E-Business Strategy "Introduction, Tech & Net Marketing" MBA/USQ

Lecture 1

(July 27, 2000)
Tralvex (Rex) Yeap MAAAI MSCS
University of Leeds

Outline



- ✓ N-ways Introduction
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 - Students' Information and Background
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 - Module Assessment
 - Recommended Books
 - Layout of Course
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- ✓ Class Activity 4: Reading
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Personal Information and Background

✓ EBS Lecturer (SG):

Tralvex (Rex) Yeap MAAAI MSCS

E-mail: tralvex@acm.org

Home: http://tralvex.com

 $ICQ\ no.:\ 20248177\ (http://www.icq.com)$



✓ Educational Background:

- Master of Science (Distinction) in Vision, Visualization and Virtual Environments at U. Leeds
- Read Bachelor Science in Computing (Systems Development) at Monash University.

Personal Information and Background (cont.)

✓ Current Work:

- Part-time: Lecturer for USQ, UOL, UOS, UCE, UOW and TVU.
- Full-time: (1) Inventor (2) Managing corporate Patent portfolio for Asia largest Research Institute in Information Technology / Information Systems
 (3) IT/Computing Patent Analysis/Mapping.
- Three Internet patents pending, two Internet Business Model patents in the pipeline.

Personal Information and Background (cont.)

✓ Past Work:

- Lecturer for Information System for Managers, Strategy Management in IT, Project Management, Strategy & Information Management, Neural Networks, Open Systems and Website Development.
- Software Engineer at System Engineering (SysEng) R&D work on real-time embedded systems.
- Games & CAI developer (Champion in National Software Competition 1991' Open Category).

✓ Future Work:

- Lecturer: same subjects
- More Internet and software inventions.

Students' Information and Background

- **✓** Name
- ✓ **Company**Which industry?
- ✓ Your preferred executive role
 here (one only):
 CEO / COO / CFO / CTO /
 CIO / 'CBO' / 'CMO' / 'CPO'
 / others



Course Outline:Requirements and Expectation



- ✓ Information Systems for Manager module.
- ✓ To re-cultivate (if necessary) the hobby **reading** publications and articles.

Course Outline: Module Assessment

✓ Two Assignments
Assignment One (20%) due 24 Aug 2000 (new date)
Assignment Two (30%) due 25 Sep 2000

✓ One written 3hrs Examination - 50%

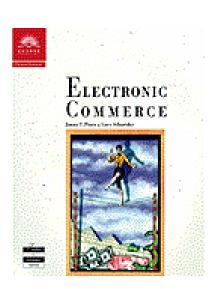


Course Outline:Recommended Books



✓ Electronic Commerce by James T. Perry, Gary Schneider

Review: Electronic Commerce is a complete introduction to the world of electronic commerce, including balanced coverage of technical and business topics. Case studies and plentiful business examples complement conceptual coverage to provide a real-world context. Implementation strategies are analyzed, using examples of both successful and unsuccessful implementations.



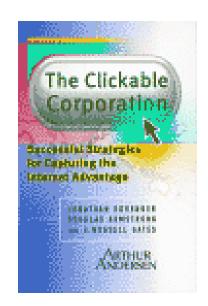
Course Outline:Recommended Books (cont.)



✓ The Clickable Corporation: Successful Strategies for Capturing the Internet Advantage by Jonathan Rosenoer, Douglas Armstrong, J. Russell Gates

Review: Provides a strategic view of case studies of 25 well-known companies engaged in e-commerce. Their studies reveal how any company can capture meaningful Internet advantage for its stakeholders whether they are shareholders, business partners, or customers. DLC: Business enterprises--Computer networks. Eight Internet advantages that were drawn from the hard-won experience by twenty-five companies in the book are:

- (1) Information (2) Choice (3) Convenience
- (4) Customization (5) Savings (6) Community
- (7) **Entertainment** (8) **Trust**

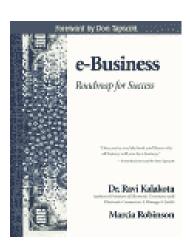


Course Outline:Recommended Books (cont.)



✓ E-Business: Roadmap for Success by Ravi Kalakota, Marcia Robinson, Don Tapscott

Review: To the uninitiated, e-business refers solely to the process of buying and selling goods over the Net. In our increasingly interactive age, however, it actually means much more. e-Business: Roadmap for Success, by Ravi Kalakota and Marcia Robinson, defines the term as "the complex fusion of business processes, enterprise applications and organizational structure necessary to create a highperformance business model." Kalakota and Robinson--specialists in the field who serve as founder-CEO and president, respectively, of a company called e-Business Strategies--show how to employ its tenets to compete more effectively in today's brave new world. Aiming at managers who recognize the need to plan and implement just such a course of action, the authors offer solid advice for designing interrelated strategies focused on customer relationships, resource planning, order management, and supply chains, and on evaluating investments needed to make them a reality.



Course Outline: Layout of Course



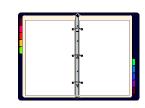
Basic:

- ✓ Four local lectures
- ✓ One video conferencing
- ✓ Two days lectures with Dr. Andy Koronios

Extra:

- ✓ **Anywhere, Anytime** via
 Internet email / WWW
 access
- ✓ Eight weeks Physical contact, 8 weeks Virtual contact in short, 16 weeks of **full contact.**

Course Outline: Strategies for Local Lectures



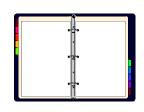
✓ Lecture 1/4

- Administration:
 - (a) Getting to know each other (to optimize communications)
 - (b) Organizational Foundation
- Module 1. Introduction to e-Business
- Module 2. Technologies for Electronic Business
- Module 3. Internet Marketing
- Discussion on Assignment 1
- Case Studies Discussion

✓ Lecture 2/4

- Module 4. Strategies for database marketing
- **Module 5.** Business-to-Business Transactions: EDI, Intranets, & Extranets
- Assignment 1 Discussion (Part 2)
- Case Studies Discussion

Course Outline: Strategies for Local Lectures (cont.)



✓ Lecture 3/4

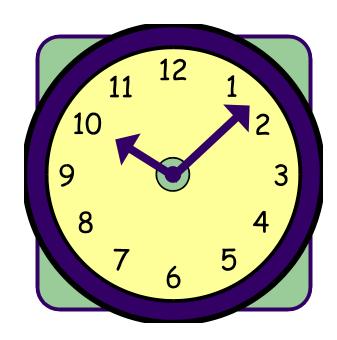
- Module 6. Internet Payments & Banking
- Module 7. Security Issues in Electronic Commerce
- Assignment 2 Discussion
- Case Studies Discussion

✓ Lecture 4/4

- Module 8. Legal & Ethical Issues
- Module 9. Tax & Electronic Commerce
- Module 10. Government Policies and Future Trends
- Past Year Examination Papers Trends Analysis / Prediction
- Case Studies Discussion

Course Outline: Virtual Office Hours

- ✓ Via Internet e-mail indefinitely
- ✓ Via EBS **Website** indefinitely



Course Delivery Methods



- ✓ **Open** approach to "E-Business Strategy". Welcome all **questions**.
- **✓** Live lecturing
- ✓ Maximum use of **Internet**
 - ISM Homepage http://tralvex.com/ebs
 - Soft copies of notes (in Powerpoint format) can be downloaded from the web.
 - Past years assignments and examination papers are located in the same website.
 - Include many **relevant hyperlinks** to EBS resources.
- ✓ Use of Internet e-mails:Students may submit their queries to me anytime

General References for the Course



- ✓ Information Systems related information.
- ✓ General computer-related news sources.
- ✓ All web links in the ISM website.
- ✓ Various ezines, catalogued in the web.

- ✓ Whatis.com (Computer Science Dictionary)
 http://whatis.com/
- ✓ Technology Encyclopedia http://www.techweb.com/encyclopedia/
- ✓ Computing Dictionary http://wombat.doc.ic.ac.uk/
- ✓ Webster Dictionary
 http://work.ucsd.edu:5141/cgibin/http_webster

Organization of EBS Website

http://tralvex.com/ebs



- ✓ Course Schedule, online lecture notes
- ✓ Recommended Books
- ✓ Selected Articles (soft)
- ✓ Past years assignment paper / examinations
- ✓ Miscellaneous Documents, eg. Class list
- ✓ Web Resource:
 - On-line E-Business Resources
 - MIS
 - Module 1, 2, ..., 10

M1: Introduction to E-Business Third Generation E-Business Video (by Intel)







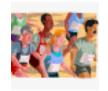


http://www.intel.dk/eBusiness/estrategies/eb3/video/overview.asx



Three Definitions of an E-Business (EB):

- ✓ "Using Internet technologies to transform key business processes." (IBM)
- ✓ "E-business is the application of **new technologies** and processes to enhance, evolve and often replace traditional **ways of doing business**." (PricewaterHouseCoopers)
- ✓ "The transformation of key **business processes** through the use of **Internet** technologies." (Oracle)



Three Definitions of an E-Commerce (**EC**):

- ✓ "Business processes which shift transactions to the Internet or some other non-proprietary, Web-based system" (US Dept of Commerce)
- ✓ "E-commerce using the **Internet** is a new way of advertising, buying, selling and, in some cases, delivering goods and services." (DCITA, AU Gov)
- ✓ "Doing **business** electronically" (Association for Electronic Commerce)

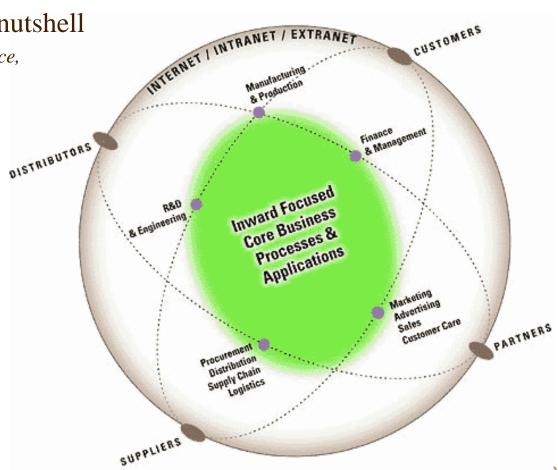


EC & EB the same? Some say **yes**, some say **no**.

- ✓ **YES** camp: "To many people, the term electronic commerce... some people and businesses use the term electronic business... In this book, we will use the term electronic commerce in its **broadest definition**." (Electronic Commerce, Schneider & Perry)
- ✓ NO camp: We define e-commerce as buying and selling over digital media. e-Business, in addition to encompassing e-commerce, includes both front- and back-office applications that form the engine for modern business. e-Business is not just about e-commerce transactions; it's about redefining old business models, with the aid of technology, to maximize customer value. e-Business is the overall strategy, and e-commerce is an extremely important facet of e-business. "(E-Business: Roadmap for Success, Kalakota et al.)

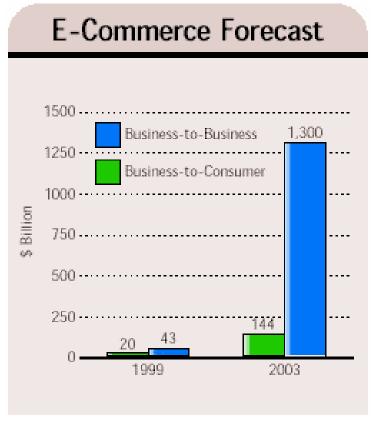
✓ E-Business in a nutshell

(Enterprise E-Commerce, Meghan-Kiffer Press)



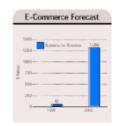
M1: Introduction to E-BusinessB2B vs B2C

✓ Industry divides electronic commerce into two main categories: **business-to-business** and **business-to-consumer.**



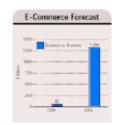
Source: Nov. 1999 Forrester Research

M1: Introduction to E-Business B2B vs B2C



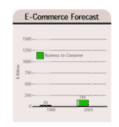
- ✓ **Business-to-business** implies the selling of products and services between **corporations** and the **automation of systems** via integration.
- ✓ This category of commerce typically involves **suppliers**, **distributors**, **manufacturers**, **stores**, etc.
- ✓ Most of the transactions occur **directly** between two systems.
- ✓ For example, suppose that an **aircraft company** wants to build a plane. The plane requires parts from both large and small suppliers. goal of e-commerce is to automate the entire supply chain. In this example, we call this automation "**supply chain management**" (the process of tying together multiple suppliers of goods to create the final product).

M1: Introduction to E-Business B2B vs B2C (cont)



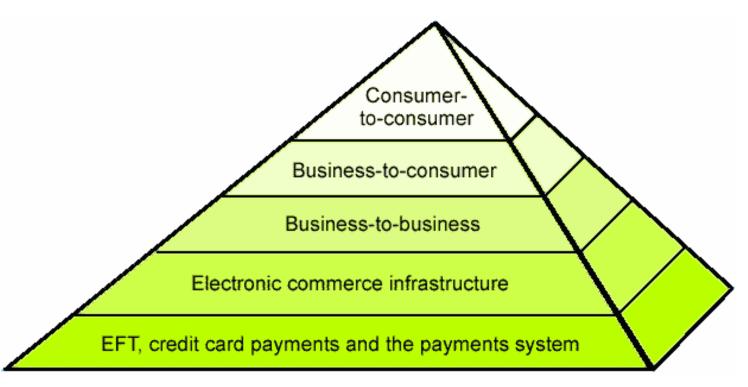
- ✓ E-commerce between businesses is expected to be five times higher than business-to-consumer e-commerce. By 2003, Forrester Research Inc. estimates that business-to-business commerce will balloon to \$1.3 trillion.
- ✓ Constituting 9% of all United States business trade, and more than the gross domestic product of either Britain or Italy, that's ten times the amount of business-to-consumer e-commerce.
- ✓ By 2006, that figure could represent 40% of all business conducted in the United States.

M1: Introduction to E-Business B2B vs B2C



- ✓ **Business-to-consumer** commerce involves **interactions** and **transactions** between a **company** and its **consumers**.
- ✓ Focus is placed on **selling** goods and services, and **marketing** to the consumer.
- ✓ Their main focus is to **sell to consumers** via the **Internet**.
- ✓ A shorter definition (whatis.com): B2C is the **retailing** part of e-commerce on the Internet.

✓ Layers of e-commerce activity (OECD 1997b, *Measuring E-commerce*, Committee for Information, Computer and Communications Policy, Paris, OCDE/GD(97)185, p. 19.)



✓ EFT and Other Payments Systems is the transactional foundation upon which a great deal of e-commerce is based or follows. There are already a great number of transactions in the economy that occur at this level. Key activities at this level include use of Automatic Teller Machines (ATMs), the huge raft of transactions that occur daily between banks in the payments system, as well as credit card payments, electronic payrolls and many more.



✓ **E-commerce infrastructure** includes network service providers (NSP), hardware, software and enabling services.



✓ **Business-to-business** represents the major proportion of ecommerce activity. The focus of business-to-business ecommerce has been on the **inter-corporate** or **interorganisational** supply chain, although non-supply chain interactions are also significant.



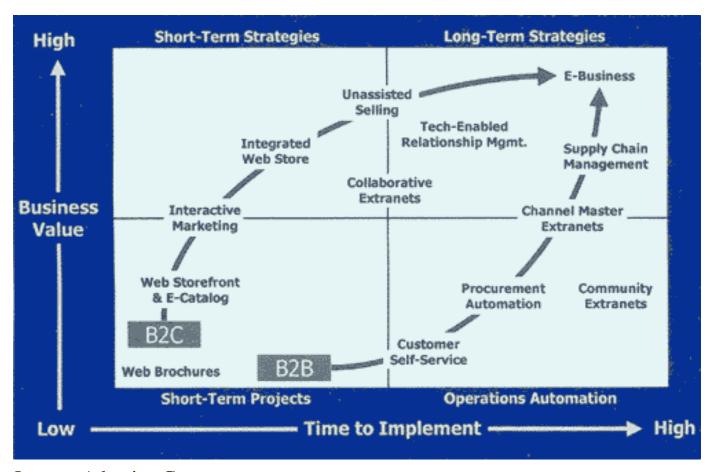
✓ **Business-to-consumer** e-commerce can involve **electronic transactions** in marketing, ordering and paying, after sales service and, in the case of intangible or virtual goods and services, even delivery.



✓ Consumer-to-consumer e-commerce consists primarily of websites where consumers deal directly with one another, such as online communities, free personal classifieds pages, auction houses such as eBay, and swap sites.



M1: Introduction to E-Business Internet Adoption Curve



M1: Introduction to E-Business Statistics

World Total	332.73 million
Africa	2.77 million
Asia/Pacific	75.5 million
Europe	91.82 million
Middle East	1.90 million
Canada & USA	147.48 million
South America	13.19 million

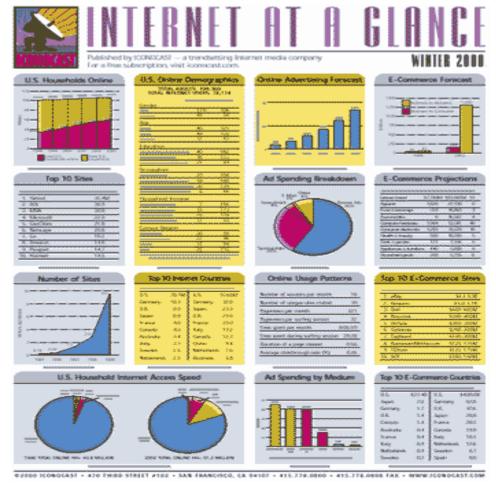
An estimate of **number** of on-line users as at June 2000.

Source: Various; Methodology

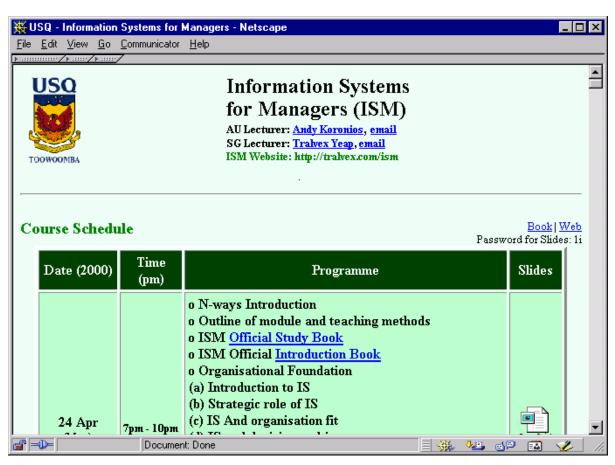
Compiled by: Nua Internet Surveys

http://www.nua.ie/surveys/how_many_online/index.html

Statistics (cont)



M2: Technologies for the Electronic Business



M2: Technologies for the Electronic Business (cont)



Web servers

Application servers

Information servers

Web data integration

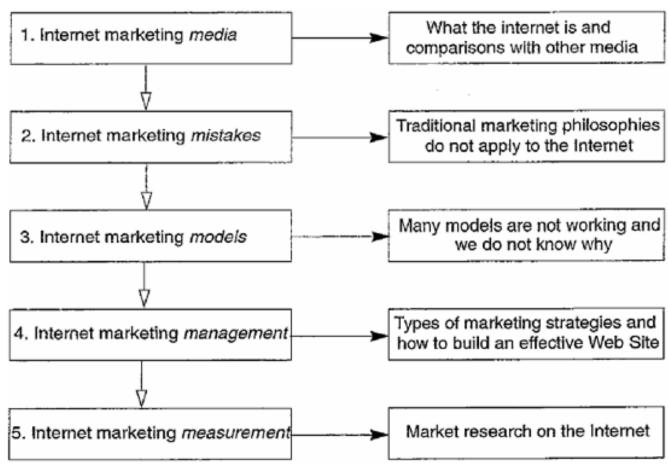
Internet

- Enabling Electronic Business with standards
- Web servers
 - Providing entry points to the IT infrastructure
- Application servers
 - Providing back-end application processing
- Information servers
 - Converting any data source into Internet objects

The Software AG Linux Strategy, 22,06,99

M3: Internet Marketing The 5 Ms



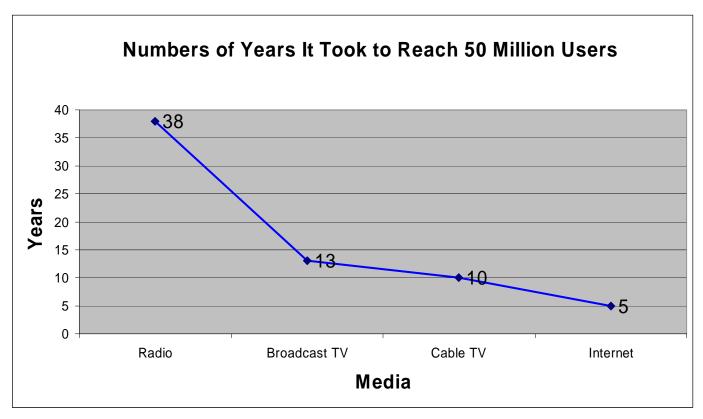


d. t. o. g. s. (Interactive Marketing : The Future Present by Forrest & Mizerski, 1995, p.xi)

M3: Internet Marketing

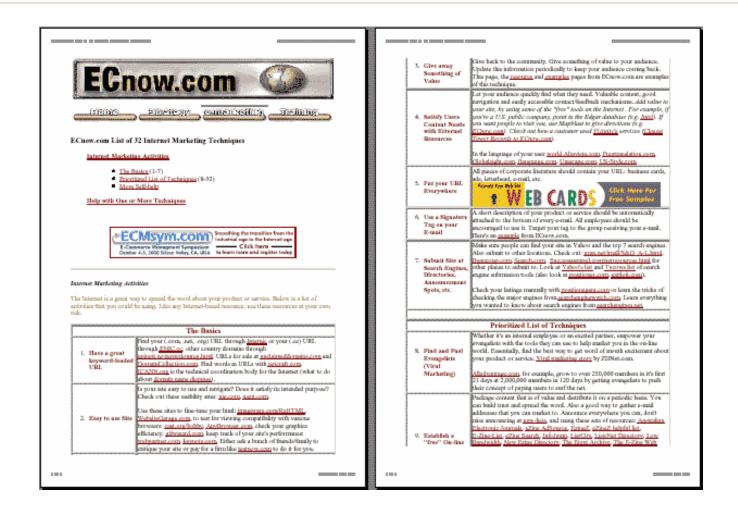
Numbers of Years It Took to Reach 50 Million Users





Source: Yahoo!: Internet Life magazine

M3: Internet Marketing 32 Internet Marketing Techniques



Class Activity 1

Survey: Industry of Interest (Pick top 2)



From "EC beyond 2000" Paper

- ✓ A. Banking and Finance
- ✓ B. IT industries
- ✓ C. Communications Services
- ✓ D. Business Services
- ✓ E. Health
- ✓ F. Media and Entertainment
- ✓ G. Retailing
- ✓ H. Transport
- ✓ I. Education

- ✓ J. Manufacturing
- ✓ K. Agriculture
- ✓ L. Mining

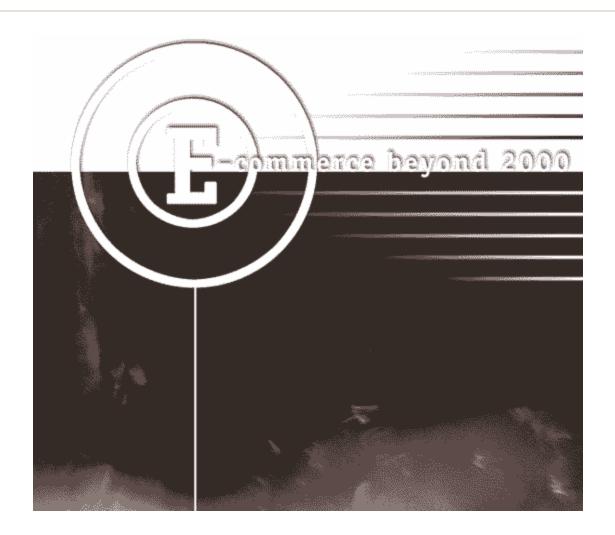
Note: Assignment 1 Org/Ind

- Sporting organisations
- ✓ Farming enterprises K
- ✓ Educational establishments I
- ✓ Flower growers/retailers G
- ✓ Health industry
- ✓ Automotive industry H
- ✓ Accounting profession A
- ✓ Regional communities

 http://www.arts.monash.edu.au/projects/
 cep/knowledges/regcoms.html

Class Activity 2: Reading "E-commerce Beyond 2000" by DOCITA, AU Gov





Class Activity 3: Assignment 1 Discussion

Weighting: 20%, Max Words: 2000



It is likely that electronic commerce will affect every organisation in our society. From the list below, you are required to choose one type of organisation and write a report explaining how you think your chosen organisation is likely to be affected. You must include both positive and negative effects. You are then required to identify and recommend several ways in which this type of organisation should respond to survive in this new economy.

Types of organisation or industries:

- ✓ Sporting organisations
- ✓ Farming enterprises
- ✓ Regional communities
- ✓ Educational establishments

- ✓ Flower growers/retailers
- ✓ Health industry
- ✓ Automotive industry
- ✓ Accounting profession

Class Activity 4: Case Studies (3x)





The Clickable Corporation

Successful Strategies for Capturing the Internet Advantage

- ✓ Autobytel.com
- ✓ Bloomberg.com
- ✓ Expedia.com

2

Click with Information

Share your knowledge. Reap the benefits.

W hat is the information advantage?

Your parents thought it belonged to the Sears, Roebuck & Company catalog, a lap-bruising monster crammed with mail-order goodies that

Additional Handouts for Lecture 1



- ✓ 1. E-Business Website
- ✓ 2. Origins of "Electronic Commerce", "Electronic Business" and "Internet Commerce"
- ✓ 3. NUA Internet Surveys (with good Articles sorted by industry)
- ✓ 4. 32 Internet Marketing Techniques
- ✓ 5. Clickable Corporation: Chapter 2 "Click with Information"
- ✓ 6. E-commerce beyond 2000 (AU Gov)

Available on EBS Website only

- ✓ 1. Hobbes' Internet Timeline v5.1
- ✓ The Emerging Digital Economy II (Published by US Gov)





- ✓ Module 4. Strategies for database marketing
- ✓ Module 5. Business-to-Business Transactions: EDI, Intranets, & Extranets
- ✓ Assignment 1 Discussion (cont)
- ✓ Case Studies, Discussion

End of Lecture 1

Good Night.