

E-Business Strategy

**”Legal & Ethical Issues, Tax, Gov Policies, Future Trends”
MBA/USQ**

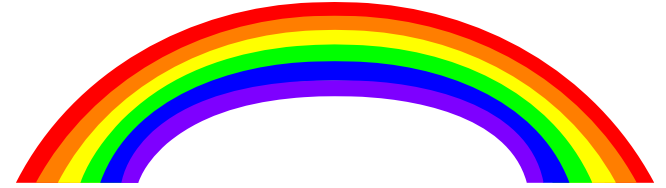
Lecture 4

(September 14, 2000)

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Outline



- ✓ Quick Review on Lecture 3
- ✓ Pre-L4: Delivery Methods
- ✓ M8: Legal & Ethical Issues
- ✓ M9. Tax & Electronic Commerce
- ✓ M10. Government Policies & Future Trends
- ✓ Post-M10: E-Business Video by Mary Pat McCathy
- ✓ Class Activity 1: Past Years EBS Exam Paper
- ✓ Class Activity 2: Book Extracts
- ✓ Additional Handouts for L4
- ✓ The End

Quick Review on Lecture 3



✓ Pre-M6: Cryptography 101

- Introduction
- Encryption: What and Why
- Four Enablements of Cryptography
- Private/Secret Key Cryptography
- Public Key Cryptography

✓ M6: Internet Payment & Banking

- Internet Payment Systems
- 1. Credit Card-based System
- 2. Digital Cash System
- 3. Digital Cheque System
- 4. Smart Card System

✓ M6: Internet Payment & Banking (cont)

- History & Functions
- Transaction Costs
- 4 Phases – Services & Benefits
- Disadvantages

✓ M7: Security Issues in Electronic Commerce

- ✓ Class Activity 1: Assignment 2 Discussion
- ✓ Class Activity 2: Reading
- ✓ Class Activity 3: Case Studies – 3x

Pre-L4: Delivery Methods



- ✓ These modules will be covered specifically in AU context by Andy:
 - **M8**. Legal & Ethical Issues
 - **M9**. Tax & Electronic Commerce
 - **M10**. Government Policies

- ✓ This evening, L4 will be delivered through:
 - A series of **selected papers** for each of the modules
 - **Future Trends** of E-Commerce / E-Business
 - **E-Business Video** by Mary Pat McCarthy
 - Review of **Past years EBS Examination paper**

M8: Legal & Ethical Issues

"Legal Aspects of Internet Commerce“, US Context



Legal Aspects of Internet Commerce

<http://www.ampksoft.ca/netmoney.htm>

by Avi Pollock M.B.A.,LL.B.

Part I - Introduction

It is rare today to see a magazine, newspaper or TV show that does not hype the Internet as an invaluable tool for businesses in the nineties. It is growing at a tremendous rate, doubling in size every 8 to 10 months, yet it remains the least expensive market to enter. It shrinks global boundaries providing the opportunity for simple and near instant interaction with diverse groups of people throughout the planet, 24 hours a day, 365 days a year and across all time lines.

Companies worldwide are beginning to recognize the economic opportunities the Internet represents and are rushing to set up storefronts. Most firms, however, have not yet realized any direct

M9. Tax & Electronic Commerce

"A Framework for Global Electronic Commerce“, US Context



A Framework for Global Electronic Commerce

<http://www.ecommerce.gov/framework.htm>

THE WHITE HOUSE

July 1, 1997

[Download Framework in WP 6.0](#)

TABLE OF CONTENTS

BACKGROUND

PRINCIPLES

- [1. The private sector should lead.](#)
- [2. Governments should avoid undue restrictions on electronic commerce.](#)
- [3. Where governmental involvement is needed, its aim should be to support and enforce a predictable, minimalist, consistent and simple legal environment for commerce.](#)
- [4. Governments should recognize the unique qualities of the Internet.](#)
- [5. Electronic Commerce over the Internet should be facilitated on a global basis.](#)

ISSUES

- [1. Customs and Taxation](#)
- [2. Electronic Payment Systems](#)



M10. Government Policies (Part A)

"A Strategic Framework for the Information Economy , AU Context



M10. Future Trends (Part B)

"E-Commerce: What Lies Ahead?" & "The Future of Electronic Commerce"



E-Commerce: What Lies Ahead?

by [Lise J. Buyer](#)

E-commerce--both the concept and the word--are popping up everywhere: on the front page of the local paper, on the radio, on TV. Perhaps the ultimate sign of mass adoption, e-commerce is now regularly heard in daily conversations with taxi drivers. The word is very popular at the moment, but what does it mean? E-commerce is missing from both the [OED](#) and Webster's dictionary.

Left to our own devices, let's define the term this way: E-commerce describes in general transactions completed on-line. Sooner or later, the e-commerce arena will encompass not only most domestic commerce but the bulk of the world's commercial activity as well. So e-commerce companies are those that, like [Amazon](#), offer goods or services for sale on-line; like [pcOrder.com](#) or [Commerce One](#), sell infrastructure technologies that enable others to sell on-line; or like [eBay](#), simply create marketplaces where third parties can buy and sell

The Future of Electronic Commerce

by [Jeanne Terrile](#)

We live in an extravagant age. The stock market is at record levels; U.S. consumer spending is at all time highs; billionaires are practically commonplace; and almost everyone, from real estate developers to securities analysts, recognizes that just being famous is a desirable end in itself. Against that backdrop, electronic commerce could not have blossomed at a more auspicious time.

Whatever electronic commerce really is (and we all hope to get to an understanding of that one day), it is currently portrayed in the media as both the death knell and the salvation of business. It has produced fortunes by the thousands. And claims of its growth potential are lofty: annual forecasts of doubling, tripling and quadrupling are commonplace. Just how famous is electronic commerce? Do a Lexis/Nexis search on e-commerce news stories from the last week and you will be told that such a search cannot be done because it would yield too many results for your

M10. Future Trends (Part C)

Summary of Clickable Corporation Book



Clickable Corporation illustrates how various companies managed to capture the Internet advantages by clicking with **8 characteristics**:

- 1. Information:** Enables customers to retrieve information about products and services that was **previously inaccessible** or **available only at great cost and trouble**.
- 2. Choice:** Offer customers the **opportunity to choose**, and help them make the **best choice**.
- 3. Convenience:** By **breaking down barriers of time and space**, provide customers **convenience** in a **fundamentally different way**.
- 4. Customisation:** Offer **personalised attention** and give customers the opportunity to **tailor** products to **fit their needs and wants**.

M10. Future Trends (Part C)

Summary of Clickable Corporation Book (cont)



5. **Savings: Reduce costs** by using the Internet to **streamline processes, eliminate barriers and better control the supply chain**, then pass these **savings on to customers**.
6. **Community: Invite customers to join online communities**. By focusing on their interests, experiences, and issues, one can **effectively and efficiently** offer the products and services to an audience that has already expressed an interest.
7. **Entertainment: Offer users a unique and powerful medium for fun and interactive activities**, then **leverage the attraction**.
8. **Trust: Eliminate customer apprehension** by showing that the Internet can provide the **high levels of service and confidentiality** they expect in important face-to-face transactions, while also providing **ease of use and efficiency**.

Post-M10: E-Business Video (cont)



“What e-Business issues are keeping CEOs up at night?”



- ✓ "E-business is more than suturing on a dot.com address. It's a profound commitment to digital transformation—a transformation in which a company's business processes are defined by the customer and enabled by technology. A transformation in which content, commerce, community, and collaboration are rich, personalized, immediate-and ubiquitous.“ - Keyur Patel and Mary Pat McCarthy, authors of "Digital Transformation“ <http://webevents.broadcast.com/kpmg/digitaltransformation/frameset.asp>

Post-M10: E-Business Video



“What e-Business issues are keeping CEOs up at night?”

Some points extracted from the Video:

- ✓ What shld my company e-business Strategy
- ✓ What e-business internet model should I pursue for my companies?
- ✓ How Brick & Mortar can compete with dotcom companies?
- ✓ How dotcom companies can build the infrastructure and distribution channels to succeed?
- ✓ Vision, Leadership, Courage & Innovation are critical to e-Business Strategy
- ✓ Move quickly
- ✓ Adhoc Strategy do not work
- ✓ Mgt have to be bold, innovative, creative and quick
- ✓ Web is not kind to followers, first mover advantage is critical
- ✓ Business models are different for B2B and B2C models.

Class Activity 1: Past Years EBS Exam Paper

1999 Paper



- Q1. **Explain** the meaning of the following terms and give an **example** of each:
(a) Intermediaries (b) Extranet (c) Domain name (d) Cookies (e) Hotlink (f) Just In Time
- Q2. Explain what is meant by the concepts, '**thin-client**' and '**fat-client**'
- Q3. Explain the **advantages** and **limitations** of **Internet banking**
- Q4. Explain the **function** of **CGI script** on Web based systems. Illustrate your answer with an example
- Q5. Discuss **two strategic priorities** that government should be considering to **facilitate business on the Internet**.
- Q6. (a) **Describe** and **contrast B2B** and **B2C** transactions
(b) The sophistication and complexity of Web applications has been continually increasing. In this context explain what is meant by '**database integration**'.
- Q7. (a) **List** and **fully describe four benefits** of electronic commerce. Provide an **example** for each to illustrate your answer.
(b) In this course you were presented with the 5 Ms of Internet marketing. One of the Ms was Internet marketing mistakes. Describe **three such Internet marketing mistakes**.

Class Activity 1: Past Years EBS Exam Paper

1999 Paper (cont)



- Q8. (a) **Describe** how **public-key encryption** could provide a ‘digital signature’ for a document sent over a network.
- (b) **Explain** the role of a **certification Authority (CA)**
- Q9. (a) **What are some of the factors** that impinge on what is regarded as the **applicable law to an international contract**? What specific **problems** are raised by the Internet in this context?
- (b) **Describe** the **most crucial legal issues** for a person selling goods to overseas consumers via the Internet.
- Q10. **Web page technologies** have undergone **three phases**. **List and explain** each of these phases.
- Q11. Several models of electronic commerce have emerged in recent times. **Explain two such models**. **Describe** what **specific strategies** would need to be adopted in your chosen models for successful electronic business to occur.
- Q12. **What types of organizations** would gain the most advantage from **implementation of EDI systems**? **List and explain** the **pros and cons** of such implementation.
- Q13. **Explain** the **concept of database marketing** as it relates to the operation of e-business. **What** should a marketing manager **expect as an outcome** of using database marketing in an e-business environment?

Class Activity 2: Book Extracts

“Clickable Corporation”, extracts



- ✓ TOC
- ✓ Foreword
- ✓ Ack
- ✓ "The Future is Only a Click Away"
- ✓ Epilogue

Additional Handouts for Lecture 4



- ✓ 1. E-Commerce: What Lies Ahead?
- ✓ 2. The Future of Electronic Commerce
- ✓ 3. Legal Aspects of Internet Commerce
- ✓ 4. A Framework for Global Electronic Commerce
- ✓ 5. Australia-United States, Joint Statement on Electronic Commerce
- ✓ 6. A Strategic Framework for the Information Economy
- ✓ 7. Clickable Corporation (TOC, Foreword, Ack, "The Future is Only a Click Away", Epilogue)
- ✓ 8. 1999 E-Business Strategy Examination Paper

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End of Lecture 4

Good Night &
Best Wishes for Your
Future Endeavours