.



From mass marketing to mass customization

ABB's new organization is aimed squarely at creating a single global team, driven by customers, to build a single global brand. To do this, it is implementing common strategies, targets and incentives. Central to this philosophy is the idea of moving away from 'mass marketing', where customers are divided into segments with different promotional schemes, etc, to 'mass customization', where information and offerings are tailored to individual customers. The Internet provides an enormously powerful tool to help us do this, and in this issue of *ABB Review* we look at some of the Internet technology now being put into place to help ABB achieve its goals.

Obviously, any such technology must aim at saving customers time and costs when buying ABB products. But what is buying on-line really like? We test how comfortable this sort of collaboration actually is by stepping through, as a user would, the ABB SACE *Business on Line* tool, which facilitates the purchase of all kinds of electrical products and services.

'Be prepared'. This motto comes into its own when complex power systems are ordered. *Pre-engineered power systems solutions*, in the form of web-enabled, pre-defined work flows, enable customer collaboration on a truly *global* scale. This direct interaction partnership with the customer engenders transparency and responsiveness, produces short delivery times (from weeks down to hours), and makes it easy to do business with ABB.



But should I buy it? To answer this question, ABB is now launching a series of extremely powerful *on-line Benefit Analysis tools*. These allow web-browsing customers to input their plant data for an on-line analysis of the performance improvements which would result from the new purchase.

Web-browsing customers will also be able to check out control and protection functions even in the harsh electrical environments of a substation thanks to web servers embedded in the equipment. Besides monitoring, manipulation will also be possible from remote locations.

ABB's partners at SKYVA International are important for the development of this new era of business. But what do they do exactly? What better person to ask than Guenther Moeckesch, president and CEO.

CEOs also know better than anybody how much tougher business has become, and why constant adaptation and flexibility are all the more vital. Read here how ABB successfully launched, in record time, a *new circuit-breaker* into a mature and fiercely competitive market by using refined design, engineering

and production techniques. These are used, too, in the next-generation ABB *A3 Alpha electricity meter* – a smart platform designed to support a variety of utility metering requirements, including power quality monitoring.

Bluetooth short-range radio communication is widely trumpeted as The Next Big Thing. How true is this, and how are ABB using Bluetooth?

The gigantic power infrastructure work going on in the *Baltics* is the subject of two articles, and we hope to have more on this topic in future issues.

Looking to the future, too, is Prof. Fritz Prinz of Stanford University, who reports on one of ABB's University Collaborations, describing some of the advances in miniaturization and their enormous ramifications. Such reports from the leading technology players will become a regular feature in these pages. I hope this whets your appetite for future editions of *ABB Review*!

A handwritten signature in black ink that reads "Anthony Byatt". The script is fluid and cursive.

Anthony Byatt
Chief Editor
ABB Review