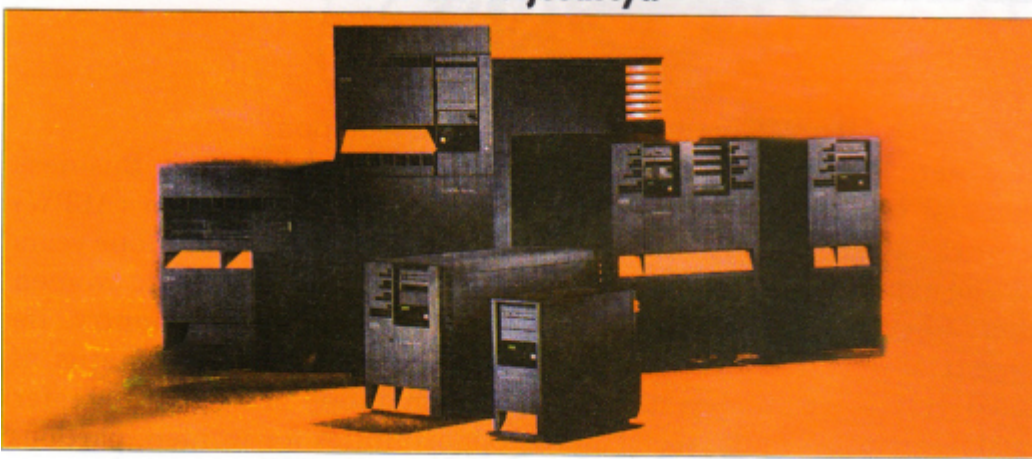


Embracing New Technologies

Posted on

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70 billion US Dollar company, IBM is the largest computer manufacturer in the world today. The company's current corporate strategy is to enter the electronic commerce market place which is prevalent world wide.

With the new millennium about to be ushered in, internet has established itself as the revolutionizing factor through which global business will be conducted in the 21st century and IBM is positioning their products and their customers to take advantage of the internet to conduct business in a secure, efficient and problem free manner.

The Company has also made several changes within their network in order to manufacture more cost effective products. John Fernando, country manager, IBM Sri Lanka says, 'we have been getting our economies right. Sometime back IBM had too much staff as well as excessive plant capacity. The company has been involved in doing various cutbacks and with the reduction in plant space products are cheaper to manufacture thereby making them more price competitive.'

Fernando says that IBM in the past few years have also changed their marketing strategy. They do not direct market anymore but sell products through third party companies who they refer to as "business partners." 'All these strategy changes have been incorporated in Sri Lanka as well and now we have ten local business partners selling our various products'

he said.

Unlike most others IBM is a multi platform company. For example their products vary from business computers such as the latest version of AS400s, Unic RS6000s, Enterprise RS390s to personal computers. They also specialize in the manufacture of finance terminals the like of which they have installed at ABN Amro bank, Bank of Ceylon etc. Except for mainframes all other IBM products are marketed by business partners who are appointed on a 'by platform' basis. This Fernando says, is beneficial for IBM as the partners have local expertise and their coverage too is much wider. "This way there is better scope for customizing our products. For instance a product that we bring in from over-seas would need to be customized to suit local regulations, BTT etc. To do that we require people. But Installation and warranty are to tally our responsibility. Service and support comes directly from IBM." He says that all software given out with IBM products or sold by the company are originals as IBM is licensed distributor for several software companies.

With regard to competition IBM does not see Apple Computers as a direct competitor as they feel Apple products are targeted at a different market. He also says that the more power PCs Apple sells IBM stands to gain as the micro chip that is used in a power PC is one that was originally designed by IBM and later enhanced by IBM, Apple and Motorola. Says Fernando 'this very chip is used to power IBM AS 400s, RS6000s and lots of other devices including the robot who landed on Mars' He also feels that the recent agreement Microsoft entered into with Apple would stand that company in good stead at this present time.

Asked what solutions IBM has come up with to counter the 'year 2000' syndrome, Fernando explained that corrective measures for this problem would have to be taken by all companies who have manufactured and sold double digit programmed products in the past. According to him any product such as a microwave oven, an airplane or even a hospital intensive care unit which is powered by a double digit micro chip can go 'blink' on the first day of year 2000. IBM, he says has made their customers aware of the problem and have already developed software and hardware that are year 2000 ready. As a corporate commitment, the company would also not sell any product that is year 2000 ready effective January 1, 1998.

As for IBM's role in Sri Lanka, the company though a commercial establishment, has served as a conduit to bring in technology into the country and has been instrumental in training thousands of Sri Lankans.

Fernando says 'IBM has been here 35 years and I have been associated with the company for 30 of them. So many competitors have come and gone during this period but I have seen

none who lasted the length of time'.