

The IM invasion

Instant-messaging providers are targeting corporations in a big way. Does using IM make sense? by Christine Y. Chen

At a typically busy lunch hour at a Hardee's in Indianapolis, a cashier is ringing up an order. The eagle-eyed customer notices a mistake: He is being overcharged by a dollar for his roast-beef sandwich, which was supposed to be on special for \$1.88 this week. The manager rushes over and notices a computer glitch. She quickly gets on the horn to a Hardee's call center in Anaheim. Instead of putting her on hold, the guy at the help desk types up an instant message via AOL's new IM enterprise software, which the company has been testing for a few months. Immediately, windows pop up on the screens of several tech support analysts. One hits a few keys on her PC and—presto!—within ten seconds, the problem is solved.

A fast-food franchise might seem like an unlikely place to see the benefits of instant messaging. But this year IM is finally making serious inroads into the business world. According to market research firm Osterman, 18% of the working population uses IM today, vs. a mere 8% two years ago. AOL, which boasts the largest number of registered user names—195 million—estimates that 1.6 billion IM messages are sent on its network each day. By 2006, consulting firm Gartner estimates, more people will be using IM than e-mail as their primary communication tool at work. And over the past seven months all three major commercial providers—Yahoo, Microsoft, and AOL (owned by the parent of FORTUNE's publisher)—rolled out campaigns to target the enterprise market. Their challenge: to convince companies that embracing IM is worth it.

It won't be a cakewalk. "IM has one stigma," says Glen Vondrick, CEO of corporate instant-messaging startup FaceTime. "There's an automatic association that it cannot be useful for business because kids used it first." Boomer execs tend to think of IM as the tool their kids use to send "CU L&R! ☺" messages to their friends on the opening night of the new Lizzie McGuire movie.



Security cravings

Under the direction of Ken Hickman, Yahoo was the first of the three major IM players to announce a more highly encrypted service for corporate users.

But as a post-Fleetwood Mac generation starts to graduate from college and enter the workforce, corporations will become dominated by those for whom IM is a way of life.

For those of you who haven't taken lessons from tweens at home, here's how IM works. First you download the software free onto your desktop from one of the myriad providers.

Then you set up a buddy list of friends and colleagues who are on IM too. Double-click on a name, type in "Hi," and a box containing the word "Hi" immediately pops up on that person's computer screen. He or she types a response into the box, which you see immediately. It's technological instant gratification. You can IM groups too, in real time—it's much cheaper and easier than setting up a conference call. And while e-mail can be bet-

FEEDBACK cchen@fortunemail.com

PHOTOGRAPH BY MAGDALENA CARIS

FORTUNE • 135



COMMUNICATIONS™

Marketing Communications & Media Relations