

## EEB PT 2 Question Bank Solution

### 1. List different methods of acquisitions/takeover.

Acquisitions and takeovers are common corporate strategies. There are several methods through which companies can acquire or take over other businesses. Here are some of the different methods:

1. **\*\*Merger:\*\*** This is when two companies agree to combine and form a new entity. It's a mutual decision and typically results in a new company with shared ownership and control.
2. **\*\*Acquisition:\*\*** In an acquisition, one company purchases another, and the acquired company may or may not continue to exist as a separate entity. The acquiring company gains control over the assets and operations of the target company.
3. **\*\*Hostile Takeover:\*\*** When the target company's management and board of directors resist the acquisition attempt, and the acquiring company proceeds without their approval. This can involve purchasing a significant amount of the target company's stock on the open market.
4. **\*\*Tender Offer:\*\*** The acquiring company makes a public offer to the shareholders of the target company to purchase their shares at a specific price. Shareholders can choose to sell or retain their shares.
5. **\*\*Asset Purchase:\*\*** Instead of acquiring the entire company, the acquiring company buys specific assets or divisions of the target company. This is often done to acquire particular intellectual property, technology, or assets without taking on the entire business.
6. **\*\*Stock Purchase:\*\*** In a stock purchase, the acquiring company buys a majority stake in the target company by purchasing its shares from existing shareholders. This can lead to a change in control of the target company.
7. **\*\*Management Buyout (MBO):\*\*** In this scenario, the existing management team of a company, often with the help of external investors, buys out the company's ownership, taking it private.
8. **\*\*Leveraged Buyout (LBO):\*\*** Typically involves a private equity firm acquiring a company using a significant amount of debt financing. The target company's assets are often used as collateral for the borrowed funds.
9. **\*\*Reverse Takeover (RTO):\*\*** In an RTO, a private company acquires a publicly traded company, allowing the private company to go public without an initial public offering (IPO).
10. **\*\*Friendly Takeover:\*\*** Unlike a hostile takeover, this is when the target company's management and board of directors are on board with the acquisition and work cooperatively with the acquiring company.

These are some of the common methods of acquisitions and takeovers in the business world. Each method has its own implications, advantages, and challenges, and the choice of method depends on the specific goals and circumstances of the companies involved.

## **2. Explain Taylor's principle of scientific management.**

Frederick Winslow Taylor's Principles of Scientific Management, often referred to as Taylorism, are a set of management principles and practices developed by Taylor in the early 20th century. These principles aimed to improve industrial efficiency and productivity by applying scientific methods to management and labor processes. Here are the key elements of Taylor's principles:

1. **\*\*Science, Not Rule of Thumb:\*\*** Taylor advocated for replacing the traditional "rule of thumb" methods of management with scientific analysis. He believed that decisions regarding work processes and management should be based on empirical data and scientific methods rather than intuition.
2. **\*\*Scientific Selection and Training:\*\*** Taylor argued that workers should be scientifically selected for specific tasks based on their abilities and skills. Furthermore, employees should receive appropriate training to perform their tasks efficiently.
3. **\*\*Harmony in the Workplace:\*\*** Taylor believed that there should be a harmonious relationship between workers and management. He emphasized that managers should work closely with employees to ensure that the work is done according to scientific principles and that both parties benefit from increased productivity.
4. **\*\*Division of Labor:\*\*** Taylor advocated for breaking down complex tasks into smaller, more manageable components. This division of labor would allow workers to specialize in specific tasks, which would increase efficiency and reduce the time required to complete each task.
5. **\*\*Time and Motion Studies:\*\*** Taylor and his associates conducted time and motion studies to analyze how tasks were performed. They carefully measured and documented each step of a job to identify inefficiencies and develop more efficient methods of working. This data-driven approach aimed to eliminate wasted time and effort.
6. **\*\*Standardization of Work:\*\*** Taylor believed in establishing standard procedures for performing tasks. Once the most efficient method was determined through time and motion studies, it became the standard that all workers should follow. Standardization ensured consistency and quality in production.
7. **\*\*Incentive Systems:\*\*** Taylor introduced incentive systems to motivate workers to meet or exceed production standards. He believed in offering financial rewards to those who achieved higher levels of productivity, which would provide an additional incentive for workers to perform efficiently.
8. **\*\*Functional Foremanship:\*\*** Taylor suggested the concept of functional foremanship, where specialized supervisors or foremen would be responsible for specific aspects of

management, such as planning, training, and quality control. This approach aimed to improve the overall management of the workforce.

9. **\*\*Frequent Performance Feedback:\*\*** Taylor advocated for providing workers with regular feedback on their performance. This feedback allowed employees to understand how they were performing relative to the established standards and make necessary improvements.

Taylor's principles of scientific management had a significant impact on the field of industrial management and laid the foundation for modern management practices. However, it's important to note that Taylorism has also been criticized for its mechanistic approach and potential for dehumanizing the workplace by focusing solely on efficiency and productivity at the expense of worker well-being.

### **3. List of factors that can result in failure of a new venture.**

Starting a new venture is exciting, but it comes with various challenges. Failure is a possibility, and there are numerous factors that can contribute to the failure of a new business. Here is a list of factors that can result in the failure of a new venture:

1. **\*\*Insufficient Capital:\*\*** One of the primary reasons for failure is running out of money. Inadequate funding can hinder a business's ability to cover operating costs, invest in growth, or weather unexpected setbacks.
2. **\*\*Poor Market Research:\*\*** Inadequate market research can lead to a lack of understanding of customer needs, preferences, and market trends. This can result in a product or service that doesn't resonate with the target audience.
3. **\*\*Ineffective Business Planning:\*\*** A lack of a well-thought-out business plan that outlines goals, strategies, and financial projections can leave a business without a clear roadmap for success.
4. **\*\*Competition:\*\*** Entering a highly competitive market without a unique value proposition or competitive advantage can make it challenging to gain market share and profitability.
5. **\*\*Ineffective Marketing:\*\*** A failure to effectively market and promote the business can lead to a lack of visibility and customer acquisition. Inadequate marketing strategies can hinder growth.
6. **\*\*Poor Management:\*\*** Incompetent or inexperienced management can result in poor decision-making, mismanagement of resources, and a lack of effective leadership.
7. **\*\*Legal and Regulatory Issues:\*\*** Failing to comply with legal and regulatory requirements can lead to fines, lawsuits, and business disruptions.
8. **\*\*Lack of Scalability:\*\*** Some business models may not be easily scalable, making it difficult to grow beyond a certain point or adapt to changing market conditions.

9. **\*\*Inadequate Team:\*\*** A team that lacks the necessary skills, experience, or cohesion can hinder a business's ability to execute its plans effectively.
10. **\*\*Market Timing:\*\*** Entering the market too early or too late can affect a business's chances of success. Timing is crucial, especially in industries with rapidly changing technologies or trends.
11. **\*\*Overexpansion:\*\*** Rapid expansion without the necessary resources or infrastructure can strain a business and lead to financial instability.
12. **\*\*Inadequate Customer Focus:\*\*** Failing to prioritize customer satisfaction and feedback can result in losing customers to competitors.
13. **\*\*Poor Product Quality:\*\*** If a product or service does not meet quality standards or customer expectations, it can damage the business's reputation and lead to customer dissatisfaction.
14. **\*\*Cash Flow Problems:\*\*** Even if a business is profitable on paper, cash flow issues, such as late payments from customers or high overhead costs, can lead to financial difficulties.
15. **\*\*External Economic Factors:\*\*** Economic downturns, changes in market conditions, or unforeseen events (e.g., a global pandemic) can impact the viability of a new venture.
16. **\*\*Inability to Pivot:\*\*** Sometimes, businesses stubbornly stick to their initial strategies even when market conditions change. The inability to adapt and pivot can lead to failure.
17. **\*\*Ineffective Sales and Distribution:\*\*** Difficulty in getting products or services to customers efficiently and cost-effectively can hinder growth.
18. **\*\*Lack of Customer Acquisition:\*\*** A failure to attract and retain a steady stream of customers can lead to stagnation and financial difficulties.
19. **\*\*Inadequate Risk Management:\*\*** Not identifying and mitigating potential risks can result in unexpected setbacks that the business is ill-prepared to handle.
20. **\*\*Personal Reasons:\*\*** Sometimes, personal issues or a lack of commitment from the founders or key team members can lead to the failure of a new venture.

It's important for entrepreneurs to be aware of these potential pitfalls and take steps to mitigate them. A well-thought-out business plan, proper market research, effective management, and adaptability are essential for increasing the chances of success in a new venture.

#### **4. Define E-commerce. List different types.**

**\*\*E-commerce (Electronic Commerce)\*\*** refers to the buying and selling of goods and services over the internet or through electronic means. It involves a variety of online transactions, including online retail, electronic payments, online auctions, and more. E-commerce has become a significant part of the global economy, enabling businesses

to reach a wide audience and consumers to shop conveniently from their devices. Here are different types of e-commerce:

1. **B2C (Business-to-Consumer):** This is the most common form of e-commerce, where businesses sell products or services directly to individual consumers. Examples include online retail stores, subscription services, and digital downloads.
2. **B2B (Business-to-Business):** In B2B e-commerce, businesses sell products or services to other businesses. It often involves larger transactions and specialized products or services. Examples include bulk material suppliers, software providers, and wholesale distributors.
3. **C2C (Consumer-to-Consumer):** C2C e-commerce involves individuals selling products or services directly to other individuals. Online marketplaces and auction websites are common platforms for C2C transactions. Examples include eBay and Craigslist.
4. **C2B (Consumer-to-Business):** In this model, individual consumers offer products or services to businesses. This can include freelance work, influencer marketing, or consumers selling their creative content or products to businesses.
5. **G2C (Government-to-Consumer):** Government agencies use e-commerce to provide services and collect fees or taxes from individual consumers. Examples include online tax filing and payment portals or government-issued permits and licenses.
6. **G2B (Government-to-Business):** In G2B e-commerce, government entities interact with businesses for various purposes. This can include procurement systems, business registration, or regulatory compliance submissions.
7. **M-Commerce (Mobile Commerce):** This type of e-commerce involves buying and selling through mobile devices such as smartphones and tablets. Mobile apps and mobile-optimized websites facilitate mobile commerce transactions.
8. **Social Commerce:** Social media platforms are used as e-commerce channels, allowing businesses to sell products or services directly to their followers. Social commerce often incorporates features like shoppable posts and direct messaging for sales.
9. **Cross-Border E-commerce:** This refers to online transactions that occur between buyers and sellers in different countries. It involves international shipping, currency exchange, and compliance with international trade regulations.
10. **Dropshipping:** In a dropshipping model, an online retailer doesn't stock products but instead partners with suppliers or wholesalers who ship products directly to the customers. The retailer acts as an intermediary, earning a margin on each sale.
11. **Subscription E-commerce:** Businesses offer subscription-based services or products, where customers pay regularly (e.g., monthly or annually) to access or receive goods or services. Examples include subscription boxes and streaming services.

12. **Crowdfunding:** While not traditional e-commerce, crowdfunding platforms like Kickstarter and Indiegogo allow individuals and businesses to raise funds for projects or products through online contributions from the public.

13. **Peer-to-Peer (P2P) Lending:** P2P lending platforms connect individuals or businesses seeking loans with individuals or investors willing to lend money online, often at competitive interest rates.

Each type of e-commerce has its own characteristics and business models, catering to different markets and consumer behaviors. The choice of e-commerce model depends on the nature of the products or services, target audience, and business goals.

## **5. Discuss the benefits of ERP.**

Enterprise Resource Planning (ERP) systems offer a wide range of benefits to organizations of all sizes and across various industries. These integrated software solutions provide a unified platform to manage and streamline a company's core business processes. Here are some of the key benefits of ERP:

1. **Process Efficiency:** ERP systems automate and streamline business processes, reducing manual data entry and repetitive tasks. This efficiency leads to improved productivity and faster completion of tasks.

2. **Data Integration:** ERPs integrate data from different departments and functions into a single database, ensuring data consistency and accuracy. This eliminates data silos and the need for manual data reconciliation.

3. **Real-Time Information:** ERP systems provide real-time access to critical business data. Decision-makers can access up-to-date information, which is crucial for making informed, timely decisions.

4. **Improved Collaboration:** ERP software encourages collaboration among departments by providing a centralized platform for sharing information and documents. This fosters better communication and teamwork within the organization.

5. **Cost Reduction:** By automating processes, reducing errors, and optimizing resource allocation, ERPs help control operational costs. Companies can better manage inventory, reduce excess stock, and minimize overproduction.

6. **Enhanced Customer Service:** Access to customer data and order history allows for better customer relationship management. Companies can respond to customer inquiries more quickly and accurately, leading to improved customer satisfaction.

7. **Compliance and Reporting:** ERP systems often come with built-in reporting and analytics tools. This helps organizations meet regulatory requirements and generate accurate financial reports for stakeholders.

8. **Inventory Management:** ERPs help optimize inventory levels, reducing carrying costs and minimizing the risk of stockouts or overstock situations. This ensures that products are available when needed, improving customer service.

9. **\*\*Supply Chain Visibility:\*\*** ERP systems provide end-to-end visibility into the supply chain, allowing companies to track products from suppliers to customers. This visibility helps in better supply chain management and responsiveness.

10. **\*\*Scalability:\*\*** ERP solutions are designed to grow with the organization. They can accommodate increased transaction volumes, additional users, and new business units, making them suitable for both small businesses and large enterprises.

11. **\*\*Strategic Decision-Making:\*\*** With access to comprehensive data and analytics, ERP users can make strategic decisions based on trends, market insights, and performance metrics.

12. **\*\*Streamlined HR Management:\*\*** ERP systems often include modules for human resources management. This streamlines HR processes such as payroll, benefits administration, and employee records management.

13. **\*\*Data Security:\*\*** Modern ERPs prioritize data security, helping organizations protect sensitive information through encryption, access controls, and regular security updates.

14. **\*\*Competitive Advantage:\*\*** Organizations that implement ERP systems effectively can gain a competitive advantage by operating more efficiently, responding quickly to market changes, and providing better customer service.

15. **\*\*Standardization:\*\*** ERPs encourage standardized processes across the organization, ensuring consistency and reducing the likelihood of errors or deviations.

While ERP systems offer numerous benefits, it's essential to recognize that their implementation can be complex and require careful planning and change management. Successful ERP adoption involves aligning the system with organizational goals, training employees, and continuously monitoring and optimizing its use to maximize the benefits.

## **6. Discuss the risks of ERP.**

Implementing an Enterprise Resource Planning (ERP) system can bring significant benefits to organizations, but it also comes with various risks and challenges. It's crucial to be aware of these potential risks and plan to mitigate them effectively. Here are some of the common risks associated with ERP implementation:

1. **\*\*High Implementation Costs:\*\*** ERP projects can be expensive, encompassing software licensing, hardware, consulting fees, training, and ongoing maintenance. Budget overruns are a significant concern.

2. **\*\*Implementation Time:\*\*** ERP implementations can take longer than expected, causing delays in achieving anticipated benefits. Extended timelines can also strain resources and budgets.

3. **\*\*Complexity:\*\*** ERP systems are complex and often require extensive customization to align with an organization's unique processes. The complexity can lead to difficulties in configuration and integration.

4. **Data Migration Challenges:** Transferring data from existing systems to the new ERP can be problematic. Data integrity issues, data mapping errors, and data cleansing may arise during migration.
5. **Resistance to Change:** Employees may resist adopting new processes and technologies. Change management becomes essential to address resistance and ensure successful user adoption.
6. **User Training:** Inadequate training can result in user errors and low system utilization. Training programs must be comprehensive and ongoing to keep users proficient.
7. **Integration Issues:** ERP systems need to integrate seamlessly with existing software and systems. Compatibility and integration challenges can lead to data inconsistencies and workflow disruptions.
8. **Customization Risks:** Excessive customization can lead to system instability, making it challenging to apply updates and patches. Balancing customization with system maintainability is crucial.
9. **Vendor Reliance:** Organizations become reliant on the ERP vendor for support and updates. Vendor-related issues, such as financial instability or lack of support, can pose risks.
10. **Scope Creep:** Expanding the project's scope beyond the original objectives can lead to increased costs and delays. Managing scope effectively is critical.
11. **Data Security:** ERP systems house sensitive business data. Data breaches or unauthorized access can have severe consequences, making security a top concern.
12. **Lack of Expertise:** Inadequate internal expertise can hinder system management and troubleshooting. Organizations may need to rely on external consultants, which can be costly.
13. **Performance Issues:** ERP systems must handle high volumes of transactions. Poor system performance can impact operations and lead to user frustration.
14. **Dependency on Key Personnel:** Organizations may become overly dependent on specific individuals who possess the knowledge and skills required for ERP management. The loss of key personnel can be disruptive.
15. **Business Disruption:** During implementation, there may be disruptions in daily operations as employees adapt to new processes and systems. Managing this transition period is essential.
16. **Software Updates:** Regular updates and patches are necessary to maintain system security and functionality. However, updates can introduce new issues if not thoroughly tested.



17. **\*\*Vendor Lock-In:\*\*** Changing or migrating away from an ERP system can be challenging due to vendor-specific data formats and dependencies, potentially limiting flexibility.

18. **\*\*Regulatory Compliance:\*\*** Ensuring that the ERP system complies with industry-specific regulations and standards can be complex and costly.

19. **\*\*Lack of ROI:\*\*** Despite significant investments, some organizations may not achieve the expected return on investment (ROI) from their ERP system.

To mitigate these risks, organizations should conduct thorough risk assessments, develop a comprehensive implementation plan, engage in effective change management, involve key stakeholders, and closely monitor the project's progress. Additionally, ongoing system maintenance, security measures, and disaster recovery plans are essential to minimize potential ERP risks.

## **7. Explain how a venture can be established using the method - 'Obtaining the franchise'.**

Establishing a venture through the method of obtaining a franchise involves entering into a business arrangement with an established and successful company (the franchisor) to operate a new business (the franchisee) under their established brand, business model, and support system. This method offers several advantages but also comes with specific considerations. Here's an explanation of how a venture can be established using the franchise model, including key steps and considerations:

### **\*\*1. Research and Selection:\*\***

- Identify the industry and type of business you are interested in franchising. Research various franchisor companies to find a suitable match.
- Evaluate franchisor offerings, including their business concept, brand reputation, training, support, and financial terms.

### **\*\*2. Initial Investment:\*\***

- Franchisees typically pay an initial franchise fee to the franchisor. This fee grants you the right to operate under their brand.
- Consider the total upfront investment, which includes not only the franchise fee but also costs for setting up the location, equipment, inventory, and working capital.

### **\*\*3. Legal Documentation:\*\***

- Review the Franchise Disclosure Document (FDD) provided by the franchisor. This document contains essential information about the franchise, including financial details, obligations, and terms.
- Seek legal counsel to help you understand the legal aspects of the franchise agreement and to ensure your interests are protected.

### **\*\*4. Location and Setup:\*\***

- Choose a suitable location for your franchise unit. The franchisor may provide guidelines or even assistance in site selection.
- Set up the business according to the franchisor's specifications, ensuring that it aligns with their brand standards.

**\*\*5. Training and Support:\*\***

- Franchisors typically offer comprehensive training programs to ensure that franchisees understand the business operations, marketing strategies, and customer service standards.
- Take advantage of ongoing support from the franchisor, which may include marketing support, supply chain management, and operational guidance.

**\*\*6. Operations and Marketing:\*\***

- Implement the established business processes and procedures provided by the franchisor.
- Execute marketing strategies and campaigns as outlined in the franchise agreement to attract customers and build brand recognition.

**\*\*7. Compliance and Quality Control:\*\***

- Adhere to the franchisor's quality and operational standards to maintain consistency across all franchise locations.
- Stay in compliance with any legal or regulatory requirements related to your industry.

**\*\*8. Financial Management:\*\***

- Manage your finances diligently to ensure profitability. This includes monitoring expenses, revenue, and profitability.
- Pay royalties and fees to the franchisor as specified in the franchise agreement.

**\*\*9. Growth and Expansion:\*\***

- As your franchise unit becomes successful, consider opportunities for growth, such as opening additional franchise locations if allowed by the franchisor.

**\*\*10. Exit Strategy:\*\***

- Think about your long-term goals and exit strategy, whether it involves selling the franchise unit, passing it on to family members, or other options.

**\*\*Advantages of Establishing a Franchise:\*\***

- Established Brand: You benefit from the franchisor's recognized brand, reducing the need for extensive marketing efforts.
- Proven Business Model: Franchisors typically have a successful track record and a well-defined business model.
- Training and Support: You receive training and ongoing support from the franchisor, which can be invaluable for new entrepreneurs.
- Reduced Risk: Franchises often have a lower failure rate compared to independent startups.
- Access to Suppliers: Franchisors may have established relationships with suppliers, simplifying the procurement process.

**\*\*Considerations:\*\***

- Franchise Fees and Royalties: Understand the financial obligations, including the initial franchise fee and ongoing royalties.
- Franchise Agreement Terms: Review the franchise agreement carefully and consider seeking legal advice to ensure you fully understand the terms.
- Limited Autonomy: Franchisees must adhere to the franchisor's guidelines and standards, which may limit creative control.

- Competitive Market: Depending on the industry, you may face competition from other franchisees of the same brand.

In conclusion, establishing a venture through the franchise method offers a pathway to business ownership with the support and guidance of an established brand. However, it's essential to conduct thorough due diligence, understand the financial commitments, and ensure that the franchisor's business model aligns with your goals and aspirations as an entrepreneur.

## 8. Discuss factors influencing Entrepreneurial development and motivation.

Entrepreneurial development and motivation are influenced by a combination of internal and external factors. These factors play a critical role in shaping an individual's decision to become an entrepreneur and their success in entrepreneurial endeavors. Here is a discussion of key factors influencing entrepreneurial development and motivation:

### **\*\*Internal Factors:\*\***

1. **\*\*Personality Traits:\*\*** Certain personality traits, such as risk-taking propensity, self-confidence, determination, and a strong desire for autonomy, can drive individuals toward entrepreneurship. Entrepreneurs often exhibit a high level of initiative and a willingness to take calculated risks.
2. **\*\*Passion and Interest:\*\*** A genuine interest in a specific field or industry can be a powerful motivator for entrepreneurship. When individuals are passionate about what they do, they are more likely to invest time and effort into entrepreneurial ventures.
3. **\*\*Innovation and Creativity:\*\*** Entrepreneurship often involves creating innovative solutions or products. Individuals with a creative mindset and a knack for problem-solving are more likely to pursue entrepreneurial opportunities.
4. **\*\*Skills and Knowledge:\*\*** Entrepreneurial development is influenced by an individual's skills and knowledge in areas such as business management, marketing, finance, and technology. Ongoing learning and skill development are critical for success.
5. **\*\*Self-Efficacy:\*\*** Belief in one's ability to succeed as an entrepreneur, known as self-efficacy, is a powerful internal motivator. Individuals with high self-efficacy are more likely to persevere in the face of challenges.

### **\*\*External Factors:\*\***

1. **\*\*Economic Environment:\*\*** Economic conditions, including access to capital, interest rates, and overall economic stability, can significantly impact entrepreneurial development. A favorable economic environment with access to financing options can encourage entrepreneurship.
2. **\*\*Government Policies:\*\*** Government policies and regulations can either support or hinder entrepreneurial activities. Policies that promote small businesses, reduce bureaucratic barriers, and provide incentives can motivate entrepreneurship.

3. **Market Opportunities:** The presence of market gaps, unmet needs, or emerging trends can serve as external motivators for entrepreneurs. Identifying lucrative opportunities in the market can drive individuals to start businesses.

4. **Access to Resources:** Access to resources such as funding, mentorship, networking opportunities, and business support services can significantly influence entrepreneurial development. A robust support ecosystem can provide the necessary resources and motivation.

5. **Social and Cultural Factors:** Societal attitudes toward entrepreneurship and cultural norms can impact individuals' decisions to become entrepreneurs. In some cultures, entrepreneurship is highly encouraged and celebrated, while in others, it may be less common.

6. **Competitive Landscape:** The level of competition in a particular industry or market can influence the motivation of entrepreneurs. A competitive environment may drive individuals to innovate and differentiate their businesses.

7. **Technological Advancements:** Advances in technology can create new entrepreneurial opportunities and motivate individuals to harness technology for business innovation.

8. **Role Models and Networks:** Exposure to successful entrepreneurs as role models and access to supportive entrepreneurial networks can inspire and motivate aspiring entrepreneurs.

In summary, entrepreneurial development and motivation are influenced by a complex interplay of internal and external factors. These factors interact to shape an individual's entrepreneurial mindset, willingness to take risks, and ability to seize opportunities. Successful entrepreneurs often possess a combination of intrinsic traits and access to favorable external conditions that enable them to thrive in the dynamic world of entrepreneurship.

## 9. List benefits of E-procurement and discuss the E-procurement chain.

**Benefits of E-procurement:**

1. **Cost Savings:** E-procurement streamlines the procurement process, reducing administrative and operational costs associated with manual processes, paper-based documentation, and errors.

2. **Efficiency:** It accelerates procurement cycles, reducing the time it takes to source, order, and receive goods or services, thereby improving overall efficiency.

3. **Accuracy and Reduced Errors:** Automation minimizes the risk of manual data entry errors, ensuring greater accuracy in procurement transactions.

4. **Centralized Data:** E-procurement systems centralize procurement data, making it easier to track and manage spending, negotiate better terms with suppliers, and analyze procurement performance.

5. **\*\*Supplier Relationship Management:\*\*** E-procurement facilitates better supplier management by providing real-time visibility into supplier performance, quality, and delivery metrics.
6. **\*\*Streamlined Approval Workflows:\*\*** It simplifies approval workflows, ensuring that purchase requisitions and approvals follow predefined processes, reducing delays.
7. **\*\*Marketplace Integration:\*\*** E-procurement systems often integrate with online marketplaces, allowing organizations to access a wider range of suppliers and products, potentially leading to cost savings.
8. **\*\*Compliance:\*\*** Automated procurement processes can enforce compliance with organizational policies and regulations, reducing the risk of non-compliance.
9. **\*\*Enhanced Reporting and Analytics:\*\*** E-procurement systems provide robust reporting and analytics tools, enabling data-driven decisions and spend analysis for strategic sourcing.
10. **\*\*Sustainability:\*\*** E-procurement can support sustainability initiatives by helping organizations track and evaluate the environmental and social impact of their supply chain.

#### **\*\*E-procurement Chain:\*\***

The E-procurement chain represents the stages involved in the electronic procurement process, from the initial request for goods or services to the final purchase and payment. Here is a breakdown of the typical E-procurement chain:

1. **\*\*Request for Goods/Services:\*\*** The process begins with a request from a department or user within the organization for specific goods or services. This request can be initiated through an E-procurement system.
2. **\*\*Purchase Requisition:\*\*** The request is converted into a purchase requisition, specifying the details of the desired goods or services, including quantity, specifications, and delivery requirements.
3. **\*\*Approval Workflow:\*\*** The purchase requisition typically goes through an approval workflow, involving various stakeholders who review and authorize the request based on predefined criteria and budgetary considerations.
4. **\*\*Supplier Selection:\*\*** Once approved, the E-procurement system helps identify potential suppliers. It can provide access to catalogs, supplier databases, or connect to online marketplaces.
5. **\*\*Request for Quotation (RFQ):\*\*** In cases where competitive bidding is required, the organization may send out RFQs to selected suppliers, requesting quotes or proposals.
6. **\*\*Supplier Responses:\*\*** Suppliers submit their quotations or proposals electronically through the E-procurement system. This allows for standardized and structured responses.

7. **\*\*Evaluation and Selection:\*\*** The organization evaluates supplier responses based on criteria such as price, quality, delivery time, and supplier reputation. The E-procurement system can facilitate this evaluation.
8. **\*\*Purchase Order (PO):\*\*** Upon supplier selection, a purchase order is generated and sent electronically to the chosen supplier. The PO contains all the necessary details of the transaction.
9. **\*\*Goods/Services Delivery:\*\*** Suppliers deliver the ordered goods or services as per the terms of the PO. The E-procurement system may track the progress of deliveries and provide real-time updates.
10. **\*\*Invoice Processing:\*\*** Invoices from suppliers are matched with the corresponding purchase orders and receipts electronically within the E-procurement system. This process ensures accuracy and compliance.
11. **\*\*Payment Authorization:\*\*** Authorized invoices are processed for payment within the E-procurement system. Payments may be made electronically, optimizing cash flow.
12. **\*\*Reporting and Analysis:\*\*** E-procurement systems offer reporting and analytics tools that allow organizations to monitor spending, track supplier performance, and identify opportunities for cost savings and process improvements.
13. **\*\*Supplier Performance:\*\*** The system may collect data on supplier performance, including delivery times, quality, and adherence to contractual terms, which can inform supplier relationship management.
14. **\*\*Feedback and Improvement:\*\*** Continuous feedback and performance data can be used to refine procurement processes, negotiate better terms with suppliers, and enhance overall procurement efficiency.

The E-procurement chain is a holistic approach to procurement, bringing together various stages in a seamless and efficient manner, ultimately leading to cost savings, process efficiency, and improved supplier relationships.

## SEM QB-

1. Discuss the role of M-commerce and E-commerce in business.

Both Mobile Commerce (M-commerce) and Electronic Commerce (E-commerce) play significant roles in modern business, but they cater to different aspects and channels of commerce. Here, we'll discuss the roles of each in business:

### **\*\*Role of M-commerce (Mobile Commerce) in Business:\*\***

1. **\*\*Accessibility:\*\*** M-commerce allows businesses to reach customers through mobile devices, providing them with convenient access to products and services anytime, anywhere.
2. **\*\*Wider Reach:\*\*** As mobile devices are nearly ubiquitous, M-commerce broadens the reach of businesses to a global audience, helping them tap into new markets and customer segments.
3. **\*\*Personalization:\*\*** Mobile apps and websites can collect data on user preferences, behavior, and location, enabling businesses to offer personalized recommendations and promotions.
4. **\*\*Ease of Use:\*\*** Mobile apps and optimized websites are designed for smaller screens and touch interfaces, providing a user-friendly and intuitive shopping experience.
5. **\*\*Instant Communication:\*\*** Mobile devices support real-time communication through features like push notifications, allowing businesses to engage with customers promptly and promote products or offers.
6. **\*\*Mobile Payments:\*\*** M-commerce facilitates various mobile payment options, including mobile wallets and in-app purchases, making transactions quick and convenient for customers.
7. **\*\*Geolocation Marketing:\*\*** Businesses can use location-based services to send location-specific offers and promotions to customers when they are in proximity to a physical store.
8. **\*\*Innovative Technologies:\*\*** M-commerce benefits from emerging technologies like Augmented Reality (AR) and Virtual Reality (VR), enabling immersive shopping experiences.
9. **\*\*Customer Loyalty:\*\*** Mobile apps often include loyalty programs, reward points, and discounts, encouraging customer retention and repeat purchases.

### **\*\*Role of E-commerce (Electronic Commerce) in Business:\*\***

1. **\*\*Global Presence:\*\*** E-commerce enables businesses to establish a global presence, reaching customers around the world without the need for physical stores.

2. **Reduced Overheads:** E-commerce businesses can operate with lower overhead costs compared to brick-and-mortar establishments, as they don't require physical storefronts and associated expenses.
3. **Inventory Management:** E-commerce systems allow for efficient inventory management, reducing the risk of overstocking or understocking products.
4. **Diverse Product Offerings:** E-commerce businesses can offer a wide range of products and services, often beyond what a physical store can accommodate.
5. **24/7 Availability:** E-commerce stores are open 24/7, providing customers with the flexibility to shop at any time, including holidays and weekends.
6. **Detailed Product Information:** E-commerce websites can provide extensive product information, reviews, and user-generated content, aiding customers in making informed purchase decisions.
7. **Efficient Marketing:** E-commerce businesses can use digital marketing strategies such as SEO, social media marketing, email campaigns, and pay-per-click advertising to target and engage customers effectively.
8. **Customer Analytics:** E-commerce platforms collect valuable data on customer behavior, allowing businesses to analyze trends, tailor marketing efforts, and improve user experiences.
9. **Scalability:** E-commerce businesses can easily scale their operations up or down to meet changing demand without the constraints of physical infrastructure.
10. **Integration:** E-commerce platforms can integrate with various third-party tools and services, such as payment gateways, shipping providers, and analytics tools, streamlining operations.

In summary, M-commerce focuses on reaching customers through mobile devices, offering convenience and personalized experiences, while E-commerce provides a broader online presence, enabling businesses to operate globally, reduce costs, and offer a wide range of products. Both M-commerce and E-commerce are essential components of modern business strategies, and many businesses utilize both channels to maximize their reach and cater to diverse customer preferences.

## 2. Explain with examples the various types of E-commerce models.

E-commerce encompasses various business models that facilitate online transactions between buyers and sellers. Each model has its unique characteristics and serves different purposes. Here are the most common types of E-commerce models with examples:

### 1. **Business-to-Consumer (B2C):**

- **Definition:** In B2C E-commerce, businesses sell products or services directly to individual consumers.
- **Examples:**



- Amazon: An online retailer that sells a wide range of products to individual consumers.
- Netflix: A subscription-based streaming service that provides entertainment content to individual subscribers.

## 2. **Business-to-Business (B2B):**

- **Definition:** B2B E-commerce involves businesses selling products or services to other businesses.
- **Examples:**
  - Alibaba: A global B2B platform connecting manufacturers and wholesalers with business buyers.
  - SAP Ariba: A B2B marketplace and procurement platform that helps businesses manage their supply chain.

## 3. **Consumer-to-Consumer (C2C):**

- **Definition:** C2C E-commerce allows individuals to sell products or services directly to other individuals through online platforms.
- **Examples:**
  - eBay: An online auction and marketplace where individuals can buy and sell various items.
  - Airbnb: A platform that allows homeowners to rent their properties to other individuals for short-term stays.

## 4. **Consumer-to-Business (C2B):**

- **Definition:** C2B E-commerce occurs when individual consumers offer products or services to businesses.
- **Examples:**
  - Upwork: A platform where freelancers offer their services to businesses seeking specific skills or tasks.
  - Influencer Marketing Platforms: Individuals with a substantial online presence (e.g., social media influencers) can collaborate with businesses for sponsored content.

## 5. **Government-to-Consumer (G2C):**

- **Definition:** G2C E-commerce involves government agencies providing services and collecting fees or taxes from individual consumers.
- **Examples:**
  - IRS (Internal Revenue Service) Online Services: Allows individual taxpayers to file taxes and make payments online.
  - Passport Application Online: Governments may offer online passport application and renewal services to citizens.

## 6. **Government-to-Business (G2B):**

- **Definition:** G2B E-commerce refers to government agencies interacting with businesses for various purposes, such as procurement and licensing.
- **Examples:**
  - GSA (General Services Administration): The U.S. government's GSA offers a platform for businesses to bid on government contracts.
  - Business License Applications: Businesses can apply for licenses and permits online through government websites.

## 7. **Mobile Commerce (M-commerce):**

- **Definition:** M-commerce involves conducting online transactions via mobile devices, such as smartphones and tablets.

- **Examples:**

- Mobile Banking Apps: Banks offer mobile apps that allow customers to check balances, transfer funds, and pay bills.

- Food Delivery Apps: Platforms like Uber Eats and DoorDash enable users to order food and make payments through mobile apps.

#### 8. **Social Commerce:**

- **Definition:** Social commerce integrates social media platforms with E-commerce, allowing businesses to sell products or services directly through social networks.

- **Examples:**

- Facebook Marketplace: Users can buy and sell items within the Facebook platform.

- Instagram Shopping: Businesses can tag products in Instagram posts, allowing users to purchase directly from the app.

#### 9. **Subscription E-commerce:**

- **Definition:** Subscription E-commerce involves businesses offering products or services on a recurring subscription basis.

- **Examples:**

- Dollar Shave Club: Subscribers receive razors and grooming products on a regular basis.

- Netflix: Subscribers pay a monthly fee for access to a library of streaming content.

#### 10. **Peer-to-Peer (P2P) Lending:**

- **Definition:** P2P lending platforms connect individuals or businesses seeking loans with individuals or investors willing to lend money online.

- **Examples:**

- LendingClub: Borrowers can request personal loans funded by individual investors.

- Kiva: A platform that connects individuals in need of microloans with lenders worldwide.

These E-commerce models illustrate the diverse ways in which businesses and individuals engage in online commerce, catering to various market segments and needs. Businesses often choose the model that aligns with their products or services and target customer base.