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## **What are you doing right now to put your job at risk?**

**Companies downsize and outsource those functions that are too costly or cause "perceived" problems.**

Everyday you make decisions that seem to be right at the moment. What happens when you look back at the list of your "accomplishments"? With the complexity of business and technology constantly evolving, it is difficult to know all that you need to know and still produce the necessary results to provide a positive contribution to your enterprise.

How many of your strengths are you playing to? How will your decisions be perceived by others? Are you perceived as providing the necessary value to the enterprise?

Most of the successful CIOs that I know are very results oriented. At the same time they feel that most of the time they are doing the right things to achieve favorable results.

If that is the case, why is it that the typical CIO is normally in his or her job for only 17 months? In my mind that is not a failing of the CIO. Rather, my observations are that the CIO who has been "fired" often worked as hard or harder than the successful one. As an agent of change, every CIO needs to rock the boat. That which makes CIOs successful is what causes them to fail.

It is not as bad as it seems. There are always

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## **Protecting Internet domain names is an issue that is now more complicated.**

**Legal issues are the focus of a greater percentage of time.**

As the world becomes more complex, more and more legal issues are starting to fall within the realm of the CIO. We are talking about laws dealing with contracts, affirmative action, copyrights and trademark registrations.

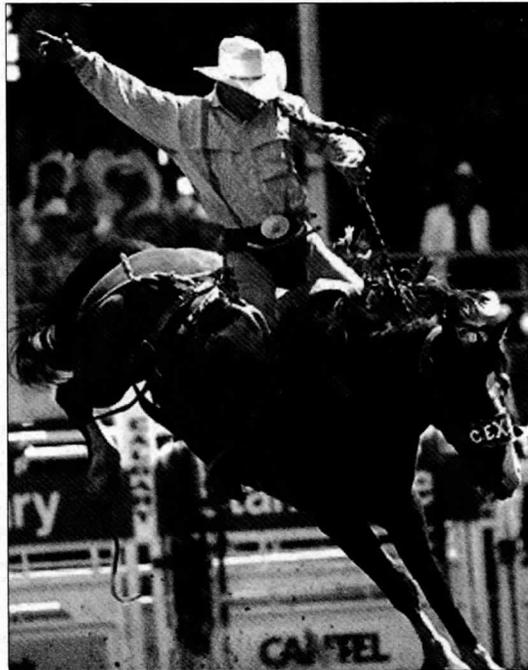
For example, the body which assigns Internet domain names, Network Solutions, Inc. — more commonly known as "InterNic", did two things recently. First it implemented a charge of \$50 per year per domain name. That sounds normal -- but if you do not pay, you could lose the use of your domain name. Billing will be done via an e-mail message. Now lets see, 4 million domain names at \$50 each is...

Second, and more important, it issued a policy statement regarding the use of trademarks as domain names.

It seems that InterNic has become party to a number of lawsuits, so it has responded with a "Domain Dispute Resolution Policy Statement." The policy is designed to act as a contract between a domain name registrant and InterNic. It is focused on alleviating domain name trademark disputes and protecting InterNic in the event a dispute arises. It does not, however, require InterNic to resolve domain name disputes.

The Statement provides a procedure for InterNic's processing of informal claims alleging a third party's improper use of a trademark (or service mark) as a domain name. If such a

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**Sometimes it feels like this when you try to do your job**

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## AT&T is showing the way that IBM and Microsoft should go.

**IBM and Microsoft are victims of too much success and too large an organization.**

AT&T is going to break up into three companies. This is not the first time that it has done this. A number of years ago, it was forced to break up into the various regional telephone companies. At that time, there were all sorts of dire predictions of what was going to happen.

Looking back, around 1967 IBM and AT&T were comparable companies. They both held near, if not totally, monopolistic positions in their markets. They were of comparable size and reputation. Look at what has happened since the initial breakup, AT&T and IBM are still large successful enterprises; however, if you add up the total value of IBM and compare it to AT&T and all of the regional "Bell" companies, it is easy to see that the "Bells" have been significantly more successful than IBM.

The worst thing that happened to IBM was that the Justice department did not break it up. If it had, our computer industry would look significantly different today. Today, we would have a number of companies competing for the mainframe market as well as the PC and mid-range market. Operating systems would have several stronger entrants that really would compete with each other. I would venture to say that UNIX and OS/2 would be strong competitors, and DEC and Cray would be viable mainframe computer vendors.

Is it too late for IBM? I don't think so but if it does not do something soon, it is not too difficult to imagine it going the way of Apple and DEC. Both of these industry leaders have faltered because of different reasons: Apple because it was too focused on milking its cash cow, and DEC because it did not have any idea what it should focus on because it was trying to compete with IBM across the board.

Two things need to happen for the computer industry to be

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## What are you doing right now to put your job at risk?

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ways to do things better, but the first and most important thing is to always play to your strength. Don't try to change what you are good at. If you were hired because you are a great "people person", make sure that you always remain that. If you maintain that strength then when something else goes badly you can always fall back on it.

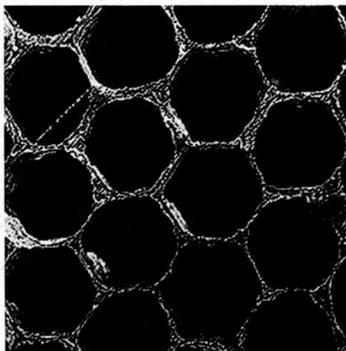
One example comes to mind. One CIO was always viewed as someone who consistently produced results. High achievers enjoyed working for him since he gave them the opportunity to succeed or fail based on their own abilities. Those who succeeded were rewarded and those who failed were let go. As you can appreciate, that did cause an initial high turnover and a poor reputation for this individual as a manager, which was not justified. Most of his direct reports, over the last two decades, have become CIOs, and in one case a CFO for SEC "billion" dollar plus organizations. In his most recent position, he decided he was going to be a "nice guy" and focus on people instead of results. The reward was - critical targets were missed, turnover was higher and eventually the CIO was let go.

Smart managers know that budgets don't usually matter:

- ⇒ You will succeed and not get fired if you get the right things done (with good quality) on time. Budget variances can always be explained.
- ⇒ You will fail and be fired if you do not get things done on time. You will be fired sooner if you are well over budget.

Given those rules, what are you doing today to see that you have a job tomorrow? Do you know what the right things are and does your "customer base" agree? That is where you have to spend your time to make sure that you are doing the right things. Notice I have not said anything about technology -- you need to be current and have the ability to communicate. Technology does not matter -- results and expectations do. ❖

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## ***Protecting Internet domain names is an issue that is now more complicated.***

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claim is not based on a registered trademark or service mark, the domain name owner will be allowed to continue using the domain name unless a court or arbitrator issues an order to the contrary. If the claim is based on a registered mark, the domain name owner must also provide InterNic with a certified copy of a registration for the mark.

If the domain name owner cannot do that, InterNic will aid the domain name owner in finding a new domain name, and will allow a 90 day "transition" period of use of both domain names simultaneously. Once this period is over, the disputed domain name will be put on "hold" status — and nobody will be able to use it — until the dispute is resolved.

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### ***Other highlights***

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A number of smart people were going out and reserving a name and then trying to sell it to the trademark holder. To fight that InterNic now requires:

- ⇒ Several warranties and representations with respect to the proposed name, including that the registrant has the right to use the domain name, has a bona fide intent to use it on the Internet regularly, is not using it for unlawful purposes, and that such registration and use "does not interfere with or infringe on the rights of any third party in any jurisdiction with respect to trademark, service mark, tradename, company name or any other intellectual property right."
- ⇒ Indemnification if InterNic gets drawn into any trademark infringement actions (InterNic has, in fact, been named as a defendant in a number of recent trademark/domain name litigations).

Based on InterNic's statement, trademark registration of domain names may become important, to ensure the ability of your company to continue to use a particular domain name. Therefore, we are advising everyone to protect valuable domain names by securing trademark or service mark registration for such domain names.

As the move to the information highway takes place, how many other issues like this will the CIO have to be on top of? It is questions like these that need to be the focus of more management time. Places where CIOs should get a quick legal education include:

- ⇒ Trademark (domestic and international)
- ⇒ Copyright (acquisition and use of)
- ⇒ Labor law (city, county, state, federal and international)
- ⇒ Implied contracts (state and federal)

This is not an all inclusive list, rather it is intended to jog your mind. 

## ***AT&T is showing the way that IBM and Microsoft should go.***

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truly successful in the year 2000. The focus should be on the strengths of businesses, and there must be more emphasis on making things grow. Competition makes things grow. Microsoft and IBM should consider breaking up.

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### ***Microsoft and IBM should consider breaking up***

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This would revitalize the industry and put some new competitive muscle into it. Imagine, if you would, Microsoft as a series of companies. Companies could be structured around product lines or functional organizations. The competition generated could fuel the next advances in technology.

Look at all that is not being done because Microsoft, like IBM has become such a large entity that it is very difficult to get the ship of "state" to turn. Yes, there would be problems with interfaces and consistency. But look at Apple, it had the best product with the cleanest interfaces and yet it may not exist as we know it today by 2005.

Many companies would benefit from this additional competition. Intel would have a new impetus to get its products out more quickly. Peripheral vendors would have more of a stake in trying to fit to multiple platforms. At the same time we could create the next giants in the industry.

There is only one thing that is certain: the company that is the largest and best of today will not be the largest nor the best tomorrow. Darwin's theory of evolution applies in the business world.

AT&T has seen the writing on the wall and is adapting quickly and it, or one or even several of its surviving companies, will be on top in the future. Communication and desktop technology will continue to merge, that is clear. Equally clear is the fact that no one culture, organization, or individual knows enough or has enough vision to direct the future.

In the short term, if IBM and Microsoft do nothing they will still be drivers in the industry. The real question is who will assume that role in the future. For example; when Tom Watson Jr. left IBM to pursue other avenues, the IBM company faltered. Who can provide the leadership IBM needs today? In the case of Microsoft - what happens when Bill Gates gets tired of the process and becomes involved with other ventures that will compete for his time, attention and capital?

If those two organization divide, the rest of the industry had better look out. They have the talent and resources to drive for the next quarter century. If small IBM's and Microsoft's could compete with each other, the challenges and new adventures would make the past decade look like nothing.

Will they do it? I doubt it. We can only hope that they understand the opportunity that they face. 



## Forecast for the National Information Systems Market

**Significant activity is occurring in the job market across the country. For the first time in several quarters the number of voluntary changes exceeds involuntary changes.**

by M. Victor Janulaitis  
Internet address victor@psrinc.com

For the first time in quite a while there has been very favorable movement in the job market. As companies came out of the summer, a large number of job searches were completed and new CIOs were in place by the end of September. When these new leaders start to evaluate the organizations they have inherited, look for a lot more job displacement activity as they put their own teams in place.

At the same time, the corporate drama of mergers and acquisitions makes many in the "large organization world" as nervous as always. Few CIOs, or their direct managers, will ignore a phone call from a recruiter. Yet they will not accept a new position without some assurances that they will be more secure in the new organization than they were in the old one.

One new CIO of a multi-billion dollar international corporation told me that he was starting to look for his next job right now. He feels that organizations do not have any loyalty to those that work for them, so why should he? From what I have seen over the last few years I cannot disagree.

Political activity is causing many to question the ramifications of all of the yet to be seen tax cuts and reductions in governmental control. For example, the new "Immigration Reform" legislation is going to command many organization to

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evaluate the scope and breath of their Human Resources systems. All of the versions of this new set of "laws" have a requirement for a national identification card. It will again fall on the employers to check and coordinate with Washington. George Orwell, "Bill Boy's" older brother, did a great job of describing the environment that we have to look forward to. Now let's add all the state-level political hacks that are going to get into the "block grant" monies and see what happens.

All of this is going to create a high demand for new systems to support diverse governmental rules at the state level. This will be a wonderful new management problem for companies that are involved in multi-state trade. Let's see, we will have one set of laws for California, and another for Texas, and another for Illinois, and so on -- This will be the "Bureaucrats Full Employment Act."

Why didn't they just eliminate the federal program and its associated taxes? If a state wants to do something it can do so by taxing its own citizens. The cure may be worse than the problem.

Looking forward, could it be that UNIX will die before 2000? With Novell giving away its Unix, AT&T breaking up into

three companies that have no vested interest in UNIX, companies like K-Mart that want to use off the shelf software abandoning UNIX in favor of NT, and IBM vs. Microsoft in the operating system wars that will leave no other survivors.

Based on that scenario, there are some other potential casualties among the computer manufactures. First -- Apple will have to respond much more quickly in order to maintain its market share in the US market. The bandwagon for Windows 95 and NT is something that is causing sales to plummet. In the not too distant future, they will have to face the reality that they are selling a 1967 model car to customers who want a current year model. There will always be "collectors" who will refurbish and use their processors, but they will not generate sufficient revenue to base a retirement on.

The second company on the watch list, in my mind, is SAP. It is a private company that everyone is talking about. A question to ask is, how many companies can afford to re-engineer at the cost of 25% of earnings? One Fortune 50 CEO was given a plan for a \$120MM SAP project and he said "NO". He felt he could invest the same money in building a new factory and get more value. That CEO is on several other boards and is getting the word out. 

*Vic*

Location	Prospects Short Term	Prospects Long Term
Northeast	Fair/Poor	Poor
Mid Atlantic	Good	Fair/Poor
Southeast	Good	Good
South	Good	Good/Poor
Midwest	Good	Good
Southwest	Fair	Fair
West	Good	Good/Excellent
Pacific Northwest	Good	Fair
Best Location	West	West