IN the Australian Bureau of Statistics' latest IT report there is a single figure — easily missed and almost buried at the back of the document — that is especially telling about the local state of play in e-commerce.

The ABS has been running its Business Use of Information Technology surveys for years now, and it should be proud of the results.

No other source can touch it for a picture of how Australian businesses have progressed in technology take-up, and huge sample sizes ensure the findings can be trusted.

About the only disadvantage is the time it takes to prepare and release such rigorous reports: this latest one, for example, is based on data from the 2002-03 financial year.

These qualities mean each of the ABS reports is mandatory reading for me, and among the regular findings about internet and e-commerce take-up I found a few particular points of interest in this one.

One of these was the proportion of computer-using Australian businesses that reported security breaches.

At 38 per cent, this is a pretty high number in anyone's book, but you really cringe to find, when drilling further into the data, that 31 per cent of businesses with less than five employees were hit by virus incidents or breaches.

That's viruses that got through, not those intercepted by any firewalls or security software they may have been using.

These are the guys that can least afford it, and it gets you wondering about the economic impact of it all.

Another was the contrast between online buying and online selling activity.

Of businesses using the internet, 39 per cent placed orders for goods and services online, compared with 19 per cent that received orders for goods or services.

A group of businesses out there is getting a proportionally larger slice of the online sales action, which makes sense when you think of how particular sectors, such as stationery, publishing and travel, have embraced e-commerce as better suited to selling their products and services.

But for my money, the most telling statistic relates to links to and from systems receiving online orders. Of all businesses receiving orders online, a full 84 per cent reported no automated links to any other business system.

The bulk of e-commerce sales activity in Australia is non-integrated and operates as an isolated "island", which means manual processes are needed to transfer information into accounting, logistics, marketing or customer management software.

For the 84 per cent that have not begun the journey, making those connections will be utterly critical to release the full benefits of e-commerce.
It is only then that invoicing and other accounting processes can be properly automated, that electronic supply chains can become anything like a reality and that the full potential of business analytics can be brought to bear.

E-commerce is as much about integration within the enterprise as it is about integration between enterprises, and we have only begun to tap into the opportunity. That work is slow, expensive and difficult, and for the next 10 years this little statistic will remain a most revealing indicator of how much progress Australian companies have really made.

BOUQUETS

SCOTT McNealy deserves to be congratulated on the deal between Sun and Microsoft. By all accounts he initiated the discussions and Sun looks like the bigger winner.

Sadly, we can expect no more of those colourful and wonderfully entertaining jibes he regularly fired at Redmond, but no doubt he will find new targets soon.

MYOB’s acquisition of Solution 6 makes a big statement about the relative fortunes of the two companies in recent years.

It wasn’t just capitalising on the GST that put MYOB in such a good position.

This is a software vendor that understands and speaks the language of its customers, and one that impresses me greatly with its progressive views on e-business and building new services on top of its accounting products.

There will be more to come.

BRICKBATS

MALCOLM Crompton departs from the post of Privacy Commissioner with more sharp warnings about lack of resources.

Meanwhile we continue to sail on, fingers crossed, hoping the absence of major prosecutions means everyone in industry and government is toeing the line.

The Federal Government should not be relaxed: a big enough scandal in the public sector, after all, is the sort of issue that can tip the balance in elections.

MUCH online debate rages about Network Solutions’ $US999 ($1300) offer to keep a domain name registered for 100 years, but what this really highlights is an antiquated and stupid system that continues to prop up an artificial industry by mandating regular expiry of domain names.

Businesses hate it, and companies like Network Solutions exploit it.

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