

B2B Index – June 2000

Performance vs. S&P 500 and Nasdaq 100
100 = Value as at 26 January 1998



Since March 2000, B2B stocks, like most technology issues, have taken a bashing. Despite the assumption that B2B stocks were more likely to survive any deflation of the technology bubble, the reality is that they have plummeted just as much as B2C dotcoms. So what are the explanations?

Perhaps the most significant reason is the threat posed by the consortia of bricks-and-mortar giants who have rushed to form their own marketplaces. A good example is the formation of a marketplace for the automobile industry by General Motors, Ford, and DaimlerChrysler, with Renault and Nissan Motor joining in soon after its creation. But will these cumbersome consortia whose success is dependent upon the collaboration of archenemies, be more successful than the nimble start-ups in adapting new business models and commercialising new ideas? Furthermore, unlike the automobile industry, most industries are moderately or highly fragmented making it difficult for smaller

players to come together and form their own marketplaces. It will be interesting to see how startup B2B companies are valued as their online marketplaces are compared with those arising from the collaborations between industry giants.

Since March 2000, we have added more companies to the B2B index as more B2B pure plays have IPO'd. The index has been calculated using the growth in market capitalisation of these companies starting from 26th January 1998, although we show data from 1st June 1998 through to 1st June 2000.

The companies currently included are:

- Ariba
- Aspect Development
- BEA Systems
- Breakaway Solutions
- Broadvision
- Calico Commerce
- Careinsite
- CMGI
- Commerce One
- Critical Path
- Datastream Systems
- Engage Techs
- E.piphany
- Freemarkets Incorporated
- i2 technologies
- ICG
- ImageX
- Intraware
- MicroStrategy
- neoforma.com
- PcOrder.com
- PurchasePro
- Rowecom
- Safegd. Science
- Sciquest
- Siebel Systems
- Ventro
- Verticalnet
- Vignette Corp
- Vittria Technologies

Andy Gueritz, June 2000