

## CHAPTER - 5

# **Innovative trends in business** **(EMERGING MODES OF BUSINESS)**

### **E - Business \_**

An e- business is a way of doing business , trade and commerce through a computer network . E - business and e - commerce are not one in the same . E - business is a broad term that includes e - commerce as well . In e - business , e - commerce is not just about production and inventory management , Including product development , accounting and human resource management .

### **E- Commerce**

E- commerce is the buying and selling of goods online . E-commerce is the use of electronic media to make purchases and transactions that an organization makes with its customers and distributors over the Internet.

### **Scope of e - business**

#### **1. B 2 B transactions**

A B2B transaction is an electronic transaction between two business entities . E.g. place order with supplier .

#### **2. B 2 C transactions**

A B2C transaction is a transaction between a business and a customer . For example , the customer places an order for the business online .

### 3. Intra - B Commerce

An intra b transaction is an online transaction between different individuals in an organization or between different departments . E.g. , transactions between the marketing department and the production department .

### 4. C 2 C transaction

C2C is a transaction between two or more customers . Ex : OLX.

## Differences between Traditional and e - Business

Sl No.	Basis	Traditional business	E - Business
1	Ease of formation	It is difficult	Easy
2	Physical presence	Is required	no need
3	Formation cost	Is more	Less
4	Operating costs	Is more	Less
5	Possibility for personal relationships	Much more	Absolutely not
6	Interaction with suppliers and customers	Indirectly	Directly
7	Opportunity to test products	It is possible	Not possible
8	Business expansion	It is difficult	Too much is possible
9	Structure of the institution	Mid - height structure	Flat structure across
10	Risk of transactions	Less	Is more

# Outsourcing

## ( Business Process Outsourcing-BPO)

An outsourcer (BPO) is a person who does business with an outside agency . Outsourcing is the process of outsourcing less important activities that usually take place inside an organization on a contractual basis.

### Features \_ \_

**1.**

#### **It involves Contracting Out**

Some jobs in the business are outsourced to outsourcing agencies . E.g. , a hospital assigns cleaning work to an outside agency .

#### **2. Non-core Business Activities are Outsourced**

Outsourcing outsourcing is usually a chore . E.g. , outsourcing the work of running a school can be a chore .

**3.**

#### **Processes may be Outsourced to a Captive Unit.**

If some tasks are difficult to perform internally , it is best to outsource them to a Captive Unit . Captive units are those that serve only one organization .