New Age IS / Cheryl Currid

Big Blue's blue light specials might cost you in the long run

There's an old saying in the retailing business: "Stack them high, mark them cheap, and they'll be gone within a week." It works for lots of consumer items, and these days we're even seeing mainframe computer companies try the technique.

When mass merchandiser K-Mart wants to get rid of high inventory on a particular item, it holds the famous "blue light special." It slashes the item's price, rolls over a mobile stand with a flashing blue light on top of a chrome pole, and makes frequent in-store announcements about the treasure to be found under that blue light.

It's a gimmick that works. Customers think they are getting a rock-bottom bargain and often buy gobs of merchandise they might not otherwise want or need.

But we all know that some blue light special deals are better than others. Although the prices are generally attractive, how many size 13 orange and green slippers does the average household need? Do you really need to "stock up" on variable-speed blenders? The fact is, blue light specials might turn into purchases that people don't need or won't use.

It is clear that Big Blue is trying some new strategies to shore up declining mainframe sales.

Word on the street has it that IBM is giving special deals on its mainframe products to customers who will produce purchase orders in a hurry. The discounts can range as high as 50 percent or more. That can certainly make mainframe technology attractive and maybe even a perceived good-buy alternative to microprocessor-based servers. I call it the "mainframe blue light special."

Be warned: The cost of hardware is only a small part of the total IS picture. And although buying these blue light specials might be a defensible strategy for some IS shops, it's going to prolong the agony of others.

> ## The opportunity costs of not changing platforms may well unbalance the savings. Sure, it is certainly more attractive to buy a mainframe at 50 percent off, but that doesn't mean you should.

Currid's take on the super sale strategy: Shop with caution. Most IS departments spend far more on the infrastructure to support their computing platforms than the platform itself.

That means software, support, and people costs are the real issues, not the price of the hardware. From my vantage point, that's one of the real benefits of downsizing to LAN and client/server computing platforms. It's not just because the prices of hardware are good; with LANs you can support the hardware with fewer (or at least less expensive) resources.

In fact, I have yet to see a company that couldn't save money by switching out of a mainframe-centric world to a LAN-centric world. (Perhaps such a being exists — but nowhere on the planet that I've traveled.)

Even if your company hasn't already embarked on newer technology, such as client/server computing or LANs, don't be lulled into thinking the special prices are really going to save you lots of money. Just apply the same thinking as you would to those fuzzy size 13s: Were you really in the market for that mainframe?

The opportunity costs of not changing platforms may well unbalance the savings. Sure, it is certainly more attractive to buy a mainframe (or a blender or a pair of slippers) at 50 percent off, but that doesn't mean you should — especially if you don't need the mainframe or your business would be better off moving to a new environment.

The fact remains that client/server tools, optimized back-end hardware (such as superservers), and graphical development environments can run rings around old platforms.

It isn't better to handcraft and build information applications the "old fashioned way."

IS departments that carefully construct client/server platforms can fine-tune and adjust exactly where to put the power and develop solutions in a fraction of the time.

They can apply rapid-fire development tools and get applications up and running quickly. I know — I've seen it, I've lived it. The stuff works.

So, despite the attraction of anybody's blue light special, let the buyer beware. That bargain gizmo marked down to half price might not be such a bargain after all.

Everybody, Currid included, loves to get a good value — but buying a computing architecture that will cost you more to support in the long run is no way to save money. Better check carefully under that blue light.

Cheryl Currid, president of Houston-based Currid & Co., focuses on helping clients assess, apply, and organize for new information technology. Her CompuServe address is: 75300,2660.

The Network Curmudgeon / David Strom

Buying networks retail shouldn't be an impossible dream

OK, disposable servers aren't going to happen any time soon. Let's try to be a little more realistic and try to just purchase an entire network retail. It is next to impossible.

Take my favorite computer store, CompUSA. For those of you who have never been inside one of these beasts, it is the computer version of the Price Club — you can get just about anything, and at fairly decent prices, under one gigantic roof. I thought I wouldn't have any problem finding what I needed to build a network there. I was wrong. I scoured the store for networking stuff, and here is what I found:

- about four different books on Net-Ware,
- a couple of Token Ring adapters (but no cables).
- even fewer Ethernet adapters (they appeared to carry more but were sold out, and they didn't have cables of any Ethernet variety), and
- Xircom Inc.'s and Microsoft Corp.'s network-in-a-box packages.

Xircom's box contains two of its pocket Ethernet adapters, cables, and Net-Ware Lite. Microsoft's box holds two Intel Ethernet adapters, cables, and Windows for Workgroups.

This was the only place in the store I could actually purchase a box with Ethernet cabling inside. Of course, spending upwards of $700 to just buy a couple of lengths of coaxial cable seemed a bit extreme.

Hey guys, hasn't at least 10 years of the LAN passed by? Isn't everyone by now supposed to be into networking? If you are going to bill yourself as CompUSA does — as a superstore — you should make more than a token effort toward supporting networks.

I found it amazing that a store that carries about 50 different kinds of connectors and cables (male to female, 9- to 25-pin, etc.) would not have a foot of precut

> ## The industry could remove a few barriers to making retail networks available. The first thing is to sell machines with at least 16 megabytes of memory. Next is to sell the machine with a built-in LAN operating system.

Ethernet (either twisted pair or coaxial, take your pick) or a cable that connected the Token Ring card to the wall (RJ45 or DB9, take your pick).

I went to several other retail computer places — smaller places that weren't part of any chains and were still in business. They didn't have much more than CompUSA.

Perhaps no one is buying networks retail anyway. They are too complex, too hard for mere mortals to configure, have too many options, etc. Well, that is partly true, but we've got to start somewhere. If we want to make this technology accessible, vendors must to go to the lowest common denominator channel, and that's retail.

I mentioned this to several vendor friends; they just laughed at me: Strom, you are crazy. It can't be done. Just look at how Ethernet and Token Ring adapters are sold these days — which style of cabling do you want?

Precisely my point.

The industry could remove a few barriers to making retail networks available. The first thing is to sell machines with at least 16 megabytes of memory. A few vendors offer this option, but not many. Add-on memory is one of the last frontiers for retailers to make any mark-up.

Next is to sell the machine with the LAN operating system built in. I've said this before, but it is worth repeating: If we can sell machines with Windows preinstalled, we can sell machines with NetWare pre-installed as well.

Vendors should also sell machines without monitors or keyboards. Servers don't need them, and if you have everything ready to roll on the hard disk, you should just be able to turn on the machine and have it come up automatically.

Apple Computer Inc. already does this, but for the wrong reasons: Apple isn't packaging servers, just trying to give folks a choice.

Finally, sell cabling and hubs in more places than electronic parts stores or the Black Box catalog. In fact, that is where I got my coaxial for my Ethernet. I don't understand why this is so difficult. You have three or four precut lengths, you have coaxial and twisted pair, and you're all set.

There really isn't any magic to this cabling stuff. On my last trip West, I visited a venture capital firm and noted that the firm's cabling was completely installed by one of the partners.

If we've gotten to the point where VC guys are do-it-yourself cablers, it can be done by the rest of us.

This shouldn't be a field of dreams: If retail establishments start stocking networks, people will come and buy them.

David Strom is president of his own consulting firm in Port Washington, N.Y. He can be reached via MCI Mail at dstrom/3193660 or via the Internet at strom@radiomail.net.