

**MarchFIRST, Organic,
Razorfish, & Xceed
Models of Success**



**By Cassie Carter, PhD
Murata & Carter, Associates**

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Table of Contents

TABLE OF CONTENTS	2
INTRODUCTION	4
Industry Overview.....	4
<i>Development Methodologies and Staffing</i>	<i>5</i>
<i>Co-opetition: Strategic Alliances and Partnerships</i>	<i>6</i>
<i>Investments, Mergers, and Acquisitions: Necessary When Talent is Hard to Get</i>	<i>7</i>
<i>The Dot-Com Shakedown.....</i>	<i>7</i>
<i>Long-Term Contracts.....</i>	<i>8</i>
<i>Time-and-Materials Based Fees</i>	<i>8</i>
<i>What Clients Want: Media Services.....</i>	<i>9</i>
Purpose and Scope of This Report.....	10
MARCHFIRST.....	11
Company Overview.....	11
<i>Executives</i>	<i>11</i>
<i>Acquisitions and Mergers</i>	<i>12</i>
<i>Partnerships and Strategic Alliances</i>	<i>12</i>
<i>Investments</i>	<i>13</i>
<i>Current Structure and Services.....</i>	<i>13</i>
Current and Recent Projects.....	14
Remarks	15
ORGANIC.....	16
Company Overview.....	16
<i>Executives</i>	<i>17</i>
Development of Expertise.....	17
<i>1993-1997: Rapid Growth</i>	<i>17</i>
<i>1997-1998: Expansion of Services and Offices.....</i>	<i>18</i>
<i>2000: Banner Year for Strategic Alliances.....</i>	<i>18</i>
Current Service Offerings and Methodology	19
Current and Recent Projects.....	21
Remarks	21
RAZORFISH.....	23
Company Overview.....	23
<i>Executives</i>	<i>24</i>
<i>Partnerships and Strategic Alliances</i>	<i>24</i>
Development of Expertise.....	25
<i>Creative Credentials.....</i>	<i>25</i>
<i>Technical Proficiency.....</i>	<i>26</i>
<i>Strategy and Branding.....</i>	<i>26</i>
<i>Digital Broadcast and Localization</i>	<i>27</i>
<i>Global Digital Solutions</i>	<i>27</i>
Current Structure and Methodology.....	28
Remarks	29

XCEED.....	30
Company Overview.....	30
Executives.....	31
Acquisitions, and Mergers.....	31
Partnerships and Strategic Alliances.....	31
Current Service Offerings.....	32
Methodology and Billing.....	32
Organization.....	33
Current and Recent Projects.....	33
Remarks.....	34
 SOURCES CITED.....	 36
 APPENDIX A: CLIENTS 2000.....	 39
 APPENDIX B: PROJECTS 2000.....	 40
 APPENDIX C: OFFICE ADDRESSES.....	 46
 APPENDIX D: RAZORFISH PORTFOLIO.....	 52
 APPENDIX E: XCEED PORTFOLIO.....	 59

Introduction

Industry Overview

When Web shops first entered the scene around 1994, “having good design and creative skills was enough to establish an agency, attract Fortune 500 clients, and garner glowing press.”¹ However, as the Web shops were gaining steam, the major advertising agencies were also getting in on the act, fueled by and building upon the interactive space as a marketing medium; “brochure-ware” and “kiosk” sitelets proliferated. But interactive development became extremely complex very quickly as purveyors of web development services scrambled to differentiate themselves. By 1998, massive, content-rich, highly dynamic, database-driven websites and e-commerce sites represented not just advertising opportunities but virtual identities nearly equivalent to brick-and-mortar stores. A year later, with IPO fever in full swing, all of the leading Interactive agencies were representing themselves as providers of complete online solutions . . . and more. “Interactive shops, eager to distinguish themselves from off-line ad agencies, disavowed the term “agency,” but [claimed] to offer everything from systems integration to strategic consulting to online media planning and buying.”²

In 2000, the strongest trends appear to be applications hosting, wireless, proprietary e-commerce solutions, and customer service, fulfillment, and knowledge management services. Experts predict that “The ultimate winners are going to be firms that have high technical capabilities at their core.” Additionally, and most importantly, interactive agencies must recognize that, to their clients, “establishing a presence on the Internet is not about knowing HTML anymore; companies want to harness and manage information through the Internet, analysts say. Large corporations are not interested in having flashy Web pages or flashy graphics. . . . They are interested in being integrated with suppliers, customers and distributors.”³

Is it possible for a single agency to “do it all” in an industry that changes almost hour-by-hour?

The pages that follow outline the offerings of four major interactive agencies and the contrasting approaches they have taken to reach their mutual goal of “one-stop shopping” service offerings. Up-and-coming Xceed and the newly-formed marchFIRST have each built an empire through sheer dollar power, buying companies to provide the services clients want, and growing big fast. Relative old-timers Organic and Razorfish have built their reputations and offerings over time. Organic has nurtured an ever-expanding network of strategic alliances. Razorfish has combined strategies, building a broad range of talent through a series of acquisitions, mergers, strategic alliances, and internal development. These are four very smart companies.

It is important, however, to view the achievements of marchFIRST, Organic, Razorfish, and Xceed within the context of the interactive industry as a whole and evaluate the agencies in light of industry standards (methodology and staffing), current trends (“co-opetition,” mergers and acquisitions; and the movement away from dot-com clients and towards Fortune 500

¹ Singer, et al. “Online Mandates Strengthening Media Expertise”

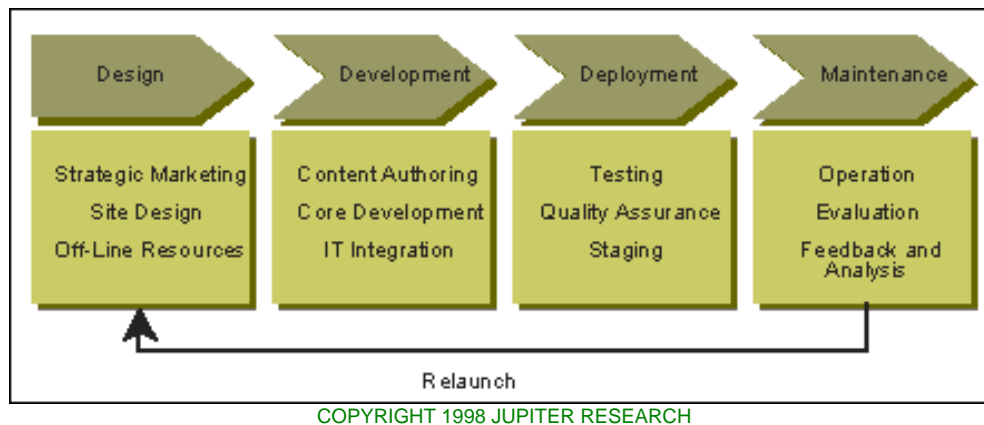
² Ibid.

³ Farmer & Ames, “Net Consulting Firms Fight Growing Competition”

companies, long-term contracts, and time-and-materials based fees), and what is important to clients in retaining an interactive agency.

Development Methodologies and Staffing

Interactive agencies market their development methodologies as complete, end-to-end solutions, partly as a necessity (to manage client expectations regarding the complexity of web site development), but most importantly to secure large projects and long-term engagements. Thus it is no surprise that most agencies will have proprietary, branded methodologies with trademark names like “Digital Value Methodology” (Xceed) and “iBusiness” (Organic). Although there are many ways to slice the pie, the development process entails four essential stages: Design, Development, Deployment, and Maintenance, as shown in the illustration below.⁴

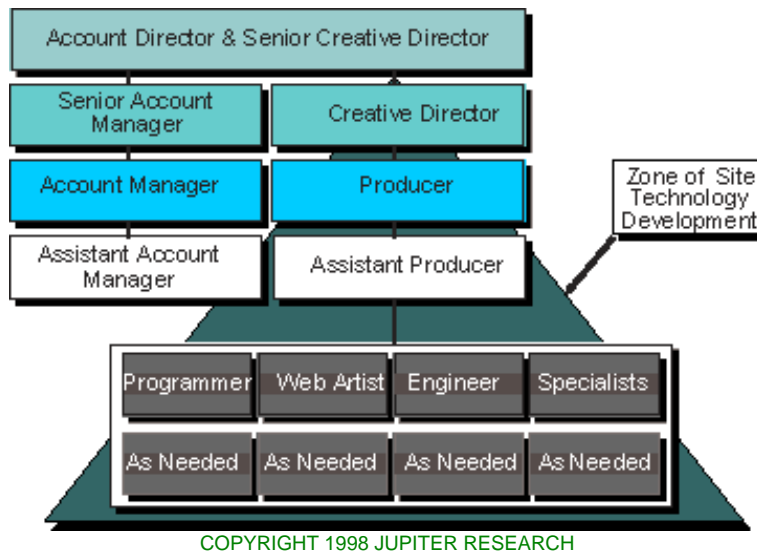


An interactive agency may divide this process into smaller pieces, especially for larger projects. For example, Strategic Marketing might be a separate phase prior to Site Design, and Content Strategy/Creative development might be a distinct phase before Core Development and IT Integration.

Interactive projects typically assemble teams on a project-by-project basis, with larger projects (and major clients) having dedicated teams. The structure of a team will change throughout the life cycle of the project, but a typical core team consists of an Account group (liaison between client and agency), a Producer team (project management), and a Creative team (interface and content design; information architecture; branding). For a web site project, there will also be an Engineering/Technical team whose complexity depends upon the nature of the project. The illustration below depicts a typical staff hierarchy.⁵

⁴ Illustration from Card & Rubin, “Development Outsourcing: Increased Investment in Design and Maintenance Will Minimize Costly Relaunches”

⁵ Ibid.



“Specialists” comprises a potentially infinite category, but it would include multimedia, database, e-commerce, and wireless developers. An “end-to-end solution” project would also include Strategic Planning and Marketing teams as well as Media Services.

Co-opetition: Strategic Alliances and Partnerships

“Outsourcing” is a necessity in the world of interactive development, where talent—especially engineering/technical talent—is difficult to find and very expensive. The engineering-intensive development phase of an interactive project “consumes about 60 percent of the man-hours of a project, and perhaps a little less than that percentage of the total salary budget.” In 1998, Jupiter estimated that engineering talent consumes about 40 percent of the personnel budget;⁶ as web sites have become more complex, it is likely that the percentage is higher. Additionally, clients are now looking for services like supply chain management and application hosting.

An interactive agency can support only so many employees full-time, even if it can find them and hire them. As a result, it is often necessary to enlist specialist companies on a project-by-project basis to perform services beyond the interactive agency’s capacity, even if not beyond the agency’s capability. While no data has been published concerning the extent to which agencies depend upon outsourcing, Xceed president and COO Scott Mednick expressed the logistical reality of the practice perfectly: “if we think we can be all things to all people, I’d say we’re smoking crack. . . .As consultants, we want to bring in the best of the best.”⁷

Every interactive agency wants to provide top-level service, and it is a common practice to “outsource” to other companies that can contribute specialized skills and technologies. But “outsourcing” connotes a hidden contribution, like a ghostwriter who writes a book that is published bearing another person’s name. On the highly competitive interactive industry’s “new frontier,” outsourcing has been transformed into “co-opetition”—partnerships and strategic alliances that build relationships between and mutually benefit competing companies.⁸

⁶ Card & Rubin, “Development Outsourcing: Increased Investment in Design and Maintenance Will Minimize Costly Relaunches”

⁷ Joyce, “Five Years on, Web Agencies Try to Catch Up with Themselves”

⁸ Ibid.

Investments, Mergers, and Acquisitions: Necessary When Talent is Hard to Get

Those that have the money, however, don't just partner with companies—they buy them, and experts seem to view this as a sound strategy. Additionally, "Those that can access the capital [have] launched incubator companies to help them fill out a menu of services that includes second and third-generation Web design, strategic consulting, application and legacy integration, e-commerce, data mining and brand management, wireless and broadband capabilities, to name just a few." "Many analysts say the companies that survive will be those that focus on getting big fast to staff larger projects and generate more revenue"; merger and acquisition giant marchFIRST is one company that rises to the top in this regard.

One significant determinant driving the acquire-and-merge trend is the fact that talent is so hard to come by in such a competitive market. "According to IT staffing and consulting company Management Decisions Inc. (MDI), the tech industry will create an estimated 1.5 million new positions in 2001. Because of the severe shortage of qualified workers, roughly half of those spots will go unfilled." Because talent is so hard to get, agencies with dollars to spend merge with their rivals, essentially buying employees and talent.⁹

Another, more recent impetus in the rush towards consolidation is the frightening stock market trend—"Only a year after many Internet consulting companies became Wall Street darlings with unprecedented stock valuations, shares have taken a drubbing as investors try to figure out which ones will survive the shakeout."¹⁰

Consolidation has its costs, however. Historically, agencies have rarely achieved dominance through acquisitions, and "experts caution that acquisitions—which often can come with cultural and political problems that eclipse any positive business synergies—are a risky strategy."¹¹ Still, according to CNET, "Experts predict the larger companies will acquire smaller ones, and even some of the struggling companies may stay afloat as demand for their services continues to grow." However, "The consolidation we'll see in this market won't be the type where the power will be in the hands of three or four major players. . . . It won't be that drastic."¹²

The Dot-Com Shakedown

In 1998 and 1999, dot-com clients were hot commodities, with their extravagant IPO offerings and gold rush possibilities. But since the stock market fell out from under the dot-coms in April 2000, interactive agencies are now moving away from them and towards Fortune 500 clients. If an agency develops the site for a dot-com and the dot-com goes belly-up, the agency looks bad, and "If the consulting firms are involved with too many dot-com failures, it certainly affects their business." Past success is perhaps the most important factor in building an agency's reputation, and "If your past performances are spotty at best, that's not good for future business."¹³

Brick-and-Mortar seems to be the preferred direction. Mark Wolfenberger, an analyst at Credit Suisse First Boston, believes that "Web consulting firms will benefit from the traditional brick-and-mortar clients that spend more money on expanding their Web businesses." Likewise, Stephen Birer, an analyst at Robertson Stephens, says, "The real trend and opportunity lies with

⁹ Farmer, "Consulting Firms Attempt to Impress the Street"

¹⁰ Farmer & Ames, "Net Consultancies Feeling Heat of Looming Shakeout"

¹¹ Farmer, "Consulting Firms Attempt to Impress the Street"

¹² Farmer & Ames, "Net Consultancies Feeling Heat of Looming Shakeout"

¹³ Farmer, "Web Consulting Firms Taking Focus Off Dot-coms"

the brick-and-mortar. We'll see a revenge of the brick-and-mortars. That will be the relationship for consulting firms in the long run."¹⁴

Companies that have focused on dot-com clients are going to face the greatest challenge, because a Fortune 500 customer and the more established client "will always turn to the trusted adviser, not the new kid on the block," says Tom Rodenhauser, an industry analyst who heads ConsultingInfo.com.¹⁵

Long-Term Contracts

As interactive agencies have moved away from dot-coms, they have gravitated to Fortune 500 and other large companies, seeking long-term projects in place of the six-month project treadmill. Again, this trend can be attributed in large part to the tight labor market—longer, more stable projects means "you don't have to move teams from one six-month engagement to another." Additionally, bigger deals do more to increase the company's perceived value, providing recurring revenue and its accompanying "increased visibility, scalability and leveragability."¹⁶

ZDNet's John Moore notes that "Companies are going after long-term, recurring revenue deals in different ways," such as going beyond site development to hosting and management revenue." Another approach is to "build longer-term customer relationships through incubation and principal investment services" to supplement consulting and development services. Creation of "delivery teams whose job it is to cultivate long-term partnerships with Global 2000 customers" is yet another tactic.¹⁷

Time-and-Materials Based Fees

As agencies have gravitated to long-term engagements, as agencies are forced to finally show profits in a harsh stock market, after many agencies have gone on buying sprees, "as projects become more difficult to predict, and [as] agencies [become] more sophisticated about billables,"¹⁸ fee structures have also changed. "The archaic compensation program based on commissions is all but dead online," says Jupiter Communications, a leading research firm that focuses on the interactive industry.¹⁹ In traditional advertising, fees are percentages or flat fees, and such was the original fee paradigm for interactive agencies. But in light of the new frontier, many interactive agencies are moving to a consulting model. Recognizing that "most of the staff that these agencies have acquired and hired have titles such as technician, programmer, producer and information architect, which don't produce as high a billable hour as consultants do," some firms are boosting their strategic consulting fees.²⁰ More generally, however, interactive agencies are shifting from fixed-fee contracts to time-and-materials based fees.

Interactive projects have become much more complex, so time and materials-based fees have become necessary. ModemMedia.PoppeTyson general manager Craig Lambert explains, "Two years ago, we weren't working alongside anybody. We did the project work with the client's IT department. Now we have different partners coming in, lots of software and middleware—then

¹⁴ Ibid.

¹⁵ Farmer & Ames, "Net Consulting Firms Fight Growing Competition"

¹⁶ Moore, "Don't Cash That Check Until 2003"

¹⁷ Ibid.

¹⁸ Joyce, "Five Years On, Web Agencies Try to Catch Up With Themselves"

¹⁹ Gluck, et al., "Perfecting the Pitch "

²⁰ Joyce, "Five Years On, Web Agencies Try to Catch Up With Themselves"

the scope changes in the middle of the project, because either the legacy system can't support the demands of the Web design, or the software can't talk to other systems."²¹ The complexity of interactive projects in 2000, both in terms of technology and business alliances, has made the shift in fee structures a necessity.

What Clients Want: Media Services

Jupiter Communications believes the most important qualities in an interactive agency are human relationships, past successes, speed to execution, precision, and global capabilities. Regarding the latter, Jupiter predicts that “nearly six percent of overall worldwide advertising, or \$28 billion, will occur online by 2005.”²² Additionally, in 1998, Jupiter recommended that companies look for excellent account service when selecting an interactive agency in order to ensure communication between client and agency.²³ But media services seem to be the most critical factor to clients in their selection of an agency, and least important is an agency’s strategic expertise.

According to Jupiter, “Seventy-six percent of advertisers feel their agency is mission-critical to the success of their business, yet 73 percent of advertisers keep strategic decision-making within their organization.” In other words, clients tend to do their own marketing strategies in-house, then hire an interactive agency to implement the strategies. Jupiter’s survey of clients found that “only 23 percent of advertisers trust their interactive agency to guide their strategic interactive decisions, and only four percent still depend on their off-line agency.” What is important to clients is an agency’s media planning and buying skills. Significantly, however, despite clients’ high valuation of media services, interactive agencies have been slow to recognize the “enormous opportunity [that] exists for agencies that develop sophisticated online media skills.”

Jupiter observes, “In a highly competitive landscape, with alliances and affiliations changing daily, and with both agencies and clients ascending a steep learning curve, it is not surprising that advertisers keep high-level strategic decisions within their organization.” Additionally, consistency of messaging across all media is extremely important to clients; “29 percent of respondents said that their traditional agency had a better grasp of how to brand their product online.” Although traditional advertising agencies have the advantage of longer-standing relationships with their clients, and thus their greater knowledge of the clients’ brands, “ad agencies have never been experts at managing data (with the exception of direct marketing agencies).” The emerging experts in this arena are sites and networks like AOL, Yahoo!, and DoubleClick, which excel “at offering clients holistic, targeted programs” and also “own a great deal of data on users and are able to mine that data more effectively than most agencies can.”

An important insight to be gleaned from Jupiter’s study is that interactive agencies “overestimate the importance of their strategic skills, with 83 percent naming strategic insight as one of the core competencies they offer clients,” whereas media buying “remains underappreciated and underdeveloped by agencies, with only 25 percent of respondents viewing it as a core competency.”²⁴ A September 27, 2000, article from CNET reemphasizes this sentiment: according to Jim Janesky, an analyst at Banc of America Securities, “If some firms today went into a large corporation and presented themselves as e-business strategists, they’d be laughed

²¹ Ibid.

²² Gluck, et al., “Perfecting the Pitch”

²³ Ianni, “Interactive Agency Account Service”

²⁴ Singer, et al. “Online Mandates Strengthening Media Expertise”

out of the room . . . You might have been able to pull that off with companies that are emerging or scrambling to get on the Web, but that's not going to work with Fortune 500 companies."²⁵

Purpose and Scope of This Report

This report examines four top interactive agencies, marchFIRST, Organic, Razorfish, and Xceed, in order to identify key factors contributing to their success. A separate section is devoted to each agency, with each section providing a corporate overview, including names of executives; details about mergers, acquisitions, and strategic alliances; a discussion of major projects (primary sales for service line); and information about the company's structure in terms of methodology and departmental organization. Each section concludes with the researchers "remarks"—an overall assessment of the agency and its most distinctive features. The agencies' clients, current projects, and offices are summarized in the appendices; a bibliography of sources consulted for the report is also provided.

The four agencies have developed in unique ways, so each section emphasizes what is most significant about the individual agency.

Figures concerning the balance of in-house and outsourced development (use of strategic partners) for individual agencies was not available, although, as discussed above, strategic alliances are standard industry practice. Data on billing practices (service for hire vs. product out) was available only for Xceed, and investing details were available only for marchFIRST.

²⁵ Farmer & Ames, "Net Consulting Firms Fight Growing Competition"

marchFIRST

www.marchfirst.com/ www.usweb.com

NASD : MRCH

311 South Wacker Drive, Suite 3500

Chicago, IL 60606

Phone: (312) 922-9200

Fax: (312) 913-3020

Company Overview

Founded on March 1, 2000, with the merger of USWeb/CKS (a leading e-commerce and Internet marketing company) and Whittman-Hart (a well-established systems integration and supply chain management firm), marchFIRST is now the largest of the top interactive agencies, with more than 70 offices in 14 countries and 9,500 employees worldwide.²⁶ "marchFIRST's business is organized into five geographic operating units: Central Group (United States), East Group (United States, Latin America and Asia), Northwest Group (United States), Southwest Group (United States), Europe, Middle East and Africa (EMEA) Group. Each geographic group is divided into smaller regions, and each region contains multiple offices." (See Appendix C for a list offices.) The professional services provided by marchFIRST include "business strategy and management consulting, creative branding and marketing, Web application design and development, packaged software implementation and integration, and Web and network infrastructure design and implementation."²⁷ According to Hoover's, "marchFIRST helps its clients build business brands, models, and systems through such services as application hosting, e-commerce computing design, software development, and network infrastructure implementation."²⁸

Current clients include Harley-Davidson, Allstate, Williams-Sonoma, Apple Computer, Pottery Barn, Shell GeoStar, American Airlines, Mattel, Autoland, Impregilo SpA, Sega.com, Easy Software, eFIRST, and Saks Fifth Avenue.²⁹ (See Appendix A for a list of clients in 2000)

Prior to the merger of Whittman-Hart and USWeb/CKS, both companies enjoyed growth and financial success. USWeb/CKS's revenues for 1999 were \$511 million, an increase of 124% over revenues of \$229 million for the previous year.³⁰ Likewise, Whittman-Hart's 1999 revenues increased to \$480.9 million from \$333.5 million with a one-year sales growth of 44%.³¹ For the first six months of 2000, revenues for marchFIRST "totaled \$607.6 million, up from \$224.7 million. Net loss totaled \$491.8 million vs. an income of \$13 million." Results reflect the merger . . . offset by increased amortization."³² Stock shares dropped with the announcement of the merger and have remained below average since March 2000.

Executives

The marchFIRST executive team (as of September 18, 2000) consists of Robert F. Bernard, Chairman of the Board, Chief Executive Officer; Thomas Metz, President, Chief Operating

²⁶ MarketGuide.com; TheVault.com

²⁷ MarketGuide.com

²⁸ TheStandard.com

²⁹ MarketGuide.com; marchFirst.com

³⁰ marchFIRST.com

³¹ "Whittman-Hart Thanks Expansion for Record Profits"

³² Yahoo! Business

Officer; Peter Murphy, Chief Financial Officer; Michael J. Berent, Executive Vice President in charge of North American Professional Services; Bill Matassoni, Executive Vice President, Practice and Business Development; Robert Wise, Chief Technology Officer; and Edward V. Szofer, Chief Development Officer, Secretary, and Director.³³

Acquisitions and Mergers

marchFIRST is the product of a complex series of acquisitions and mergers.

USWeb was founded in 1995 by three former Novell executives and soon became a “recognized leader in Internet professional services, with a strong emphasis on the business-to-consumer marketplace and brand building.”³⁴ In September 1998, it bought the California-based CKS Group for US\$324 million, creating “a company with expertise in multimedia marketing, Web design, and public relations.”³⁵ Part of the CKS Group was CKS New York, which had been around since 1988; its 1997 “merger with Site Specific brought e-commerce expertise to the firm,” and by 1998 Advertising Age Magazine named it an interactive agency “Goliath.”³⁶ From 1998 to 2000, USWeb/CKS acquired around 40 smaller companies.³⁷

Whittman-Hart was founded in 1984 “with the goal of providing services and solutions for IBM’s midrange computers. By 2000 the firm [had developed] into a leading provider of e-business solutions for fast-growing and middle-market companies. Thanks to its origins as an IT consulting firm, Whittman-Hart built deep expertise in business systems integration, ranging from extended supply chain capabilities to ERP systems.”³⁸ “With \$308 million in revenues in 1998, [the company had] a reputation for clean balance sheets and high-margin work, and a strategy to build the company by hiring and not through.”³⁹

Whittman-Hart’s announcement of its intent to purchase USWeb/CKS for nearly US\$6 billion in December 1999 sent stock shares plummeting. According to analysts, on the one hand, USWeb would contribute its Internet savvy to Whittman-Hart, while Whittman-Hart would contribute “valuable back-end integration skills, management expertise and a nationally established business.” On the other hand, the move happened too fast. Tom Rodenhauser, an industry analyst who heads ConsultingInfo.com, commented on the Whittman-Hart/USWeb/CKS merger and USWeb’s ongoing acquisitions, saying, “It’s like putting together all these pieces, similar to a jigsaw puzzle and betting the pieces fit. . . . Most of these deals don’t work because the pieces don’t fit.”⁴⁰ Although the merger made marchFIRST into a “so-called one-stop shop that can handle larger, more complex business-to-business contracts,” it was not clear whether the company would be able to “absorb the integration of differing company cultures.”⁴¹

Partnerships and Strategic Alliances

MarchFIRST also maintains aggressive alliance programs to expand its “branding efforts through joint marketing and PR,” increase marketing opportunities, augment its technical and

³³ MarketGuide.com

³⁴ marchFIRST.com

³⁵ Bicknell, “USWeb to Buy CKS for \$324M”

³⁶ Fahey, “Award-Winning Web Shops”

³⁷ Farmer, “Consulting Firms Attempt to Impress the Street”

³⁸ marchFIRST.com

³⁹ Girard, Kim. “Wall Street Shuns USWeb, Whittman-Hart Merger”

⁴⁰ Ibid.

⁴¹ Farmer, “Consulting Firms Attempt to Impress the Street”

creative capabilities, and gain “access to specialized resources, services, and products.” The alliances developed by marchFIRST fall into three categories:⁴²

- (1) The “Emerging Program seeks to partner with innovative and leading edge companies that offer unique products that will have significant impact on tomorrow’s digital economy.
- (2) The “Strategic Program develops alliances with established, strategic companies that have a significant presence in the e-business marketplace.”
- (3) The “Global Program partners marchFIRST with industry leaders,” allowing marchFIRST to remain “on the cutting edge of next generation tools and solutions.”

Global Program partners include 3Com, APAC Customer Services, Inc., Ariba, BEA, BroadVision, IBM, Ironside, JD Edwards, Kinzan, Kurt Salmon Associates (KSA), Macromedia, Microsoft, Novell, Onyx, Oracle, Personify, SAP, Segue Software, Siebel Systems, and Wholetree.com.

Investments

marchFIRST’s Corporate Partnerships Practice was established so that the company may “invent, invest in and bring to market new spin-offs” for Global 2000 companies. “In order to secure financing for these new spin-offs, marchFIRST has established a venture capital fund, Bluevector LLC. Its comprehensive services will include developing new business models to leverage the power of the Internet, securing or sourcing financing for the spin-offs through Bluevector, and integrating the spin-offs with existing lines of business.”⁴³ In April 2000, marchFIRST announced it would be “spinning out a company that will help businesses build vertical marketplaces. The venture, to be called Markets Work, will develop a series of electronic exchanges in specific industries. MarketsWork has raised \$50 million in venture financing.”⁴⁴

Current Structure and Services⁴⁵

marchFIRST’s organizational structure is divided into four functional areas. The Brand Building group includes “Branding and Advertising” (media strategy, traditional direct marketing, TV, radio and print, channel management and promotions), “Client Services,” “Creative Services,” “Motion Graphics” (multimedia), “Web Design,” and “Web Development.” The Management and Operations group includes “Accounting/Finance,” “Administration” (planning, presentation, and support), “Executive Management,” “Education,” “Human Resources,” “Information Systems” (systems management and technical support), “Legal,” “Marketing/Communications” (public relations), “Office Services” (logistics), and “Operations” (branch management, services delivery, quality assurance, recruiting, business development). The Business Strategy group includes Business Analysts, Associates, Managers, and Partners carrying varying degrees of responsibility for solving clients’ business problems. The Technology group consists of “e-Strategies” (e-Business management consulting), “Knowledge Management” (training), “Network Structure” (networking services, security audits and designs; collaborative technologies; design and implementation of Web-based technologies), “ERP/Package Software” (Enterprise Resource Planning), and “Web/Custom Software” (design, development, testing and implementation of custom software).

⁴² marchFIRST.com

⁴³ MarketGuide.com

⁴⁴ “B2B: FastFacts”

⁴⁵ No information is available about marchFIRST’s development methodology.

These four functional areas carry out marchFIRST's nine service offerings:

- Strategy: E-commerce Strategy; Strategic Sourcing; Pricing Optimization; New Venture Assessment & Business Planning; Operational Effectiveness; Value Chain Optimization
- Brand Building: Brand Strategy; Naming; Brand Identity ; Web Design and User Experience; Environmental Design; Advertising; Direct Response; Investor and Public Relations; Event Planning and Execution
- CRM: E-commerce, integrating personalization, advertisement serving and database marketing Customer and Market Analysis and Tracking, such as campaign management and execution, customer segmentation, telemarketing and personalization Web Customer Service Call Center Automation Sales Force Automation
- Supply Chain Management (SCM): Customer Order Fulfillment Electronic Procurement Advanced Planning and Scheduling Collaborative Planning, Forecasting and Replenishment Transportation Management Warehouse Management
- Business Intelligence (BI): Data mart and data warehouse design and implementation; Data mining and modeling; Business intelligence portals; Infomediary services and clickstream analysis
- Knowledge Management: Intranets/Information Portals; Employee Self-Service; Workforce Collaboration; Distance Learning; Electronic Document Management
- Core Business Systems: ERP & Financial Systems; Legacy Systems Integration; Web Enablement
- Infrastructure Planning and Operations: Technology Planning and Operations; Technology Architecture Design and Development; Enterprise Security; Directory Services
- HostOne: Application Service Provider (ASP) and advanced hosting capabilities

Current and Recent Projects

marchFIRST's internet projects in 2000 have included a new web site for Aprimo, Inc. (formerly Attune, Inc.); ShellGeoStar.com, a new Internet portal for European travel that covers 16 European countries and is currently available in six languages (English, German, Dutch, Danish, Swedish and French); the redesign of Mattel's Barbie.com web site; and potterybarn.com, for which marchFIRST provided the online strategy, user interface design and systems integration technology.⁴⁶ Forbes named the Pottery Barn site "Best of the Web" in September.⁴⁷ Additionally, Sega.com selected marchFIRST to help build its gaming network; marchFIRST provides strategic business support, designed and built the new web site and back-end architecture, and helped Sega.com finalize SegaNet, an online console gaming network and Internet service provider. SegaNet was to be completed in September 2000, but the launch has not been announced.

Work currently in progress includes agreements with eFIRST, Inc., an Indianapolis-based Internet start-up company, to create web-based procurement solutions for the financial services industry (January 2000); with Easy Software, developer of data archiving and document management solutions for the SAP R/3 environment, to provide consulting and technical services for the Easy Software's Easy Archive product suite to SAP R/3 clients. marchFIRST is also "working with Impregilo SpA in Italy to launch a portal for the European engineering and construction sector. Impregilo is investing up to 50 million euros to support commercial and financial transactions between construction companies on this new electronic business-to-business (B2B) platform." Also, marchFIRST will help Autoland expand its B2B services by

⁴⁶ MarketGuide.com

⁴⁷ "Best of the Web"

developing co-branded tools that will be incorporated within the Web sites of credit unions and other affinity organizations.⁴⁸

marchFIRST has also extended much energy towards increasing its service offerings in 2000. In February, Whittman-Hart, Inc. introduced e-Catalog, an e-Commerce solution designed to help companies target their sales efforts and build customer loyalty.⁴⁹ This solution was an important addition to marchFIRST's offerings. The most significant maneuver, however, was the company's movement into application hosting, part of its efforts to transition from short-term projects to multiyear deals. Central to its new application hosting operation is Host One, an application-monitoring and management center that marchFIRST unveiled in June 2000. "The company has software-hosting deals in the works with 25 ISVs, offers to back both packaged and custom applications with "qualitative" service-level agreements (SLA), and plans to grow managing hosted applications into a \$100 million business by next year."⁵⁰ The company kick started its new service by agreeing to host some of Microsoft's back-end applications, a move ZDNet said made marchFIRST one of the "Smart 50 Companies" of 1999.⁵¹ Following up on this smart move, in May 2000, the company "expanded its relationship with American Airlines by signing a one-year contract for site hosting and management for AA.com, the company's business-to-consumer site. The Company's Integrated Application Services Group will host AA.com in two data centers, one in Sunnyvale, Calif., and the second in Herndon, Va. within the Web sites of credit unions and other affinity organizations."⁵² (See Appendix B for a list of marchFIRST's projects for 2000.)

Remarks

marchFIRST's tremendous size and wealth—the fact that it has become a world-class agency through mergers, acquisitions, and investment in incubation companies—are the key features that stand out in comparison to Organic, Razorfish, and Xceed (although Xceed is pursuing the same tactics). But marchFIRST's buy-yourself-big strategy is also quite risky. The merger of Whittman-Hart and USWeb/CKS leaves the company in a vulnerable position as it works to unite different cultures and business models into a coherent whole; it also makes investors very nervous.

However, the company's current direction appears to be sound. Its venture capital fund, BlueVector LLC, and MarketsWork allow it to explore vertical markets and seek new opportunities for investment. Further, although marchFIRST seems to emphasize web site design in choosing its projects, the company also provides ad serving and analysis, which are extremely valuable to clients, and it is now offering application hosting services, which will bring in long-term clients and steady revenue.

No information was available concerning marchFIRST's development methodology, billing practices, or its balance of in-house and outsourced development.

⁴⁸ MarketGuide.com

⁴⁹ Ibid.

⁵⁰ Moore, "MarchFirst Tries App Management"

⁵¹ "Smart 50 Companies"

⁵² MarketGuide.com

Organic

www.organic.com
NASD : OGNC

510 Third Street
San Francisco, CA 94107
Phone: (415) 365-5500
Fax: (415) 284-6891

Company Overview

“Organic, Inc., a leading international Internet professional services firm which targets the customer-to-business market, is built around a ‘buyer driven’ service model that encompasses both traditional business-to-business and business-to-consumer engagements. Founded in 1993 and based in San Francisco, Organic . . . has a history as an industry innovator, having developed the Apache Web server and worked on the design of some of the Internet’s earliest Web sites, including Yahoo!. The company’s C2B Internet professional services include strategic consulting and research, site design, software engineering and technical program management, online marketing services including media buying and management, and customer service and fulfillment consulting and transaction management. Organic has performed work for over 250 clients, and has gained significant experience by working with both the Global 1000 and emerging Internet companies. The company’s clients include DaimlerChrysler, British Telecommunications plc, Tommy Hilfiger, Blockbuster, Washington Mutual, General Electric Financial Assurance Holdings, Inc., Federated Department Stores, Inc.”⁵³ (See Appendix A for a list of clients for 2000.) Organic’s global network makes it a leader in the world of interactive agencies, with 1220 employees and offices in Atlanta, Chicago, Detroit, London, New York, San Francisco, Sao Paulo, Singapore, and Toronto.⁵⁴ (See Appendix C for a list of Organic’s offices.)

Organic, reporting its 1999 sales at \$77.8 million, with a one-year sales growth of 180.9%,⁵⁵ made its initial public offering of 5.5 million shares in February 2000, priced at \$20 per share. During the first half of 2000, “revenues totaled \$66.4 million, up from \$27.4 million. Net loss totaled \$44.3 million, up from \$2.3 million. Results reflect an increase in the number of customer engagements, offset by increased stock compensation and personnel costs.”⁵⁶ International offices represented 10.4% of revenues in the second quarter of 2000.⁵⁷ Organic said it expected to increase third quarter revenue on a sequential basis by about 5 percent, but in September the company announced “that as a result of smaller than anticipated revenue growth it does not expect to reach its goal of profitability during the third quarter,” saying it expects to achieve profitability by the second quarter of 2001.⁵⁸ Following this announcement, “Two investment banks . . . downgraded their ratings” of the company.⁵⁹ Fortunately, on September 14, “Prudential Securities analyst Jim Dougherty initiated coverage of the stock . . . with a bullish

⁵³ Organic, Inc.

⁵⁴ Organic.com

⁵⁵ Hoovers, from TheStandard.com

⁵⁶ MarketGuide.com

⁵⁷ “Organic, Inc. Reports Record Second Quarter 2000 Results”

⁵⁸ “Organic says will not meet Q3 profitability goal”

⁵⁹ “Research Alert: Goldman, DLJ Cut Organic Ratings”

'strong buy' rating and an \$8 price target. . . . Shares of Organic recently jumped \$1.31 to \$6.31, most likely on news of the upgrade."⁶⁰

One of the hardest-hit in the industry's "market correction," Organic has also been a cautionary tale in the trend for interactive agencies as they move away from dot-com clients, having survived near-disasters with two failed dot-coms, Boo.com (a UK internet clothing retailer), and cash-strapped CDNow.com. Currently, "Organic's clients are about 75 percent brick-and-mortar and 25 percent dot-com, compared with a dead even mix a few years ago."⁶¹

Executives

Organic's current executive team (as of April 7, 2000) consists of Jonathan Nelson, Chairman of the Board and Chief Executive Officer; Michael Hudes, President and Director; Susan L. Field, Executive Vice President and Chief Financial Officer; Larry K. Geisel, Executive Vice President and Chief Operating Officer; Arthur I. Williams, Executive Vice President—Global Operations; Marita C. Scarfi, Vice President—Finance; Margaret M. Zagel, Vice President, Chief Legal and Administrative Officer and Secretary; Lynne Ellyn, Vice President and Chief Information Officer; Matthew Bernardini, Vice President and Chief Technology Officer; Shelly A. Saunders, Vice President, Corporate Controller and Treasurer; Lynda W. Pierce, Vice President—Human Resources; Janis M. Nakano Spivack, Vice President and Chief Creative Officer; Danica Remy, Vice President, Chief Collaboration Officer; Daniel J. Lynch, President—Logistics.

Development of Expertise

Extensive historical data from outside sources concerning the development of Organic is not available because Organic was a private company until February 2000. However, it appears that the company's primary growth strategy has been two-pronged approach. First, and perhaps most important, Organic has emphasized the development of strategic alliances, tending to enroll as a partner with other established and/or cutting-edge companies, thereby gaining the services and business connections of the partners while also learning from them. Second, in part because of the strategic relationships it has formed, it has continuously expanded its offerings by creating new internal departments and spin-offs, hiring the talent to build them.

1993-1997: Rapid Growth

Organic's beginnings epitomize the entrepreneurial roots and hyper-speed growth of the interactive industry. Following its establishment in Jonathan Nelson's home office in 1993, Organic relocated to the "Multimedia Gulch" of San Francisco in 1994, where the company, as a production house, cut its teeth by leading the development of Apache, "now the most widely distributed Web server software in the world." In 1995 Organic launched the BigBook online yellow pages, while establishing a spin-off company, Accrue Software, to develop web measurement and analysis software. By 1996 Organic had doubled its revenue with projects like Nike's automatic publishing web site for the Atlanta Olympics. In 1997, one of the world's largest communication companies, Omnicom Group, purchased a minority stake of Organic, which then became a member of Communicade, a group of Omnicom-funded interactive agencies. Additionally, Organic opened its New York office (with four multinational clients).⁶² Organic was also named "Interactive Agency of Record" for Nike, Inc.

⁶⁰ "Prudential Initiates Organic"

⁶¹ Farmer, "Web Consulting Firms Taking Focus Off Dot-coms"

⁶² Organic.com

1997-1998: Expansion of Services and Offices

Organic began broadening its services by establishing Organic Media in 1997 to provide online media and research services.⁶³ This brought in significant media campaign deals with major clients, including Toys R Us, Avis, and The Gap.⁶⁴ Organic continued to advance its research capabilities in 1998 by co-branding the Consumer Online Commerce Report with Cyber Dialogue⁶⁵ and by hiring Gregory Wester as “corporate director of specialized practices” to “develop a suite of new consulting services to quantify enterprise issues such as online loyalty, customer value, ROI, behavioral patterns and industry differentiation.” Wester came to Organic from the Yankee Group, a leading Boston-based high-tech strategic advisory company, where he had been vice president of Internet market strategies.⁶⁶ The company also continually proved its ability to attract major web development projects, including the redesign of barnesandnoble.com, which set industry standards for ecommerce sites, along with Starbucks, Autoconnect, Fragrance Counter, and Music Boulevard. Meanwhile, the company’s expansion continued, growing 100% in one year to over 200 employees with new offices in Chicago and Sao Paulo, Brazil. Offices in London, Singapore, and Detroit opened in 1999 as the company introduced another new division, Organic Logistics (customer service, fulfillment, and management services).

In 1999, Organic’s slate of choice projects continued to grow and the company offered yet another service line with the launch of Organic Communications and its Online Public Relations and Marketing Division in New York. Although the company’s projects in 1999 included the ill-fated CDNow, Organic chalked up an impressive roster of clients for the year, including DaimlerChrysler, Global Sports, Aduaction.com, Day-Timers, Inc., E/TOWN, “Spiderman” creator Stan Lee, and a partnership with Compaq to launch Sting’s worldwide concert tour.⁶⁷

2000: Banner Year for Strategic Alliances

After Organic filed its IPO in February 2000, in addition to opening two new offices in Toronto and Boston, Organic entered into a significant number of major alliances. A strategic alliance with OrderTrust in July added order management services to the company’s existing Customer Service and Fulfillment offering and enhanced its ability “to offer our clients a complete e-commerce solution.” The company also “entered into strategic alliances with IBM for wireless computing, with Loudcloud as a systems integrator, and with Broadvision for software co-development and training.”⁶⁸ (David Card and Ross Scott Rubin of Jupiter Communications note that “A dynamic commerce/content system from Broadvision . . . entails an initial average investment of \$225,000, about 20 percent of which goes toward customization.”⁶⁹) At present, Organic’s Customer Service and Fulfillment offerings represent approximately 8% of its revenues.⁷⁰ Thus, in July, Organic also entered into an alliance with Federated Department Stores to “identify, invest in, develop and distribute brands and technologies that present opportunities in both brick-and-mortar and e-commerce retailing.”⁷¹ Additionally, in September, Organic leveraged its alliance with Broadvision in a new partnership with CommercialWare, Inc., a leading provider of retail e-commerce solutions, combining “CommercialWare’s order

⁶³ Organic.com

⁶⁴ “Brand Heavies Choose Organic Media”

⁶⁵ Organic.com

⁶⁶ “Organic Signs Yankee Top Hitter”

⁶⁷ Organic.com

⁶⁸ “Organic, Inc. Reports Record Second Quarter 2000 Results”

⁶⁹ Card & Rubin. “Development Outsourcing: Increased Investment in Design and Maintenance Will Minimize Costly Relaunches”

⁷⁰ “Organic, Inc. Reports Record Second Quarter 2000 Results”

⁷¹ MarketGuide.com

management, fulfillment, and customer service modules [with] BroadVision's Retail Commerce application to provide customized e-commerce solutions for retailers."⁷² Additionally, in August, Organic joined RealNetworks' RealPartner program as a level-3 member, indicating Organic is a high-level e-business participant.⁷³

Current Service Offerings and Methodology

With non-hierarchical, interdisciplinary teams working on its projects, Organic offers five services, each with its own methodology, team structure, and tools.

iBusiness

The Company's iBusiness consulting teams provide Internet-focused business strategy expertise, strategic marketing, branding and research services, and customer service and technology consulting. Its team helps clients identify online market opportunities, define and develop sustainable online business models, understand competitive differentiation, identify, analyze and segment online target markets, develop compelling online brand strategies and evaluate their online efforts. Its research services focus on five key areas including audience profiling, concept testing, site development and usability, brand strategy and market positioning and messaging.

Web site design services involve the creation or extension of a client's online brand identity, defining the theme or unifying concept for the business or media campaign and creating an experience and message to attract and retain customers. At the simplest level, its services involve Web site design, but they also include the design and implementation of the other creative elements of a customer interface, such as online banner advertisements. Its creative team works closely with its strategy and engineering teams to ensure that the technical architecture and the user interface of a client's online business work together to create a consistent, engaging and responsive customer experience.

The Company combines custom software with third party software and integrates them into the existing technical infrastructure of its clients. Its Internet expertise includes all aspects of technical design, development and integration related to electronic commerce, Web-based applications development, database systems, content and transaction management tools, and Internet features including community, personalization and customization. The Company also incorporates the ability to measure site performance and track customer behavior information allowing its clients to calculate their return on investment.

Media Services

The Company's media teams use their knowledge of customer behavior to design online marketing campaigns and also offer services including direct response, electronic mail promotion, sampling, sponsorships, brand development and affiliate program management. In collaboration with its engineering teams, the Company has created new beyond the banner advertising vehicles using DHTML technology. These advertisements allow entire transactions to be completed within the banner, facilitating commerce by reducing the time and effort required in completing a transaction. This innovation also delivers a consistent branding message and effectively shares information between the Web site and the advertisement. As appropriate, the Company also extends its media expertise offline either directly or through arrangements with offline agencies.

⁷² "Organic, Inc. Partners With CommercialWare"

⁷³ "Organic, Inc. Announces Agreement with RealNetworks"

Communications Public Relations Services

The Company's public relations services assist its clients with the management of their ongoing press and publication relationships. The Company's public relations services include the following: strategic message and identity development, which helps clients position themselves in their markets and differentiate themselves from their competitors in the eyes of current and potential customers; product and company launch or re-launch services, which aim to create awareness of and position a product or company with customers; and broadcast, online and print media and analyst relations services, which help clients enhance their brand recognition.

Logistics Customer Service and Fulfillment Consulting Services

The Company's customer service and fulfillment consulting offering includes both consulting and transaction management services. The Company delivers a complete electronic commerce experience to its clients' customers. The Company provides advice on best practices based on facility visits and audits of 20 electronic commerce fulfillment and customer service providers as well as its proprietary database containing the logistical features of 500 leading Web sites and profiles of current relevant Web-based applications, including live chat, electronic mail and collaborative filtering.

The consulting services include a needs and capabilities assessment, consulting services, technology assessment services, third party vendor selection and negotiation, development of performance monitoring procedures and the integration of customer service and fulfillment functions into its clients' Web operations.

The transaction management services provide a complete outsourced solution, including customer service, fulfillment and transportation management services. Its fulfillment specialists monitor the performance of third party fulfillment houses, identify and implement service enhancements and can manage all of the vendors used by its clients. In addition to fulfillment services, the Company also helps its clients improve their customer service experience by designing and managing highly automated third party call centers. Its staff incorporates telephone, electronic mail and live chat services that extend beyond traditional order taking and tracking functions in ways that help its clients improve and extend their relationship with their customers and potentially increase satisfaction and loyalty.

Voice

A combination of behavioral psychologists, statisticians, and business intelligence system developers are the fuel that guides Organic's VOICE(SM) practice. VOICE(SM) Solutions leverage qualitative and quantitative analyses to provide a consistent and objective way of measuring, analyzing, and improving customer experiences and business performance.⁷⁴

As can be seen from Organic's services, departments are defined by service offerings, and teams are comprised of individuals from various departments. Although Organic has not made the details of its methodology public, the author of this report has studied samples of its iBusiness documentation and is able to offer a summary and assessment. The Organic iBusiness methodology begins with an assessment of business opportunity, whereby the company decides if it will accept an engagement. Following this, Organic offers a proposal or assessment of the work to be completed, along with a Statement of Work and a briefing on the methodology. Strategic planning is the next phase, bringing in "business strategy expertise,

⁷⁴ Organic.com

strategic marketing, branding and research services, and customer service and technology consulting.” The ensuing design phase entails definition of requirements (functional, creative, architectural) as well as the actual design (graphics, content, interface design and site architecture, and technical specifications. Then the site is built and implemented.

Organic is remarkable, and possibly unique, in the world of interactive agencies for, very early in industry history, consciously shaping its iBusiness methodology as a software development process. The company carefully evaluates and learns from its projects, allowing it to establish best practices and construct standardized documentation. In an industry with high employee turnover, this is extremely important in keeping a project on track during personnel shifts. Additionally, the practice sets clear client expectations for deliverables in the early stages of a project, establishes milestones for project scheduling, and forms benchmarks for project scoping.⁷⁵

Current and Recent Projects

In 2000, Organic has completed a variety of impressive projects and also has a considerable number of new ones in the works. (See Appendix B for a list of projects for 2000.) This year saw Organic’s completion of British Telecom’s (BT) flagship SME portal and Business Store and an international version of the Law.com site, and launch of the re-developed web site for Washington Mutual, wamumortgage.com.⁷⁶ Also, Organic’s work on eScout, a United Missouri Bank affiliate, was recognized as one of the 50 best business-to-business internet sites in CIO Magazine’s Web Business.⁷⁷ Additionally, in September, Organic “integrated the order management, fulfillment and customer service modules of CommercialWare’s retail.dot.commerce software suite and BroadVision’s Retail Commerce application to create an individualized e-commerce solution for Garnet Hill.”⁷⁸ Works in progress include a contract to develop and assist in launching the English version of the “TOM.COM mega-portal” in the U.S. (April); “an extensive agreement with Federated Department Stores, Inc. (FDS), to provide a broad range of integrated e-commerce services to the company[, b]eginning with assignments on macys.com and bloomingdales.com” (July);⁷⁹ and an assignment to develop a wireless information system for the American Museum of the Moving Image.⁸⁰ Organic has also been hired by Bell ActiMedia to build its newest online business and by Target Corporation to help with the continuing evolution of the Minneapolis-based retailer’s brand online.⁸¹

Remarks

The theory of *organicism* postulates that “the total functioning of an organism, rather than the functioning of individual organs, is the principal or exclusive determinant of every life process.”⁸² This concept seems appropriate in recognizing Organic’s emphasis on relationships as its most significant quality—an emphasis that has enabled the company to develop a holistic, unified approach to interactive consulting by nurturing alliances and partnerships while also growing

⁷⁵ Additionally, although I was not able to view a complete set of documents for a specific project, it appears that Organic requires a new statement of work for each phase of development.

OgilvyInteractive, whose current president came to the company from Organic, is taking this approach in order to keep projects within scope and manage client expectations.

⁷⁶ MarketGuide.com

⁷⁷ “Organic, Inc. Reports Record Second Quarter 2000 Results”

⁷⁸ “Organic, Inc. Partners With CommercialWare”

⁷⁹ MarketGuide.com

⁸⁰ “Organic, Inc. Reports Record Second Quarter 2000 Results”

⁸¹ MarketGuide.com

⁸² American Heritage Dictionary

internal expertise and spin-offs. The company seems not to concern itself with hierarchy, but rather focuses on integrated collaboration, from its interdisciplinary project teams to its press releases that announce engagements and project launches as joint efforts accomplished by Organic and Client together.

Organic also runs a tight ship, operating in a very systematic manner on all levels. Unlike many of its competitors, the company has always viewed interactive development as a software development process; hence, like a software company, Organic has honed its practices throughout the course of its history, carefully learning from each project in order to improve and standardize its methodology and streamline its processes. Given Organic's meticulous approach, it is not surprising that the company has also placed great importance on research, measurement, and analysis. This emphasis produced its proprietary "Voice" tool for measuring customer experience and business success. No doubt it also contributed to the creation of Organic Media in 1997, when interactive development was mainly defined as flashy graphics. Organic tends to recognize what is needed—such as media services—based on empirical evidence rather than wishful thinking.

Because Organic was a private company until February 2000, much historical data is not available. In particular, no information was found concerning mergers, acquisitions, or investments; billing practices; or the balance of in-house and outsourced development.

Razorfish

www.razorfish.com
NASD : RAZF

32 Mercer Street
New York, NY 10013
Phone: (212) 966-5960
Fax: (212) 966-6915

Company Overview

Founded in 1995 as a small web development shop, Razorfish is now one of the giants among interactive agencies, with 1,355 employees and offices in New York, Boston, Los Angeles, San Francisco, Tokyo, Amsterdam, Hamburg, Helsinki, London, Oslo, Stockholm, Milan, Frankfurt, Hamburg, and Munich. (See Appendix C for a list of offices.) Known as “a provider of global digital solutions”⁸³ and an “e-consulting company,”⁸⁴ Razorfish boasts an A-list of clients (see Appendix A) and provides a full range of services “including strategic consulting, Web design, and integration with enterprise resource planning and legacy systems.”⁸⁵ Razorfish is also banking on wireless and mobile solutions, having launched a Mobile Solutions Laboratory at its Helsinki office⁸⁶; in May 2000, Razorfish is expanded its Mobile Solutions Units in all of its offices.⁸⁷

Examples of Razorfish's most cutting-edge solutions include “a user-interface incorporating Wireless Application Protocol (WAP) technology for Nokia; an open collaborative business environment delivering SAP AG's personalized ERP software solutions; and a multiple digital channel strategy for NatWest Bank. Razorfish's digital solutions utilize a wide variety of platforms, including the World Wide Web, wireless, broadband and satellite communications and a variety of digital devices and information appliances, including desktop PCs, mobile phones, pagers and personal digital assistants.”⁸⁸

Deloitte & Touche named Razorfish as the second fastest-growing technology company (by revenue growth) for its annual “New York Technology Fast 50” award program (24/7 Media Ranked first).⁸⁹ Hoover’s lists the company’s 1999 sales at \$170.2 million, with a staggering one-year sales growth of 1,133.3%.⁹⁰ During the first six months of 2000, “revenues rose 94% to \$140.7 million. Net income rose 98% to \$9.6 million. Results reflect an increase in the number of projects, a reduction in turnover and the absence of \$3.4 million in merger related costs.”⁹¹ The company has experienced a few setbacks since June 2000, however. “In July 2000, IAM.com, a California-based online talent agency, sued Razorfish, alleging ‘shoddy workmanship’ and an ‘absolute failure to perform its services to industry standards.’” This is the first client lawsuit against Razorfish, which claims in a counter suit “that IAM.com in fact owes it over \$500,000.” The outcome remains uncertain.⁹² Additionally, in August 2000, when the

⁸³ MarketGuide.com

⁸⁴ Hoover's

⁸⁵ Hoover's

⁸⁶ “Smart 50 Companies”

⁸⁷ MarketGuide.com

⁸⁸ Ibid.

⁸⁹ “Razorfish Named”; Deloitte & Touche

⁹⁰ TheStandard.com

⁹¹ Yahoo! Business

⁹² TheVault.com

company's president, Mike Pehl, resigned after only three months on the job, Razorfish's stock shares fell dramatically.⁹³ It should be noted, however, that stock shares for most interactive agencies fell during this period.

Executives

Razorfish's current executive team (as of September 6, 2000) consists of Jeffrey A. Dachis, Co-Chairman of the Board, Chief Executive Officer, Treasurer; Craig M. Kanarick, Co-Chairman of the Board, Chief Scientist, Secretary; John Roberts, Chief Financial Officer; Jean-Philippe Maheu, Chief Operating Officer; Michael S. Simon, Executive Vice President—Business Affairs and General Counsel, Director; Anders Eriksson, Executive Vice President—European Operations; Susan Murphree, Executive Vice President—Mergers and Acquisitions, Integration and Treasury; Evan Orensten, Executive Vice President—Global Communications; Barry Wolfeld, Vice President of Global Alliances and New Ventures.⁹⁴ Mr. Pehl has not yet been replaced.

Acquisitions and Mergers⁹⁵

The company has developed its range of services and grown to its position of power through a series of smart acquisitions and mergers that have allowed it to build its talent pool and global network. At the end of 1997, Razorfish had only 50 employees. In January of 1998, it purchased Avalanche Systems, which was named one of the Ten Best Interactive Marketing Shops by AdWeek Magazine in 1995 and 1996.⁹⁶ The following year, "Razorfish merged with Sweden's Spray Network . . . to create the world's first global digital network."⁹⁷ The company's recent moves include acquisition of e-business service company I-Cube (International Integration)⁹⁸; Qb International Holding AB, a Swedish IT/Strategic consulting company; Limage Dangereuse, a visual communications agency based in Rotterdam; the German e-business solutions provider Medialab AG;⁹⁹ and broadcast company FUEL with its affiliated commercial production firm Tonga.¹⁰⁰ Additionally, in May 2000, Razorfish and Intervision Inc., a Japanese advertising agency affiliated with Sony Group, joined forces as Intervision-Razorfish, based in Tokyo.¹⁰¹

Partnerships and Strategic Alliances

In addition to its mergers and acquisitions, Razorfish has also cultivated partnerships and strategic alliances with companies that can provide the talent and expertise required for its wide array of projects. The company's web site explains what types of partners it supports:

- 1) The Solutions Provider Directory is our pulse on leading-edge companies that bring exciting digital technologies and solutions to the marketplace. By continually considering alliances with companies that are developing emerging technologies and new service offerings, we are able to help our clients fully realize the benefits of digital solutions.

⁹³ Hotwired.com

⁹⁴ MarketGuide.com

⁹⁵ No information is available about Razorfish's investments.

⁹⁶ Fahey, "Award-Winning Web Shops"

⁹⁷ "Info Tech"

⁹⁸ Hotwired/Reuters

⁹⁹ MarketGuide.com

¹⁰⁰ Makal, Katie. "Razorfish Acquires FUEL"

¹⁰¹ MarketGuide.com

- 2) The Solutions Provider Network is a web of selected leading technology and solution companies that enhance our ability to provide strategic, end-to-end digital solutions for our clients.¹⁰²
- 3) Strategic Alliances are special relationships that we nurture with a select group of established technology and solution leaders. By sharing our specialized resources, marketing our solutions jointly, and proactively pursuing new business opportunities, we are able to better leverage the strengths of our organizations to capitalize on market opportunities.¹⁰³

Although Razorfish has not made public the names of all of its strategic allies, press releases announced two new partnerships in February 22, 2000. The partners are Audio House, a UK-based provider of audio for digital and traditional media companies; and knowledge management specialist Autonomy Systems Ltd.¹⁰⁴

Development of Expertise

As Razorfish has grown, its focus has broadened and also branched out into specialty areas. Its international recognition and wide range of services have developed over time as the company has gained new talent and new clients, according to the growth of the web, and as the emergence of new digital technologies have demanded. Because Razorfish has meticulously documented its history with published case studies, it is possible to trace the company's development of expertise. (To see Razorfish's complete project portfolio, see Appendix D.)

Creative Credentials

The company's earliest projects (1995-1997) were primarily non-dynamic first-generation sitelets (initiating online presences for clients), interface design, content development, and creation of administrative tools. Razorfish's first project (and one of the earliest sites on the web) was New York Botanical Gardens, launched in April 1995. This site was one of the first original content areas on Time Warner's Pathfinder, and a cornerstone of the Virtual Garden. Another early project was Razorfish's interface design work for a series of integrated sites for America Online, completed in September 1996. Also, a significant achievement in 1997 was Smithsonian Without Walls, "a virtual, multidimensional museum experience" utilizing Flash and Plumb Design's unique Thinkmap interface for exploration of the online archives. These, and Microsoft's selection of Razorfish's design templates for FrontPage '98¹⁰⁵ serve as proof that Razorfish's design expertise was already well-established.

Razorfish had put much effort into establishing its design credentials. From early in its history, Razorfish was working on internal projects to showcase its creative talents. These projects, which became the Razorfish Subnet (RSUB), include Bunko! (bunko.com), which features arcade games (August 1996); Disinformation (disinfo.com), a "site that makes you confront your fears" (March 1997); The Blue Dot (thebluedot.com), winner of over 50 awards, which showcases the artistic capability of the web (March 1997); and typoGRAPHIC (typographic.rsub.com), an award-winning "informative tool that explores typography on the Web" (May 1996).¹⁰⁶

¹⁰² Razorfish's use of "Solutions Providers" may be considered "outsourcing."

¹⁰³ Razorfish.com

¹⁰⁴ MarketGuide.com

¹⁰⁵ Razorfish.com

¹⁰⁶ Ibid.

Technical Proficiency

Razorfish had also been nurturing its technical/engineering capabilities with internal projects. The company assembled a team of programmers, designers, and Web traffic analysis professionals to develop “Webspy” (January 1996), Razorfish’s proprietary traffic analysis application that provides “accurate, essential user information and generates easy-to-read textual and graphical reports.” Razorfish also developed its own Intranet, called “MOM” (September 1996), for scheduling meetings, tracking hours, sending group messages, and managing mailboxes.¹⁰⁷

In 1998, Razorfish’s technical expertise was recognized as it began focusing on “large automated publishing systems that support online commerce, banking, and large-scale publishing,” based on the need for web site automation.¹⁰⁸ The company began developing database-driven, highly dynamic projects featuring user customization, content management tools, and back-end legacy systems integration, as well as cutting-edge multimedia work. For example, development of the Christie’s site (christies.com) included CRM features, e-commerce functionality, database design and implementation, and custom maintenance tools. In producing a decentralized, affiliate-driven news and information Web service for CBS (February 1998), Razorfish collaborated successfully with Oracle, which provided back-end services. But Razorfish at this stage excelled at both front-end and back end design and development. Almost simultaneously, Razorfish “served as the technology partner” in the development of Jim Henson’s Story Neighborhood (January 1998), a “vast library of customizable, animated, ‘living-book’ stories for the Microsoft Network based on the well-known Henson franchise.” This project involved designing a SQL database and creating web-based tools and applications written in C++, ADO, ADC, ASP, Active-X, PERL, Javascript and HTML. Another complex project was the system Razorfish built for Adams, Harkness & Hill (November 1998). This system automated “the entire equity research and approval process, from the analyst, through compliance, and ultimately to the Web.”¹⁰⁹

Strategy and Branding

Also in 1998 and into 1999, Razorfish began to emphasize strategic services, branding and traditional advertising services while also making a foray into corporate consulting. The company developed a “strategic technology vision and a concrete action plan supporting the radically changing publishing business” of Harvard Business School Publishing (June 1998), and provided “best practices” examples and workshops guiding Norwich Union through the change process (January 1999). Similarly, for Emachines, Razorfish was responsible for “conception and deployment of the brand through print ads, product packaging, and multimedia channels” (December 1998).¹¹⁰

Razorfish’s newly established branding expertise was especially important in the establishment of a long-term strategic partnership with PBS (September 1998). Razorfish’s work included modification of the long-standing PBS logo, used for all media, and “the foundation of a new co-branding system that made it possible for local member stations to link their identities to the national PBS brand.” The partnership also involved development of title sequences for PBS television programs, and branding strategy. Razorfish’s ventures into branding have provided online strategies and cross-medium advertising solutions for major companies with already-strong brands as well as startups. Projects ranged from designing new logo designs for Court

¹⁰⁷ Ibid.

¹⁰⁸ Fahey, “Award-Winning Web Shops”

¹⁰⁹ Razorfish.com

¹¹⁰ Ibid.

TV (April 1999) and NatWest (December 1999), to the creation of a “whole new company identity” for Cieos (June 1999) and brand repositioning for “Zap2it” (July 1999). Razorfish also continued “traditional” web site development and redesign. Among its most notable projects was Fox Kids (September 1999), for which Razorfish was responsible for web site design and marketing. This site raised the standards, in many ways, for children’s web sites. Razorfish redesigns included NatWest (December 1999).¹¹¹

Digital Broadcast and Localization

Razorfish’s movement into digital broadcast video and globally-localized design were its key moves in 1998 and 1999, setting the stage for 2000. The company’s global network expanded its client base and enabled the creation of multi-lingual and multicultural products for international and global companies such as the Fox Network, Peugeot, Pepsi Max, Stern Online, and the Warner Music Group. Meanwhile, in November 1998, Razorfish established its broadcast unit.¹¹² The initial projects included a “broadcast design package” for NBC (October 1998), whereby Razorfish created television advertisements for the prime time lineup; and a set of commercials promoting Mike Tyson’s return to Boxing.¹¹³ However, in July 1999, Razorfish acquired the broadcast company FUEL.¹¹⁴ Following this move, “FUEL/Razorfish won major broadcast projects, including a three-year contract to design the graphics package for ESPN’s alternative sports competition, the X-Games,”¹¹⁵ and a contract to create the “show open and promotional spots for The Learning Channel’s five-part series, When Dinosaurs Ruled.”¹¹⁶ What made Razorfish one of the “Smart 50 Companies” of 1999 and distinguished it from its competitors, said ZDNET, was “its push to design and produce digital broadcast video with an eye toward developing content-rich user interfaces, a move that would position the company to capitalize on the trend toward broadband Internet access.”¹¹⁷

Global Digital Solutions

The year 2000 has seen the fruition of Razorfish’s broad expertise (see Appendix B for a list of projects for 2000). The company’s international projects have included a redesigned ecommerce site for C&A department stores in Germany and Austria; creation of the Swedish auction site; the relaunch of an employment site for Arbeidsmarkedsetaten, the Norwegian Directorate of Labor; and completion of a theme portal produced for Fortum, a consumer energy company in the Nordic countries. Razorfish’s broadcast projects have also seen continued success, with the company producing the “Senseless Acts of Video” series for MTV; and on-air identity packages for iN DEMAND, a pay-per-view network, and Sports City, the sports franchise for TCS, a Singapore television network. Additionally, Razorfish’s established expertise in interface design and application development has produced a wide variety of satisfied clients. In 2000, Razorfish produced a complete online solution for Sharp Electronics and two new modules for the U.S. Naval Supply Systems Command (NAVSUP)’s Material Financial Control System. It also developed a content-rich ecommerce site for A/X Armani Exchange; online banking services for both Helsinki-based Mandatum Bank and MeesPierson, a Dutch-based private bank; and the interface and tools for DoubleTwist’s bioinformatics site. Year 2000 has also seen a variety of site redesigns for Razorfish clients, including StorageNetworks, Inc., and Highmark Blue Cross Blue Shield. The largest number of projects,

¹¹¹ Ibid.

¹¹² Anthony, Trevor. “Razorfish Opens New Broadcast Unit.”

¹¹³ “Razorfish Creates Tyson Package”

¹¹⁴ Makal, Katie. “Razorfish Acquires FUEL”

¹¹⁵ Thoreson, Bjorn. “FUEL/Razorfish Designs ESPN ‘Summer X-Games’ Package.”

¹¹⁶ “Razorfish Creates ‘Dinosaurs’ Open.”

¹¹⁷ “Smart 50 Companies”

however, utilized Razorfish's strategy and branding expertise. Razorfish provided assessment and strategy for Tomorrow Internet AG's eight web sites, along with graphic design and the information architecture of the two flagship brands tv-spielfilm.de and tomorrow.de. Razorfish also consolidated and integrated the web presence of the Guardian Life Insurance Company of America; re-branded American Mobile Satellite Corporation as Motient; designed and produced the on-line identity and related front-end technology for Nexstar Financial Corporation; and created the new logo for the upcoming MTV Movie Awards.¹¹⁸

While continuing to build upon its established expertise, Razorfish also branched out in a new direction in 2000: Wireless Applications (WAP). Projects this year so far include the re-launch of its own enhanced German Wireless Application Protocol site and a contract to develop user experience specifications for Vodafone AirTouch's global wireless Internet portal.¹¹⁹

Current Structure and Methodology

Razorfish has not made public how its departments and project teams are organized (all employees are referred to as "fish"); its balance of in-house development and outsourcing; or whether projects are billed according to flat fees, or a combination. It appears the primary disciplines within Razorfish are "business strategy" (account and financial services; planning and research) "marketing and branding" (account services, planning and research), "technology" (programming and engineering), and "user-centered design" (creative, content, and information architecture). The company's proprietary development process clarifies how the disciplines work together to define Razorfish's methodology:

Clarify — Understanding your business and your brand is the critical first step. We work with you to clearly understand your immediate needs and long-term goals, the competitive landscape, and your operating and technical environments. We agree on your business objectives and create a strategic plan of action. We define how the success of the project will be assessed. We also establish project scope, budget, and a detailed work plan.

Architect — What will the solution be? Who will use it and how? What will it do? How will it work? What will it look like? Once we agree on project objectives, we define the functional, technical, and creative requirements. We document them and work with you to refine them. We also build a demo or prototype to test our concept.

Design — Once structural basics are in place, we complete information, interaction, and interface design. We develop content and refine the technology architecture. The process is interactive, and facilitated by our project extranet. The result is a working prototype of the deliverable, ready for usability testing and refinement.

Implement — We now build the final product. If required, we integrate the solution with your existing systems. We test and quality assure the deliverable and make sure you understand how to manage and maintain it.

Enhance — For a period after launch, we'll monitor and analyze how the solution performs against the success criteria we defined in the Clarify phase. We also complete documentation for the project and present our thoughts on how to approach the next generation of the solution. We can also design and execute a marketing and promotion plan, conduct training sessions, or help staff your organization to support the new solution.¹²⁰

¹¹⁸ MarketGuide.com

¹¹⁹ Ibid.

¹²⁰ Razorfish.com

Remarks

With its 1,113.3% sales growth in 1999 and high-profile projects, Razorfish is something of a luminary among interactive agencies and a media celebrity. Razorfish has emerged as a world-class agency via four interconnected strategies. First, the company has made a series of smart acquisitions and mergers that have allowed it to build its talent pool and global network. Second, it has cultivated partnerships and strategic alliances with companies that can provide the talent and expertise required for its wide array of projects. Third, it has carefully developed internal expertise and credentials over time through client work and internal “showcase” projects. And fourth, it has branched out into “cutting edge” specialty areas as the market has warranted; most recently, the company has expanded into wireless application development. The company’s extensive online portfolio of case studies demonstrates not only the range of excellent work Razorfish has accomplished, but also the company’s deserved pride in its work. (See Appendix D for an overview of the company’s project portfolio.)

Razorfish really does seem to be a one-stop-shopping agency, with a broad range of core competencies, and remarkably strong creative and technical talent. The company is also a winner when it comes to branding and strategy; very likely this is due, at least in part, to the fact that Razorfish provides broadcasting and print services as well as online.

No information was available concerning Razorfish’s internal organization, billing practices, investments, or balance of in-house and outsourced development.

Xceed**www.xceed.com**
NASD : XCED**233 Broadway, 23rd Floor**
New York, NY 10279
Phone: (212) 553-2000
Fax: (212) 553-3123

Company Overview

Founded in 1997, Xceed is a rapidly growing Internet professional services firm. It currently has over 600 employees and offices in New York, San Francisco, Los Angeles, Chicago, Atlanta, Phoenix, Dallas, Denver, Amsterdam and London.¹²¹ (See Appendix C for a list of offices.) However, Xceed's ongoing spree of acquisitions over the past year suggests it intends to become much, much bigger. "The Company offers a full range of services that allow it to deliver end-to-end solutions enabling companies to capitalize on the reach and efficiency of the Internet. The Company provides strategic consulting and development services and solutions to Global 2000 companies and market leaders. Xceed envisions the global digital future as a network of relationships, connecting and adding value to all of an organization's constituents, from customers to employers, from suppliers to business partners—called the Digital Value Network. These solutions allow Xceed to leverage strategic relationships, vertical industry expertise and proprietary solutions to accelerate the development of a new, networked business model that makes enterprises smarter, faster and more valuable."¹²² In addition to establishing a wide range of strategic alliances, Xceed is carefully building its business by purchasing a variety of web services firms and companies that provide other business services. It has also created a "division focused on creating apps for wireless devices, including the Palm VII," a move that placed it in the ranks of ZDNet's "Smart 50 Companies" of 1999.¹²³

Xceed's clients include WorldTravel Partners, Nestle, Turner Network Television, and DoubleClick (see Appendix A for a list of clients for 2000). Like many other companies, Xceed is moving away from dot-com clients, planning to have "less than 20% of its revenues derived from Internet Website companies."¹²⁴

One unusual fact about Xceed is that it is not an interactive agency exclusively. Xceed branched out from and became parent to Water-Jel Technologies, a manufacturer and marketer of first aid burn products; in 1998 the company redirected its focus to electronics and machinery.¹²⁵ The company also holds Journeycorp, which provides business travel services to corporations. Currently, Xceed is in the process of eliminating its non-Interactive divisions and "recently decided to divest the Company of the Water-Jel division."¹²⁶

Hoover's lists the company's 1999 sales at \$73.7 million, with a one-year sales growth of 24.5%.¹²⁷ During the first six months of 2000, "revenues rose 72% to \$74.7 million. Net loss from continuing operations applicable to Common totaled \$36 million, up from \$5.3 million.

¹²¹ Xceed.com

¹²² MarketGuide.com

¹²³ "Smart 50 Companies"

¹²⁴ "Xceed Announces Initiatives"

¹²⁵ Corporation Finance Industry Reassignment, 1998

¹²⁶ MarketGuide.com

¹²⁷ TheStandard.com

Results reflect the continued rapid organic growth of the Interactive business, offset by increased S/G/A expenses due to expansion.”¹²⁸ Unfortunately, the second half of 2000 has proven difficult: “Revenues for the most recent quarter ended August 31, 2000 are projected to be off between 10% and 15% on a sequential basis from the prior quarter.” Although Xceed expects “significant growth in the new fiscal year,”¹²⁹ in September the company pink-slipped 75 employees and “issued a warning that its revenues would fall 10 to 15 percent below last quarter’s.”¹³⁰

Executives

Xceed’s current executive team (as of September 22, 2000) consists of Werner G. Haase, Co-Chairman of the Board, President; Scott A. Mednick, Co-Chairman of the Board; Howard A. Tullman, Chief Executive Officer, Director; Gary S. Kahl, Executive Vice President of National Practices; Kevin S. Labick, Executive Vice President, National Business Operations; Adeo Ressi di Cervia, Executive Vice President, Corporate Strategies; and Paul P. Schmidman, Chief Corporate Architect and Executive Vice President, Business Development.¹³¹ Chief financial officer John Gandolfo has resigned, effective September 29, 2000; Xceed has also “disclosed the resignations or firings of six unnamed executives who joined the company over the past two years in connection with various acquisitions.”¹³²

Acquisitions, and Mergers¹³³

Xceed has become a major player in the interactive industry through “A string of Web services firm acquisitions.”¹³⁴ In January 2000, Xceed “acquired Big Theory LLC, a web and interactive services firm, representing the Company’s first expansion into the Texan marketplace.” February saw the acquisition of methodfive, “a 75-person, full-service strategic web development firm based in New York and London that creates and builds online businesses and complex Internet technology systems for large corporations,” along with Sterling Carteret, a Colorado-based systems integration company.¹³⁵ In March, “Xceed enhanced its European operations with the acquisition of Amsterdam-based Pulse.com,”¹³⁶ a full service interactive agency whose interactive clients include Heineken, Sara Lee/DE, University of Amsterdam, Akzo/Nobel, Fashion Fast Forward, PCM Publishers, SNS Bank, Universal Music, the Amsterdam Exchanges and ABN AMRO Lease Holding. On a side note, also in March, Xceed sold its ChannelSeven.com web site and related Internet marketing properties to Internet.com.¹³⁷ Earlier acquisitions have included Mercury Seven, Reset, and Zabit & Associates in 1998; and Tron, 5th Floor Interactive, Catalyst, and Distributed Systems Solution, Inc. in 1999.¹³⁸

Partnerships and Strategic Alliances

Xceed has also beefed up its service offerings by establishing partnerships with key companies. In February 2000, Xceed partnered with “Alpnet Inc., the world leader in multilingual information

¹²⁸ Yahoo! Business

¹²⁹ “Xceed Announces Initiatives”

¹³⁰ “Xceed Axes 75”

¹³¹ MarketGuide.com

¹³² Andrejczak, “Xceed CFO, Other Execs to Depart”

¹³³ Investment information is not available.

¹³⁴ TheStandard.com

¹³⁵ MarketGuide.com

¹³⁶ “Xceed Axes 75”

¹³⁷ MarketGuide.com

¹³⁸ Xceed.com

services. Under this alliance, Xceed will have the capability and market positioning to provide simultaneous localized delivery of information and services in the appropriate languages and contexts—both mechanically and culturally correct—for clients worldwide.¹³⁹ In March, the company formed a strategic alliance with Echtzeit, a European supplier of Virtual Reality, 3D simulation, 3D telecom, and information technology.¹⁴⁰ In May, Xceed partnered with Spherion Corporation,¹⁴¹ followed by an alliance with Akamai Technologies, a provider of global services for the delivery of Internet content, streaming media and applications.¹⁴² Xceed's most recent partner is Evolve ServiceSphere, "a leading 100 percent Internet end-to-end solution to automate the core business processes of its e-professional services business."¹⁴³

Current Service Offerings

Xceed views the internet as "a network of electronically interconnected industries, suppliers, manufacturers, wholesalers and customers," or, in other word, a "Digital Value Network." In recognition of the internet as an entirely new way of being for business, Xceed has created its "Digital Value Model (DVM)TM", a model that is the first step in creating a road map for realigning an enterprise into a Digital Value Network." In addition to offering a methodology tailored to "digital value," the company offers:

- An internal research organization that provides a comprehensive analysis of industry trends, best practices, ongoing challenges and emerging opportunities in the vertical markets that our customers do business in. These reports address issues and practices that impact every component of the Digital Value Network."
- A Component Center that is building unique, industry-specific components that can dramatically reduce the costs and time-to-market for building DVN connections and provide important market differentiation for our customers.
- A Business Transformation group that counsels and assists enterprises to generate support and understanding among employees of the changes necessary to transform their organization into a Digital Value Network. ¹⁴⁴

Methodology and Billing

Xceed's proprietary process, called the "Digital Value Methodology," consists of the following phases:

Phase 1: Enterprise Network Assessment (ENA)TM—consisting of market research, business analysis and a series of structured workshops, this phase helps identify DVN opportunities across the enterprise. As a result of this phase, a Digital Value Model (DVM)TM is developed as the first step in creating a road map for realigning an enterprise into a DVN.

Phase 2: Planning—working closely with the client, this phase focuses on producing a complete and measurable list of deliverables associated with each phase of the solution.

Phase 3: Design—identifying all of the necessary system components based on the requirements identified in the Planning phase, this phase includes detailed design specifications, physical data requirements and the technical aspects of the system.

Phase 4: Development—constructing the components identified in the Design phase, this phase includes the creation of test cases to be used for Integration, System, and User Acceptance testing.

¹³⁹ "Xceed Partners with Alpnet Inc."

¹⁴⁰ MarketGuide.com

¹⁴¹ "Xceed Announces Initiatives"

¹⁴² MarketGuide.com

¹⁴³ "Xceed Selects Evolve's Professional Services Automation Solution"

¹⁴⁴ Xceed.com

Phase 5: Implementation—focusing on testing and reviewing all aspects of the system, this phase includes documentation, testing, system launch, training and transition activities.¹⁴⁵

Xceed bills its clients on a time-and-materials basis, rather than by flat fees. President and COO Scott Mednick explains, “You have to protect yourself against the variable of time as projects grow more complex.”¹⁴⁶

Organization

Xceed’s “Digital Value Network” teams fall into six interdisciplinary divisions defined by services. Strategy and Consulting includes Enterprise Network Assessment, Digital Value Modeling, knowledge management, business transformation, opportunity assessment and business plan development, vertical market research and competitive analysis, content management models, enterprise staffing and resource management, best practices benchmarking, partnership and alliance strategies, and strategic marketing. Online Applications and Tools includes B2C services: customized shopping, payment processing, order fulfillment, online customer service, and vertical industry-specific applications; B2E services: “Enterprise Work Portals(tm),” workgroup/department/business unit applications, web-enabled HR self-service, CRM, and front and back office systems; and B2B services: digital marketspaces, portals, supply chain applications, and traditional extranet applications. Wireless/Broadband Applications includes WAP applications, Broadband applications and experiences, Shockwave/Flash applications, and Digital video development and streaming. Systems Integration and Components includes content management systems, data warehousing, Retail pricing engines, and best-in-breed component and third-party product integration. Marketing, Communications and Branding includes market assessment and analysis, marketing strategies & creative execution, “Ninja marketing” and Internet promotion, marketing communication & advertising, brand strategies and positioning programs, database marketing services, integrated marketing and online media, internal branding and communication, Human Resources communication, change management communication, and intranet awareness and adoption communication. Creative includes online and offline ad campaign strategy and development, corporate identity development, user experience strategy, information architecture, interface design, editorial and copy development, video and film production, graphic design and production.¹⁴⁷

Current and Recent Projects

Site launches in 2000 include EuropeanBusinessForum.com, “a Website for top tier business people across Europe” (May 2000), and ChamberBiz.com (April 2000), “a Web site that helps small businesses utilize the latest in technology to do what they do better.” Xceed also completed site redesigns for the Girl Scouts of Chicago 's web site and Lean Cuisine.¹⁴⁸ (See Appendix B for a list of projects for 2000, and Appendix E for Xceed’s project portfolio.)

Work in progress covers the full range of Xceed’s service offerings. *Strategy and Consulting* projects include an assignment to develop the internet media sales strategy, collateral materials and advertising sales representation for Institutional Investor’s online product iimagazine.com, and also a contract to develop InvestPrivate.com’s web presence and marketing strategy. One *Online Applications and Tools* and *Systems Integration and Components* project in the works is Xceed’s deal with Central Newspapers, a media and information company, to provide “Sybase/Oracle database administration, database warehousing design and development, data

¹⁴⁵ Xceed.com

¹⁴⁶ Joyce, “Five Years On, Web Agencies Try to Catch Up with Themselves”

¹⁴⁷ Ibid.

¹⁴⁸ MarketGuide.com

mining and database marketing, Oracle Financials architectural direction and implementation, and project management. Development of a client extranet and wireless solution for WorldTravel Partners falls to Xceed's *Wireless/Broadband Applications*, and its *Marketing, Communications and Branding* division will be especially busy. Turner Network Television has chosen Xceed to promote the TNT Original Movie, Running Mates; Xceed will use "ninja marketing and online public relations efforts, such as message board postings, direct email marketing, and mailing lists." Additionally, Xceed will provide end-to-end communication services for eWorldFreight.com, developer of a Web-based method for negotiating transportation-related transactions. *Creative* projects include the redesigns of 4anything.com and Caterpillar's website. A project that uses both creative and strategic expertise is Xceed's contract to develop the production blueprints of the United Retail Group's AVENUE brand online channel.¹⁴⁹

Xceed has also lined up a medley of large projects that bring the agency's full range of services into play. In April, Xceed contracted with SPACEHAB to develop the e-learning component of SPACEHAB's Space Technology And Research Students (S*T*A*R*S) global space education program. In March, Xceed was selected to create a Web site "to drive the campaign to defeat Proposition 28 in the state of California. Proposition 28 proposes to repeal Proposition 10 (which endorses an additional \$.50 tax per pack of cigarettes sold in the state of California), as well as eliminate the possibility to impose any such tax in the future." Xceed was signed on the to design and develop Planet Hollywood's site in May, and in June, Celtic Vision Productions selected Xceed to develop a comprehensive online resource for all things Irish, Scottish, and Welsh. Most recently, in August, Xceed was chosen to design and develop News International's new football Web site, supergoals.com, which "will be a one-stop-shop football destination."¹⁵⁰

Two projects in particular may help to expand and ground Xceed's business. Xceed will provide marketing services and develop web sites for three Nestle brands; this engagement with the Prepared Foods Division of Nestle USA moves Xceed into the consumer packaged goods market. Xceed also gained a long-term client by becoming Castrol North America's "Preferred Internet Architect" in March.¹⁵¹

Remarks

Only three years old, Xceed is a new kid on the block in an industry that has grown up fast, and this is what makes it an especially engaging case study. The industry is not quite the wide-open frontier it was five years ago, so it will be interesting to see how this newcomer succeeds in positioning itself as a global leader and one-stop service provider.

Xceed is following in the footsteps of its elders, building its size and credentials through acquisitions and strategic alliances. In the process, it is expanding its offerings to include media services and wireless application development. Yet the company, at present, is unstable, and it has not yet differentiated itself from its competitors. Also, it is leaning hard on branding and strategy services as its core competencies, an approach that works well with dot-coms and companies initiating online presence, but that will not impress Fortune 500 clients. In many ways, Xceed is still a web shop, despite its growing size. Although it has not yet produce many end-to-end solutions, nor has it developed a track record in systems integration, it has attracted a significant number of major clients and has excelled in strategic consulting,

¹⁴⁹ MarketGuide.com

¹⁵⁰ Ibid.

¹⁵¹ Ibid.

marketing/branding, and front-end web development, including creative work and application development.

Xceed has already entered the ranks of the top interactive agencies; it was listed at #15, immediately below Organic (#14), in AdWeek's ranking of the top 100 agencies of 1999 (UsWeb/CKS [marchFIRST] and Razorfish were #4 and #5, respectively).¹⁵² Given an industry in which agencies grow up fast, only time will tell if this newcomer will rise to the top.

No information was available concerning Xceed's investments or balance of in-house and outsourced development.

¹⁵² "The Top 100 Interactive Agencies"

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Appendix A: Clients 2000

marchFIRST	Organic	Razorfish	Xceed
Alternative Distribution Svcs.	American Golf Corp.	AirTouch	Casual Corner Group, Inc.
American Airlines	Avis	Arbeidsmarkedsetaten	J. Jill
Apple Computer	Awards.com	Bikeshop.com	The Territory Ahead
CNNSI	Bardahl	C&A department stores	Borg Warner Automotive
CPS Insurance	Bell ActiMedia	Caresoft, Inc.	Castrol North America
ConAgra Grocery Products	Blockbuster Video	Charles Schwab	Fox (X-Men)
CorSolutions	Bloomingtondale's	CMT: Country Music TV	HBO Family
Covalex.com	Cartao Unibanco	DoubleTwist, Inc	HBO-The Chris Rock Show
Excite@Home	CDNOW	DuPont LYCRA div.	HBO: Inside the NFL
Frontgate	Compaq	ARTE	HBO: World Championship Boxing
FurnitureFind.com	CP Cimento	Giorgio Armani	PBS Enterprises
GroupTrade	Daimler Chrysler	German WAP	Planet Hollywood
Harley-Davidson	DayTimer Digital	GO Network	USA Films
LiveMind	Deja.com	Guardian Life Insurance	EarlyBirdCapital.com
Lufthansa	E card	Mandatum Bank	InvestPrivate.com
PaperHub.com	E mocos	Highmark Blue Cross Blue Shield	Silicon Valley Bank
PlanetFeedback.com	escout.com	HypoVereinsbank	Eli Lilly
Portfolio	Ethcentric	IAM.com	Healthon/WebMD
Saks Fifth Avenue	Fathom	iN DEMAND	Celtic Vision
Sega	Freelance.com	KeraVision, Inc	CinemaNow, Inc
Shell Geo Star	Garnet Hill	MeesPierson	DoubleClick
Super Shuttle	Hewlett Packard	Motient	EW Scripps Company
Toyota Motor Europe	idvSports.com	MTV	Institutional Investor, Inc
Williams-Sonoma	iWare	Nexstar Financial Corp.	Men's Health
Zonetrader	JP Kids	Sharp Electronics	Reader's Digest Health
	Knowledge Universe	Sports City	TheStreet.com
	Law.com	Storage Networks, Inc	ALPNET
	Mastercard	Swedish auction site	Nework
	MSP	Time Warner	Diamond Cutters
	Next Planet Over	U.S. Naval Supply Systems Command	Etown
	Payless ShoeSource	Vodafone	Herman Miller
	Soloella.com		Homerun.co.uk
	Special Olympics		Spree.com
	Textbooks.com		Starbucks
	The Nature Conservancy		Sterling Optical
	Tom.com		That Glow
	Tommy.com		United Retail Group
	UMB		U.S. Chamber of Commerce
	Uproar		Evolve
	Virtual Growth		Idapta (Intelligent Digital)
	WiseAds		NCR Corporation
			Pitney Bowes
			SpaceHab Incorporated
			Sprint Corporation
			WorldTravel Partners

Appendix B: Projects 2000

marchFIRST

Aprimo	Web site development.
Autoland	Co- branded tools that will be incorporated within the Web sites of credit unions and other affinity organizations.
Easy Software	Consulting and technical services for the Easy Software's Easy Archive product suite to SAP R/3 clients. (Whittman-Hart)
e-Catalog	E-Commerce solution designed to help companies target their sales efforts and build customer loyalty. Whittman-Hart Internal project
EFIRST	Web-based procurement solutions for the financial services industry. (Whittman-Hart)
Impregilo SpA	Portal for the European engineering and construction sector.
American Airlines	Site hosting and management for AA.com, the company's business-to-consumer site.
Mattel	Redesign and enhancement of the Barbie.com web site.
Microsoft	Back-end applications hosting
PotteryBarn.com	Online strategy, user interface design and systems integration technology (named "Best of the Web" by Forbes)
Sega.com	Strategic business support, site design and build, and back-end architecture for web site; finalization of online console gaming network and Internet service provider.
ShellGeoStar.com	Internet portal for European travel covering 16 European countries and is currently available in six languages - English, German, Dutch, Danish, Swedish and French.

Organic

American Museum of the Moving Image	Development of a wireless information system.
Bell ActiMedia	Development of online business.
British Telecommunications	Strategic overhaul of the BT brand online and redevelopment of bt.com.
EScout	Development of B2B banking site; recognized as one of the 50 best business-to-business internet sites in <u>CIO</u> magazine's Web Business Awards (July 2000).
Federated Department Stores	Beginning with assignments on macys.com and bloomingdales.com, Organic will provide Federated with its C2B Internet professional services, which include Web site design, engineering, strategy, and customer service and fulfillment.
Garnet Hill	Development of the clothing, bedding and accessories company's first online store. Integration of order management, fulfillment and customer service modules of CommercialWare's retail.dot.commerce software suite and BroadVision's Retail Commerce application.
Law.com	Development of an international version of the Law.com site.
Target Corporation	Strategy, creative services, and marketing solutions for current e-commerce site, target.com.
TOM.COM	Development of an English version of the investing mega-portal portal in the U.S.
Washington Mutual	Re-development of www.wamumortgage.com.

Razorfish

A/X Armani Exchange	Redesigned of ecommerce site.
ARTE	On-air brand identity package for the European cultural network.
Bikeshop.com	Sitelet development.
C&A department stores	Relaunched of CundA.de e-commerce site.
Caresoft	Development of consumer health web site.
Country Music Television	Update of on-air look.
DoubleTwist	Development of technical user interface and all adjunct systems to provide researchers with the tools to perform sophisticated computational genetic analysis without requiring bioinformatics expertise.
DuPont	Development of a new business-to-business initiative for DuPont's LYCRA division.
Fortum	Theme portal that helps relocating individuals and companies to plan their moves in the Nordic countries.
GO Network	New content strategy.
Guardian Life Insurance Company of America	Consolidation of all of the company's web sites and development of an integrated web-presence reflecting the company's brand under one universal image.
Highmark Blue Cross Blue Shield	Redesign the insurer's website.
HypoVereinsbank	Strategy, technology and design for relaunch of www.hypovereinsbank.de for one of the largest banks in Germany.
IAM.com	Web site that brings aspiring artists and entertainment industry professionals together.
iN DEMAND	On-air graphics identity package that includes opens, menus, donuts, teasers, bumpers and other elements.
KeraVision	Development of a new consumer web site for the developer of Intacs micro-prescription inserts for correcting mild nearsightedness (myopia).
Mandatum Bank	Web site offering online financial services giving Mandatum

	customers access to the same financial information as professional stock brokers.
MeesPierson	Development of meespierson.com online banking site.
Motient	Development of a new brand strategy, corporate name and logo for American Mobile Satellite Corporation.
MTV "Senseless Acts of Video"	Content, on-air titling, and graphics.
MTV Movie Awards	Logo design.
Nexstar Financial Corporation	Design and production of on-line identity and related front-end technology.
Norwegian Directorate of Labor	Relaunch of an employment site for Norwegians.
Razorfish	Re-launch of enhanced German Wireless Application Protocol site to deliver the latest information about Razorfish. Among the services included in the site is access to the company Intranet for employees, allowing them to check emails. The site also offers a current listing of job opportunities.
Sharp Electronics	Release of the new Sharp Web site.
Sports City	On-air identity package for Sports City, the sports franchise for TCS, a Singapore television network.
StorageNetworks.com	Web site redesign.
Swedish auction site	a meeting place for sellers and buyers of collector's items.
U.S. Naval Supply Systems Command (NAVSUP)	Creation, development, and implementation of two new modules for the Navy's Material Financial Control System.
Vodafone AirTouch	Development of user experience specifications for Vodafone AirTouch's global wireless Internet portal.

Xceed

4anything.com	Web site redesign and branding.
Campaign to defeat Prop 28 in the state of California	Web site development.
Castrol North America	Long-term engagement as the Preferred Internet Architect.
Caterpillar Inc.	New information architecture to provide improved navigation throughout the Caterpillar site.
Celtic Vision Productions	Development of a comprehensive online resource for all things Irish, Scottish, and Welsh. Celtic Vision is a Boston-based cable television network that features dramas, documentaries, performing arts, sitcoms, news, and sports from and about Ireland, Scotland, and Wales.
Central Newspapers	Database support and administration.
ChamberBiz.com	A web site that helps small businesses utilize the latest in technology to do what they do better. This for-profit internet site was created through the partnership of telcom ventures, a venture capital firm, and the US. chamber of commerce, with the nationwide federation of local and state chambers.
European Business Forum	Design and build of europeanbusinessforum.com, a web site for top tier business people across Europe. EBF is jointly established by business consultancy, Pricewaterhouse Coopers, and the Community of European Management Schools.
eWorldFreight.com	End-to-end communication services for this new company.
Girl Scouts of Chicago	Web site redevelopment.
Institutional Investor magazine	Internet media sales strategy, collateral materials and advertising sales representation for iimagazine.com.
InvestPrivate.com	Development of web presence and marketing strategy for an online investment banking and brokerage firm that specializes in delivering private placement opportunities to accredited investors.
Lean Cuisine	Web site redesign and update
Nestle USA	Internet web site development and marketing services for three Nestle brands.
News International	Design and development supergoals.com, a one-stop-shop

	football destination.
Planet Hollywood	Web site design and development.
SPACEHAB	Development of the e-learning component of SPACEHAB's Space Technology and Research Students (S*T*A*R*S) global space education program.
Stouffers.com	Web site redesign.
Turner Network Television	Promotion of the TNT Original Movie, <u>Running Mates</u> , using ninja marketing and online public relations efforts, such as message board postings, direct email marketing, and mailing lists.
United Retail Group	Development of production blueprints; discovery and research, strategy and planning, site architecture and visual design.
WorldTravel Partners	Development of a client extranet and wireless solution.

Appendix C: Office Addresses

marchFIRST

311 S. Wacker Drive, Suite 3500
Chicago, IL 60606-6621
Telephone: +1 (312) 922-9200
Fax: +1 (312) 913-3020
Toll Free: +1 (800) 932-7348

5343 North 16th Street
Suite 400
Phoenix, AZ 85016
Phone: +1 602 824-2020
Fax: +1 602 212-0778
Toll Free: 800 426 7767

10202 W. Washington Blvd, Suite 3000
Culver City, CA 90232
Phone: +1 310 244-8751
Fax: +1 310 244-5170

10260 Bandley Drive
Cupertino, CA 95014
Phone: +1 408 861-5300
Fax: +1 408 861-5420

10381 Bandley Drive
Cupertino, CA 95014
Phone: +1 408 861-5300
Fax: +1 408 861-5320

10441 Bandley Drive
Cupertino, CA 95014
Phone: +1 408 861-5300
Fax: +1 408 861-5620

20605 Lazaneo Drive
Cupertino, CA 95014
Phone: +1 408 861-5300
Fax: +1 408 861-5250

7595 Irvine Center Drive, Suite 100
Irvine, CA 92618
Phone: +1 949 585-8600
Fax: +1 949 585-8799

255 California Street
10th Floor
San Francisco, CA 94111
Phone: +1 415 782-6300
Fax: +1 415 782-6363

300 Montgomery Street
Suite 888
San Francisco, CA 94104
Phone: +1 415 772-3660
Fax: +1 415 288-3955

Portland House
Stag Place
London SW1E 5ZT UK
Phone: 44 (0) 207 896 1000
Fax: 44 (0) 207 896 1001

Adamson House
Towers Business Park
Wilmslow Road
Manchester M20 2YY UK
Phone: 44 (0) 161 955 4711
Fax: 44 (0) 161 955 4318

622 Emerson Rd, Suite 200
St. Louis, MO 63141
Phone: +1 314 655-7280
Fax: +1 314 655-7277
Toll Free: 800 426 7767

3960 Howard Hughes Pkwy
5th Floor
Las Vegas, NV 89109
Phone: +1 702 952-4300
Fax: +1 702 952-4301

1 Delaware Drive
Salem, NH 03079
Phone: +1 603 890-1704
Fax: +1 603 890-5317

600 Campus Drive
1st Floor
Florham Park, NJ 07932
Phone: +1 973 236-9655
Fax: +1 973 236-9630

641 Sixth Ave., 6th Floor
New York, NY 10011
Phone: +1 212 206-4000
Fax: +1 212 627-3427

71 Fifth Avenue
New York, NY 10003
Phone: +1 212 989-4050
Fax: +1 212 989-8550

9 West 57th Street
New York, NY 10019
Phone: +1 212 372-9000
Fax: +1 212 372-9001

Six LakePointe Plaza
2725 Water Ridge Pkwy, Ste 350
Charlotte, NC 28217
Toll Free: 800 426 7767
Fax: +1 704 329-4650

Karntner Ring 5-7
1010 Vienna
Austria
Phone: 43 15 147 4440
Fax: 43 15 147 4330

Chaussee de Tervuren 198F
B-1410 Waterloo
Belgium
Phone: 32-2/352 08 28
Fax: 32-2/352 08 69

I.I.C. RU. Gent
Technologiepark 3
B-9052 Zwijnaarde
Belgium
Phone: 32-2/352 08 28
Fax: 32-2/352 08 69

Education Center
Dreve Richelle 161B
B-1410 Waterloo
Belgium
Phone: 32-2/357 52 55/69
Fax: 32-2/357 52 52

55 York Street
Suite 1500
Toronto
Canada
Phone: +1 416 368-2222
Fax: +1 416 366-6667

1 University Avenue
Suite 1900
Toronto
Canada
Phone: +1 416 603-2000
Fax: +1 416 603-1998

1250 boule. René-Lévesque Ouest
Bureau 2820
Montréal
Canada
Phone: +1 514 989-1697
Fax: +1 514 989-7667

Pacific Business Centre Inc.
701 West Georgia Street, Suite 1500
Vancouver
Canada
Phone: +1 604 408-6653
Fax: +1 604 801-5911

345 Spear Street, Suite 500
San Francisco, CA 94105
Phone: +1 415 357-8200
Fax: +1 415 543-2461

394 Pacific Avenue, 5th Floor
San Francisco, CA 94111
Phone: +1 415 434-2947
Fax: +1 415 434-2951
Toll Free: 800 426 7767

410 Townsend Street
San Francisco, CA 94107
Phone: +1 415 284-7070
Fax: +1 415 284-7090

651 Brannan Street, Suite 300
San Francisco, CA 94107
Phone: +1 415 344-5800
Fax: +1 415 284-5315

2880 Lakeside Drive, Suite 300
Santa Clara, CA 95054
Phone: +1 408 987-3200
Fax: +1 408 987-3230
Toll Free: 800 998 7932

3000 Lakeside Drive
Santa Clara, CA 95054
Phone: +1 408 855-2300
Fax: +1 408 855-2355

2425 Olympic Blvd.
Suite 400 E
Santa Monica, CA 90404
Phone: +1 310 664-5100
Fax: +1 310 664-5099

8000 S. Chester Street
Suite 300
Denver, CO 80112
Phone: +1 303 773-8400
Fax: +1 303 773-1404
Toll Free: 800 426 7767

1 Fawcett Place, Suite 330
Greenwich, CT 06830
Phone: +1 203 629-1800
Fax: +1 203 629-1991

50 Washington Street
South Norwalk, CT 06854
Phone: +1 203 857-0080
Fax: +1 203 857-0082

1900 West Commercial Blvd., Ste 100
Ft. Lauderdale, FL 33309
Phone: +1 954 771-0039
Fax: +1 954 771-8848

333 Corporate Plaza
Raleigh, NC 27601
Phone: +1 919 828-0691
Fax: +1 919 821-5122

5151 Pfeiffer Road
Suite 200
Cincinnati, OH 45242
Phone: +1 513 985-0101
Fax: +1 513 985-0060
Toll Free: 800 426 7767

Park Center Plaza One
6100 Oak Tree Blvd, Suite 300
Independence, OH 44131
Phone: +1 216 447-0024
Fax: +1 216 447-9254
Toll Free: 800 426 7767

580 North 4th Street, Suite 220
Columbus, OH 43215
Phone: +1 614 358-1994
Fax: +1 614 358-2361
Toll Free: 800 426 7767

320 SW Oak Street, Suite 200
Portland, OR 97204
Phone: +1 503 790-2450
Fax: +1 503 790-9104

Omega Corporate Center
1000 Omega Drive, Suite 1430
Pittsburgh, PA 15205
Phone: +1 412 859-9060
Fax: +1 412 859-6696
Toll Free: 800 426 7767

7501 Capital of Texas Hwy
Building A, Second Floor
Austin, TX 78731
Phone: +1 512 502-8833
Fax: +1 512 502-8843

12655 N. Central Expressway
Suite 550
Dallas, TX 75243
Phone: +1 972 960-2700
Fax: +1 972 960-2704
Toll Free: 800 426 7767

11111 Katy Freeway, Suite 850
Houston, TX 77079
Phone: +1 713 647-9400
Fax: +1 713 647-9485

6333 North Highway 161, Ste 100
Irving, TX 75038
Phone: +1 972 580-7900
Fax: +1 972 580-7780

40, rue La Pérouse
75116 Paris
France
Phone: 33 (0)1 44 17 82 60
Fax: 33 (0)1 44 17 82 61

Immeuble les Saisons
4, place des Saisons
La Défense 1
92036 Paris La Défense Cédex
France
Phone: 33 (0)1 55 68 59 80
Fax: 33 (0)1 55 68 59 81

1, avenue du Mont-Blanc
01710-Thoiry
France
Phone: 33/(0) 450 206 777
Fax: 33/(0) 450 422 384

Zwickauer Straße 16
09112 Chemnitz
Germany
Phone: 0371-3551-0
Fax: 0371-3551-111

Hallbergstrasse 28
40239 Düsseldorf
Germany
Phone: 49 211-61670-0
Fax: 49-211-61670-222

Hamburger Allee 2-10
60486 Frankfurt am Main
Germany
Phone: 49 69 91 73 5-0
Fax: 49 69 91 73 5-222

Neumann-Reichardt-Str. 27-33
D-22041 Hamburg
Germany
Phone: 49 40 657 33-0
Fax: 49 40 657 33-888

Room 521, Sun Hung Kai Centre
30 Harbour Road
Wanchai Hong Kong
Phone: 852 2829 8500
Fax: 852 2829 8520

270, route d'Arlon
L-8010 Strassen
Luxembourg
Phone: 352 31 31 14 1
Fax: 352 31 31 14 200

Drammensveien 123
Oslo 0.0214 Norway
Phone: 47 815 59 595
Fax: 47 23 28 25 01

5201 Blue Lagoon Drive, Suite 823
Miami, FL 33126
Phone: +1 305 716-4280
Fax: +1 305 629-3100
*1200 Abernathy Road NE, Suite
1600
Atlanta, GA 30328
Phone: +1 678 441-1700
Fax: +1 678 441-1992
Toll Free: 800 426 7767*

320 N. Elizabeth
Chicago, IL 60607
Phone: +1 312 986-5293
Fax: +1 312 913-3100

311 S. Wacker Dr., Suite 3500
Chicago, IL 60606
Phone: +1 312 922-9200
Fax: +1 312 913-3020
Toll Free: 800 426 7767

233 North Michigan Ave, Suite 2900
Chicago, IL 60601
Phone: +1 312 361-2000
Fax: +1 312 361-2222

1300 E. Woodfield Road, Suite 302
Schaumburg, IL 60173
Phone: +1 847 605-1900

9449 Priority Way West Drive
Indianapolis, IN 46240
Phone: +1 317 575-9696
Fax: +1 317 575-9996
Toll Free: 800 426 7767

206 Des Moines Street
Des Moines, IA 50309
Phone: +1 515 284-5116
Fax: +1 515 288-3474

2 Bethesda Metro Center, Suite 800
Bethesda, MD 20814
Phone: +1 301 652-5250
Fax: +1 301 652-5778

128 Corporate Center
70 Blanchard Rd, 2nd Floor
Burlington, MA 01803
Phone: +1 781 203-3000
Fax: +1 781 203-3050
5 Cambridge Center

4000 Town Center
Suite 1260
Southfield, MI 48075
Phone: +1 248 455-5900
Fax: +1 248 455-5950

32 Exchange Place, Suite 200
Salt Lake City, UT 84111
Phone: +1 801 328-1113
Fax: +1 801 328-1133

570 Herndon Parkway
Herndon, VA 20170
Phone: +1 703 435-7799
Fax: +1 703 435-5551

550 Kirkland Way
Suite 300
Kirkland, WA 98033
Phone: +1 425 739-8000
Fax: +1 425 739-8001
406 Science Drive
Suite 200
Madison, WI 53711
Phone: +1 608 233-2930
Fax: +1 608 233-9909

10001 Innovation Drive
Milwaukee, WI 53151
Phone: +1 414 390-0900
Fax: +1 414 390-0960
Toll Free: 800 426 7767

Level 49
120 Collins Street
Australia
Phone: 61 3 9656 8200
Fax: 61 3 9656 8201

Level 27
Governor Phillip Tower
1 Farrer Place
Australia
Phone: 61 2 8248 7100
Fax: 61 2 8248 7101

60 Glacier Drive
Westwood, MA 02090
Phone: +1 781 329-7626
Fax: +1 781 329-8612
Toll Free: 800 426 7767

648 Monroe Ave. N.W.
4th Floor
Grand Rapids, MI 49503
Phone: +1 616 454-4455
Fax: +1 616 454-2477
Toll Free: 800 426 7767

3rd Floor
Cambridge, MA 02142
Phone: +1 617 528-1400
Fax: +1 617 528-1401

P.O. Box 785553
Sandton, 2146
South Africa
Phone: 27 (0)11 881 5717
Fax: 27 (0)11 881 5736

Torres de Colon
Torres II- Planta 11
28046 Madrid
Spain
Phone: 34 91 391 59 20
Fax: 34 91 319 81 76

Gamla Brogatan 23B
SE-111 20 Stockholm
Sweden
Phone: 46 8 555 170 30
Fax: 46 8 555 170 84

9, route des Jeunes
Geneva CH-1227
Switzerland
Phone: 41 (0) 22 307 7000
Fax: 41 (0) 22 307 7001

5, ch. des Paleyres
1006 Lausanne
Switzerland
Phone: 41 (0) 21 601 1700
Fax: 41 (0) 21 601 1701

Dreikonigstrasse 31A
8002 Zurich
Switzerland
Phone: 41 (0) 1 208 37 65
Fax: 41 (0) 1 208 36 76

1 Riverside-Manbre Road
Hammersmith W6 9WA UK
Phone: 44 (0) 208 741 8999
Fax: 44 (0) 208 741 9413

Ebury Gate
23 Lower Belgrave Street
London SW1 W 0NR UK
Phone: 44 (0) 207 761 1500
Fax: 44 (0) 207 761 1501

The Piper Centre
Peterborough Road
London SW6 3EG UK
Phone: 44 (0) 207 384 0800
Fax: 44 (0) 207 384 0900

Two Carlson Parkway, Suite 250
Plymouth, MN 55447
Phone: +1 612 404-2111
Fax: +1 612 404-0958
Toll Free: 800 426 7767

Organic

Atlanta

Plaza 400
5887 Glenridge Drive
1st Floor
Atlanta, GA 30328
Phone 404-705-5500
Fax 404-236-7587

Chicago

600 W. Fulton Street
Chicago, IL 60661
Phone (312) 577-7800
Fax (312) 575-8516

Detroit

100 Bloomfield Hills Parkway
Bloomfield Hills, MI 48304
Phone (248) 205-4300
Fax (248) 593-4826

New York

233 Broadway
13th Floor
New York, NY 10279
phone (212) 277-4800
fax (212) 277-4950

San Francisco

510 Third Street
Suite 540
San Francisco, CA 94107
Phone (415) 284-6888
Fax (415) 284-6891

London

70 Salisbury Road
London NW6 6NU
phone +44 (0) 20 7644 2600
fax +44 (0) 20 7644 2609

Sao Paulo

Av. Dr. Cardoso de Melo,
1608 - 3 andar
Sao Paulo, 04548-005, SP, Brazil
Phone (5511) 3044-0343
Fax (5511) 3044-0343

Singapore

Organic.com Pte Ltd.
The Foundry,
3B River Valley Road
#02-01 Clarke Quay
Singapore 179021
Phone 65-883-1800
Fax 65-883-1808

Toronto

468 King Street West
Suite 100
Toronto, Ontario
Canada
M5V 1L8
phone (416) 874-7000
fax (416) 874-7100

Razorfish

New York

Razorfish
32 Mercer Street
New York, NY 10013
tel (212) 966.5960
(800) 950.IDEA
fax (212) 966.6915

San Francisco

Razorfish
169 11th Street
San Francisco, CA 94103
tel (415) 865.1465
fax (415) 865.1475

Los Angeles

Razorfish
340 Main Street
Venice, CA 90291-2524
tel (310) 581.5599
fax (310) 581.5598

Boston

Razorfish
101 Main Street
Cambridge, MA 02142
tel (617) 250.2500
fax (617) 250.2501

Oslo

Razorfish
Kongens Gate 2
0153 Oslo, Norway
tel (47) 23.10 32 00
fax (47) 23.10 32 01

Boston

Razorfish
101 Main Street
Cambridge, MA 02142
tel (617) 250.2500
fax (617) 250.2501

Oslo

Razorfish
Kongens Gate 2
0153 Oslo, Norway
tel (47) 23.10 32 00
fax (47) 23.10 32 01

Stockholm

Razorfish
Grev Turegatan 30
114 87 Stockholm, Sweden
tel (46) 8.555.64.000
fax (46) 8.555.64.100

Stockholm

Razorfish
Grev Turegatan 30
114 87 Stockholm, Sweden
tel (46) 8.555.64.000
fax (46) 8.555.64.100

Helsinki

Razorfish Oy
Lapuankatu 4
00100 Helsinki, Finland
tel (358) 9.41580.800
fax (358) 9.41580.801

London

Razorfish
2 East Poultry Avenue
Smithfield
London, England EC1A 9PT
tel (44) 0207.549.4200
fax (44) 0207.236.2605

Amsterdam

Razorfish
Rapenburgerstraat 173
1011 VM Amsterdam
tel +(31) 20.523.6500
fax +(31) 20.523 6510

Milan

Razorfish
Piazza St Alessandro, 4
Milano 20121 Italy
tel (39) 02.72.56.62
fax (39) 02.72.56.62530

Hamburg

Razorfish
Bleichenbrücke 10
20354 Hamburg, Germany
tel (49) 40.35 53 77 10
fax (49) 40.35 53 77 20

Frankfurt am Main

Razorfish
Solmsstr. 8
60486 Frankfurt
tel +49 (0)69.972.658.0
fax +49 (0)69.972.658.88

Munich

Razorfish
Gutshof Mengerschwaige
Mengerschwaigstr. 4
81545 München
tel +49.(0)89.64.200.0
fax +49.(0)89.64.200.200

Tokyo

Intervision-Razorfish
6th Floor
Hiroo SK Building
2-36-13 Ebisu
Shibuya-ku
Tokyo 1500013
Japan
tel (81) 3.5475.2011
fax 03.5475.2021

Xceed

New York

Xceed, Inc.
233 Broadway
New York, NY 10279
Phone: 212.553.2000
Fax number: 212.553.3025

San Francisco

Xceed, Inc.
2330 Marinship Way, Suite 150
Sausalito, CA 94965
Phone: 415.339.2500
Fax: 415.339.2510

Los Angeles

Xceed, Inc.
11755 Wilshire Blvd., 19th floor
Los Angeles, CA 90025
Phone: 310.473.3000
Fax: 310.479.2592

Chicago

Xceed, Inc.
55 West Monroe, Suite 2330
Chicago, IL 60603
Phone: 312.443.9000
Fax: 312.857.1480

Atlanta

Xceed, Inc.
3455 Peachtree Road, Suite 500
Atlanta, GA 30326
Phone: 404.995.7074
Fax: 404.995.7001

Phoenix

Xceed, Inc.
5230 East Shea Blvd., Suite 100
Scottsdale, AZ 85254
Phone: 480.778.0888
Fax: 480.778.9494

Xceed, Inc.

3350 N. Arizona Ave., Suite 2
Chandler, Arizona 85224
Phone: 480.558.1033
Fax: 480.558.2222

Dallas

Xceed, Inc.
2216 Commerce Street
Dallas, TX 75201
Phone: 214.915.6400
Fax: 214.748.6431

Denver

Xceed, Inc.
514 El Paso Blvd.
Manitou Springs CO 80829
Phone: 719.685.3100
Fax: 719.685.3400

Amsterdam

Pulse Interactive Inc.
Wibautstraat 3 - 9th floor south
1091 GH Amsterdam
The Netherlands
T. +31 (0)20 596 2500
F. +31 (0)20 596 2503

London

Xceed, Inc.
The Corn Exchange
55 Mark Lane, 7th floor
London EC3R 7NE
Great Britain
T. +44 (0)20 7767 0700
F. +44 (0)20 7767 0800

Appendix D: Razorfish Portfolio¹⁵³

Financial Services

Bankers Trust August 1997	A series of digital tools that improve Bankers Trust business functions.
Bradesco December 1997	A Web presence and active channel that provides innovative banking services. Using DHTML, Razorfish created a site that incorporates embedded fonts to ensure a consistent end-user experience, as well as completely dynamic content without the use of browser plug-ins.
Charles Schwab & Co. June 1998	A digital tool that attracts new customers and empowers existing ones. Customization and information architecture.
Euromoney December 1996	Eden: an Oracle database of two million contacts that enables Euromoney to improve their direct marketing, translating into increased returns on marketing spending
FT.com February 2000	Position FT.com as "Your Partner in Business" by designing and developing the site to provide unique user experiences. Strategy, information architecture, integration with numerous back-end systems.
Goldfish September 1997	A fully interactive site that introduces the credit card and integrates fully with the company's non-Web promotional activities. Points engine for loyalty program.
Identrus February 2000	Systems integration, technical architecture, product strategy, and program management support for the construction of Identrus's infrastructure for secure Internet transactions.
M.R. Weiser March 1996	Complete website solution (brand to end).
NatWest December 1999	A re-styled information and transaction structure for the site which is robust, modern and consumer-focused.
NatWest E-identity December 1999	A unique new type of brand look based around an intranet site that integrates brand strategy and online style guidelines.
One Club June 1997	A site that acts as a communication forum for advertising professionals. Full site development including games.
Price Waterhouse January 1997	A Web presence that allows Price Waterhouse to communicate more effectively with constituents worldwide. site design and navigation standards along with an information architecture, custom publishing solution.
Sotheby's International Realty July 1997	A Web presence that enhances the internal and external communications of Sotheby's International Realty. Development of scaleable site architecture, interface design, editorial tools, database integration, and marketing strategies.
The Guardian Guardian Benefits November 1996	A digital tool that allows Guardian to better serve its customers. Complete site development

¹⁵³ From Razorfish.com

Trinity Real Estate January 1997	A site that establishes a communication channel between brokers and buyers. Complete site development.
Woolward & Partners November 1996	A dynamic, fast-loading, digital portfolio pushing the limits of existing technology. Shockwave site.

Manufacturing

Alliant-Wisconsin Power & Light January 1997	A Customer Information and Billing System (CIS) migrated from the existing legacy system to a platform which supports open systems, including the Internet. Front end design and backend
British Aerospace August 1998	An easy-to-update online resource customized for user interests. InPress™, a content management system developed by Razorfish, customizes the navigation system to the user
Lemminkäinen April 1998	A database driven, dynamic product and services catalog. Razorfish also developed a cost-effective system that uses a tool called the Virtual Engineer to streamline the company's previously decentralized information management.
Maan Auto: Peugeot Spring 1999	Razorfish developed and executed sales and marketing support of Peugeot cars on the Internet for Oy Maan Auto, Ab., the Finnish Peugeot distributor. Branding and database design.
McDonnell Douglas January 1995	A distributed three-tier client/server environment that leverages existing technologies and supports future growth. Decision support system for manufacturing, a contracts management system and a financial planning system.
NASA November 1996	A branded interface and information structure to encompass and easily update all of the agency's online content. Multimedia showcases for Ames projects that include VRML, QTVR, and QuickTime movies.
Northrop Grumman January 1995	A multi-tier client/server solution that operates in an open systems environment. User interface, application architecture redesign, database.
Pacific Gas & Electric October 1997	A PG&E Solutions Systems Website that quantifies cost-saving benefits associated with energy-efficient fixture. Site navigation, Java development
Shell January 1997	A global intranet portal, "Silent Dialogue", with integrated knowledge management and contact management systems, enabling the small Group Leadership and Performance team (LEAP) to engage and inform disparate groups across organizational and geographic boundaries. Complete site development

InfoComm

Ashlar Vellum November 1996	A repositioning and a website to reflect the strength and intelligence of the company's product line. Two weeks from conception to execution.
Microsoft FrontPage '98 May 1997	Flexible FrontPage '98 design templates
Microsoft Magic Fall Fashion Experience September 1997	The Magic Presents Fall Fashion digital experience. Microsoft's NetShow technology allows non-stop streaming audio and video through the Internet, with clickable "hot spots" linked to other areas of online content. Microsoft asked Razorfish to begin building sites using the technology while it was still in its infancy.

Microsoft Site Builder Network December 1997	The Microsoft Site Builder Network Demo. Using as many aspects of Microsoft's version of DHTML as possible, Razorfish built a new streamlined user interface and site navigation system.
Mom September 1996	the Razorfish Intranet. She schedules meetings without causing conflicts, keeps track of our hours, sends messages to us as a group, manages our mailboxes, and gets us out onto the Internet
QUALCOMM Camp Eudora September 1997	A creative Internet-based training function for retailers. tutorials allow for unique user identification and point and session tracking. The demos were displayed using a plug-in/ActiveX control developed by Razorfish's San Francisco-based strategic partner mBED.
Road Runner Cable Western Show Demo December 1997	Time Warner's Road Runner Western Show Demo. This prototype helped define the interface and user interaction for the service, as well as define the content model.
Webspay January 1996	Webspay provides accurate, essential user information and generates easy-to-read textual and graphical reports. Developed by a team of programmers, designers, and Web traffic analysis professionals. .
Emachines December 1998	Conception and deployment of the brand through print ads, product packaging, and multimedia channels.

Retail Services

Beefeater April 1997	An independent vehicle that established the Beefeater Gin's brand personality in an innovative way. Site design/development and online marketing campaign.
Carlsberg September 1997	"Cheers from Carlsberg."
Casio G-Shock April 1998	A fast-paced, visually rich website for the G-Shock brand. Looks like mostly fron-end.
Christie's May 1998	A Web presence that serves Christie's customers and communicates important information about specialty departments. User interface, CRM, e-commerce, database, maintenance tool.
Electrolux September 1996	A redesigned website that targets new consumers and provides information about Electrolux products.
FAO Schwarz November 1996	A playful digital environment with electronic commerce features.
Hennes & Mauritz March 1998	An e-commerce-enabled Web presence that integrates with the back-end legacy system.
Joe Boxer Jeans June 1997	An interactive user experience for Joe Boxer Jeans. Includes Shockwave-based games, puzzles, and animation.
Pepsi Max April 1996	A site that promotes the Pepsi Max brand and develops a relationship between the company and its customers. JetScream is an online travel adventure where users play a series of fun games, meet people, get passport stamps, and win prizes.
Ralph Lauren Fragrances June 1996	A marketing, content, and interactive digital environment featuring a bi-weekly online "soap opera" and visual chats.

Revlon April 1997	A digital presence that promotes Revlon's multiple product identities via interactive functionality. Text and low-bandwidth graphics and animations; content; application development.
Sony Digital Handycam December 1996	A site that promotes a new brand in a new environment. a series of sites that change and evolve as Sony's product line and marketing efforts evolve.
VF Corporation February 1996	Threads, a hypertext episodic journey. Marketing, content, and site design.
Virgin Clothing Co. September 1998	A Web presence that encourages interaction between users and the Virgin Clothing brand and communicates the brand values of fun, innovation, service, and quality. Site design, content strategy, application development.

Media and Entertainment

America Online September 1996	A series of integrated AOL Websites.
Bunko! August 1996	Arcade (games) site, developed internally by and for Razorfish.
CBS February 1998	A decentralized, affiliate-driven news and information Web service developed by Razorfish (front end) and Oracle (back end).
Cosmopolitan Magazine November 1996	An interactive version of the publication for the Internet. Content and marketing strategy.
Court TV April 1999	A strategic design of a new logo and broadcast package, giving Court TV its first new look since its 1991 debut and reinforcing the network's current brand position.
Disinformation March 1997	A site that makes you confront your fears www.disinfo.com . Part of RSUB, the Razorfish Subnetwork.
Ear1 (Warner Music Group) June 1997	An artist-driven website that makes up one of the largest online music communities.
Elektra Entertainment March 1995	An integrated set of content including the Elektra Entertainment Web and award-winning interactive press kits.
Fox Kids September 1999	A lifestyle-based look using a unique iconic language to communicate with kids around the world. Working together with Fox Kids Latin America and Fox Kids US, Razorfish developed a design solution that could transcend cultural and language barriers, adapt to different international programming schedules, and provide new merchandising opportunities. Design, marketing.
Harvard Business School Publishing June 1998	A strategic technology vision and a concrete action plan supporting the radically changing publishing business.

Jim Henson's Story Neighborhood January 1998	A personalized storybook tailored to the user's preferences. An elegantly designed, robust SQL database was at the heart of the personalization capabilities of Story Neighborhood. Razorfish created a set of custom Web-based tools and applications written in C++, ADO, ADC, ASP, Active-X, PERL, Javascript and HTML. These tools enabled Henson's content production team to easily author Web pages and deliver the stories efficiently.
Maverick Records May 1997	The Maverick Music Station, an online interactive audio experience. Received Macromedia's Shocked Site of the Day Award in November, 1997.
Media One January 1996	A Web presence that extends the company's service capabilities to a digital environment. User experience.
NBC (broadcast) October 1998	A broadcast design package for the primetime line-up that capitalized on two of the network's key brand assets: its peacock logo and its stars. The design team literally brought the six colors to life, freeing them from the boundaries of the peacock's tail to interact with NBC talent.
NBC (web) January 1996	A series of integrated websites that introduce NBC to the digital arena. Design standards, information architecture, content.
PBS September 1998	Upon completion of an initial on-air package, Razorfish (formerly Lee Hunt Associates) entered into a long-term strategic partnership with PBS. As part of the primetime redesign package, Razorfish designers updated the PBS logo for added versatility. Originally intended for on-air use, the modified logo became the standard for all media, and the foundation of a new co-branding system that made it possible for local member stations to link their identities to the national PBS brand. Razorfish also designed main title sequences for the primetime programs History's Best and Independent Lens. Additional branding initiatives focused on new channels and digital services. Providing a new logo, a complete graphics toolkit, IDs and interstitial spots, Razorfish built a higher-profile and more competitive identification system to help make the PBS KIDS brand as recognizable as its most popular shows.
Peterson Online November 1996	A digital solution that promotes the Peterson brand. Complete site development including secure transaction capability.
Polygram Filmed Entertainment December 1995	A digital solution that promotes the Polygram Filmed Entertainment brand and the company's movie titles (www.reellife.com). Razorfish was able to produce a series of special promotional websites for PFE, including Mall Rats, The Usual Suspects, and The Game (www.the-game.com).
Quokka Sports May 1999	Brand strategy, logo design, and a full-scale advertising campaign to support the launch of Quokka.com .
Simon & Schuster June	A site that establishes a digital brand for Simon & Schuster (www.simonsays.com). Complete site development including database design and content.
Stern Online August 1998	A flexible, template-based Web presence with easily updated and expandable content. (www.stern.de) Gruner & Jahr's <i>Stern Online</i> is one of the most successful German general interest publications on the Internet, providing a broad range of content, including up-to-the-minute news and financial data, games, services, comics, and distinguished erotica. Upgrade.

TV 4 April 1997	A website that enhances the user experience and develops new advertising opportunities for sponsors. www.tv4.se .
The Blue Dot March 1997	A site that brings a little color to a drab and dreary world. www.thebluedot.com . Internal Razorfish project designed to showcase artistic capability of the web; winner of over 50 awards
The Honeydogs August 1997	A Web presence that opens a communication channel between the band and its fan base. Used WebSpy.
The Netly News Network December 1996	An improved user experience, The Netly News Network.
The Visitor September 1997	A next-generation website that parallels the Fox television series <i>The Visitor</i> . Front-end and multimedia design; customization.
Time Warner Intranet TWIN June 1995	Administration tool that streamlines internal communications.
Tomorrow Internet AG February 2000	The eight different websites each had their own editorial and production departments. Information design also differed from product to product. Razorfish made a thorough assessment of the individual content structures, in-house production processes and the overall user experience of the eight different websites. Secondly razorfish redesigned both the graphic design and the information architecture of the two flagship brands www.tv-spielfilm.de & www.tomorrow.de .
Troll Communications November 1996	A digital environment that extends the Troll brand to the Web. Online bookstore; Java and Shockwave games and contests.
Warner Music Group December 1996	Warner Music Group, one of the most diverse and profitable music companies in the world, has a multinational family of record labels and the premier array of artists in the industry. With a wide range of product offerings and labels, Warner Music Group needed a digital communications strategy that would help streamline business processes, strengthen customer relationships, and improve communication with employees, distributors, retailers, and the press. Content; database-driven publishing system; Interactive presentations and tools to support marketing initiatives.
typoGRAPHIC May 1996	An informative tool that explores typography on the Web. Developed internally by Razorfish. typoGRAPHIC has won numerous awards, including a Noteworthy Work in the 1996 New Voices, New Visions contest; David Siegel's High Five award; and Project Cool's Site of the Day. It has been featured in magazines such as <i>Wired</i> and also in many books, including Lynda Weinman's <i>deconstructing Web graphics</i> .
Zap2it July 1999	A unique brand position supported by a new name that serves as a call to action. Strategy.

Travel and Leisure

American Express May 1997	A tool that allows American Express to develop and maintain superior customer relationships, The Corporate Travel Database.
PubNet November 1998	A Networked kiosk system that featured games such as Fantasy Park and Xchange.
RAC April 1997	A website that is a key channel of product and service delivery.

Professional Services

Adams, Harkness & Hill November 1998	A state-of-the art system that automates the entire equity research and approval process, from the analyst, through compliance, and ultimately to the Web.
Cieos June 1999	Brand strategy and direction for expanding product offerings coupled with product design services, resulting in a whole new company identity.
Norwich Union January 1999	A conceptual framework for understanding how Norwich Union needed to change via workshops focusing on "best practice" examples.
Research International January 1998	A knowledge management tool in the form of a global intranet application called the "Knowledge Navigator."

Non-profit Organizations

Carnegie Hall August 1996	A Web presence that speaks to the hall's core audience and also attracts a younger, more global audience.
New York Botanical Gardens March 1996	Merge the sensibilities of nature and the Web. One of the earliest sites on the Web, this solution was one of the first original content areas on Time Warner's Pathfinder, and a cornerstone of the Virtual Garden. It was also Razorfish's first project.
Smithsonian Without Walls March 1997	A virtual, multidimensional museum experience. Flash. The site features Plumb Design's unique Thinkmap interface for exploration of the online archives.

Appendix E: Xceed Portfolio¹⁵⁴

	Strategic Consulting	Online Apps /Tools	Wireless Broadband	Systems Integration	Marketing Branding	Creative
Casual Corner Group, Inc.	x	x			x	x
J. Jill	x				x	x
The Territory Ahead	x	x		x	x	x
Borg Warner Automotive	x				x	
Castrol North America	x				x	x
Fox (X-Men)					x	x
HBO Family		x			x	x
HBO-The Chris Rock Show					x	x
HBO-Inside the NFL					x	x
HBO-World Championship Boxing						x
PBS Enterprises		x			x	x
Planet Hollywood	x	x			x	x
USA Films	x					x
EarlyBirdCapital.com	x	x				x
InvestPrivate.com	x	x			x	x
Silicon Valley Bank	x	x		x		x
Eli Lilly	x				x	
Healthon/WebMD					x	x
Celtic Vision	x				x	x
CinemaNow, Inc	x	x	x	x		x
DoubleClick	x	x		x		x
EW Scripps Company	x	x		x	x	x
Institutional Investor, Inc	x					
Men's Health		x			x	x
Reader's Digest Health					x	x
TheStreet.com		x				x
ALPNET	x	x		x		x
Nework	x					
Diamond Cutters		x				x
Etown		x		x		x
Herman Miller	x	x		x		x
Homerun.co.uk		x		x		x
Spree.com	x				x	
Starbucks	x				x	
Sterling Optical		x			x	x
That Glow		x		x	x	x
United Retail Group	x					x
U.S. Chamber of Commerce	x	x			x	x
Evolve					x	x
Idapta (Intelligent Digital		x				x
NCR Corporation	x				x	
Pitney Bowes	x	x		x	x	x
SpaceHab Incorporated	x	x				x
Sprint Corporation	x					x
WorldTravel Partners	x	x	x		x	x

¹⁵⁴ From Xceed.com