Flip" became the mantra of the day. Just tell people you were doing something, *anything,* connected to the Internet, and—presto!—you became rich by flipping shares to the public, even if you had no profits (or even a real company). Why take all the hard steps to go from buildup to breakthrough, creating a model that actually works, when you could yell, "New technology!" or "New economy!" and convince people to give you hundreds of millions of dollars?

Some entrepreneurs didn't even bother to suggest that they would build a real company at all, much less a great one. One even filed to go public in March of 2000 with an enterprise that consisted solely of an informational Web site and a business plan, nothing more. The entrepreneur admitted to the *Industry Standard* that it seemed strange to go public before starting a business, but that didn't stop him from trying to persuade investors to buy 1.1 million shares at $7 to $9 per share, despite having no revenues, no employees, no customers, no company.[3] With the new technology of the Internet, who needs all those archaic relics of the old economy? Or so the logic went.

At the high point of this frenzy, drugstore.com issued its challenge to Walgreens. At first, Walgreens' stock suffered from the invasion of the dotcoms, losing over 40 percent of its price in the months leading up to the drugstore.com public offering. Wrote *Forbes* in October 1999: "Investors seem to think that the Web race will be won by competitors who hit the ground running—companies like drugstore.com, which trades at 398 times revenue, rather than Walgreen, trading at 1.4 times revenue."[4] Analysts downgraded Walgreens' stock, and the pressure on Walgreens to react to the Internet threat increased as nearly $15 billion in market value evaporated.[5]

Walgreens' response in the midst of this frenzy?

"We're a crawl, walk, run company," Dan Jorndt told *Forbes* in describing his deliberate, methodical approach to the Internet. Instead of reacting like Chicken Little, Walgreens executives did something quite unusual for the times. They decided to pause and reflect. They decided to use their brains. They decided to think!

Slow at first (crawl), Walgreens began experimenting with a Web site while engaging in intense internal dialogue and debate about its implications, within the context of its own peculiar Hedgehog Concept. "How will the Internet connect to our convenience concept? How can we tie it to our economic denominator of cash flow per customer visit? How can we use the Web to enhance what we do better than any other company in