



IT6506 - eBusiness Technologies

7. eBusiness Transformation

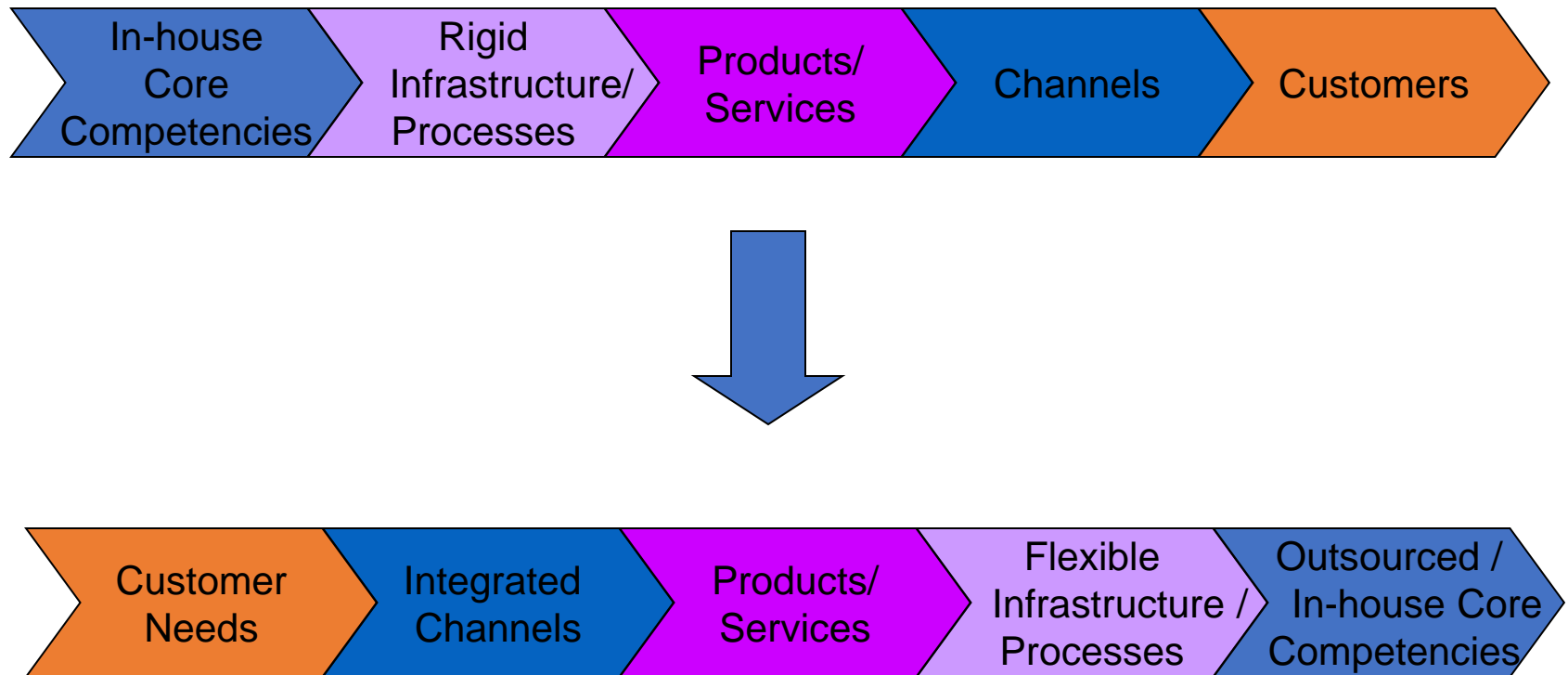
Level III - Semester 6

eBusiness Transformation

- Introduction to eTransformation
- 7.1. Stage 1: Environmental Analysis
- 7.2. Stage 2: e-Business Goals/ Strategies
- 7.3. Stage 3: eReadiness (Internal/External)
- 7.4. Stage 4: eTransformation Roadmap
- 7.5. Stage 5: eTransformation Methodology
- 7.6. Stage 6: eSystems
- 7.7. Stage 7: Evolution Change Management

Introduction to eTransformation

Business Re Engineering



While Business Process Reengineering (BPR) and eTransformation share some similarities in their goals of improving business processes and leveraging technology, there are key differences between the two approaches:

BPR: BPR primarily focuses on radically redesigning existing business processes to significantly improve efficiency, effectiveness, and quality. It often involves rethinking and restructuring entire workflows or departments within an organization.

eTransformation: eTransformation encompasses a broader scope and includes adopting and integrating digital technologies and solutions across various aspects of the organization beyond just process redesign. It involves leveraging technology to drive digital innovation, enhance customer experiences, and transform business models.

BPR: BPR typically follows a "clean slate" approach, where existing processes are analyzed and reimaged from scratch without considering their current state. It involves challenging existing assumptions and redesigning processes based on best practices and desired outcomes.

eTransformation: eTransformation is more iterative and adaptable. It involves building upon existing processes and leveraging technology to improve them incrementally. It takes into account the organization's current state, legacy systems, and the potential to integrate new digital solutions into the existing infrastructure.

BPR: While technology can be considered in BPR, it is not the primary driver. The focus is on rethinking and redesigning processes, and technology is implemented as an enabler to support the redesigned processes.

eTransformation: Technology is a central component of eTransformation. It involves the strategic selection, integration, and utilization of digital technologies and solutions to enable and enhance business processes. It encompasses digital tools, platforms, data analytics, automation, AI, cloud computing, and more.

BPR: BPR often requires significant organizational change and can be met with resistance from employees who may feel threatened by the redesign of their roles and processes. Change management strategies are crucial to address employee concerns and facilitate the adoption of new processes.

eTransformation: Change management is also vital in eTransformation, but it extends beyond process redesign. It encompasses the cultural, organizational, and behavioral changes required to adapt to digital transformation, including training employees on new technologies, promoting a digital mindset, and fostering a culture of innovation.

Business Process Reengineering (BPR) and eTransformation

In conclusion, BPR focuses on radical process redesign to achieve improvements, while eTransformation is a broader concept that incorporates the strategic integration of digital technologies and solutions across the organization.

eTransformation goes beyond process redesign and includes adopting digital tools, data-driven decision-making, enhancement of customer experience, and transformation of business models.

How to start eTransformation?

“What becomes obvious is that the first thing you have to do, **before you understand e-business priorities, is to understand business priorities! Which, by the way, makes sense because, in the end, there is no “e-business.” The “e” is only temporary; it will go away. It will all be “business.” Therefore, the right place to start your e-business initiative is where the most leverage is within the context of your business.....”**

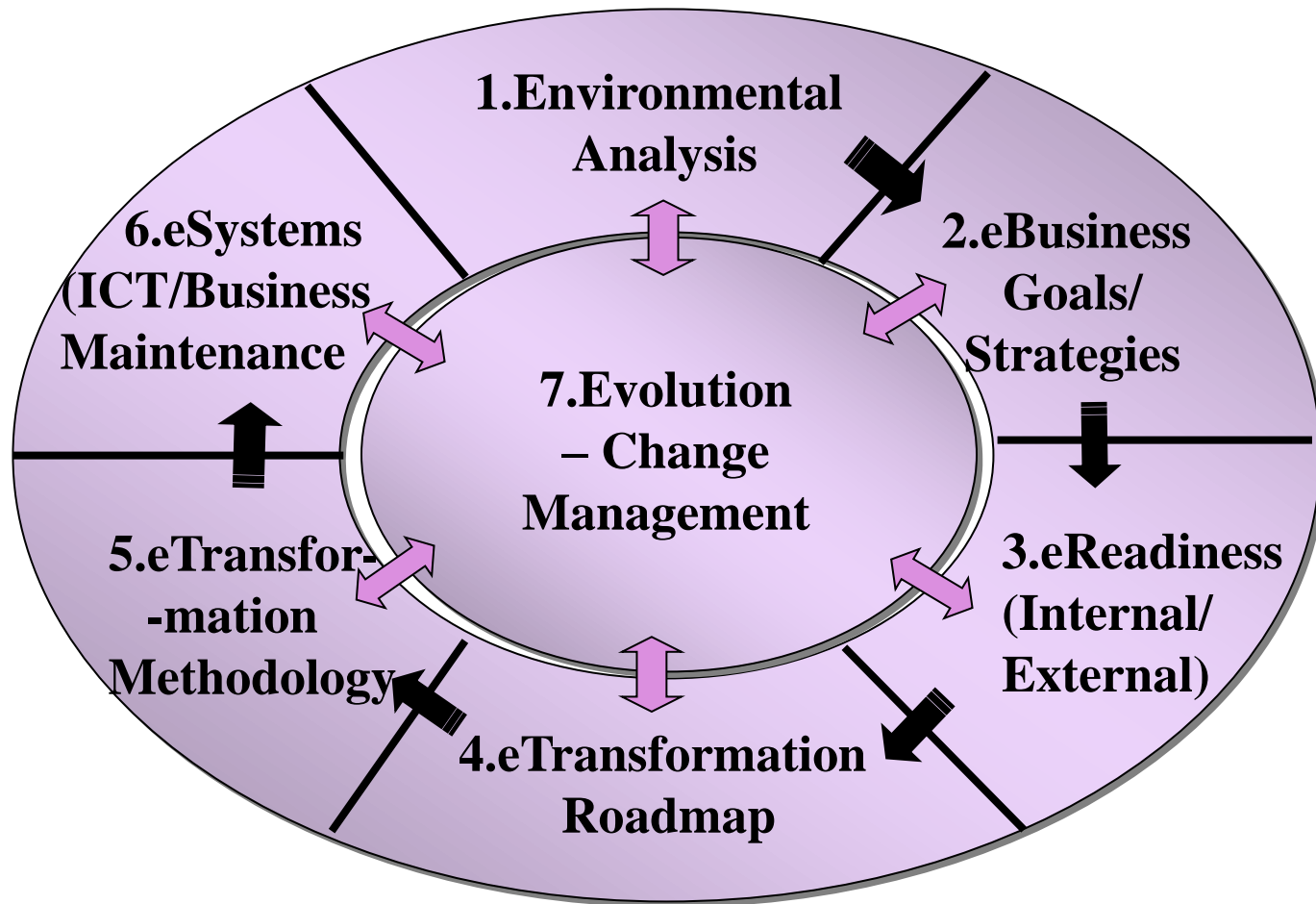
Prof. Mohan Sawhney, Professor of Electronic Commerce and Technology at Northwestern University's Kellogg Graduate School of Management

Important Aspects of eTransformation

- Business transformation (Holistic approach)
- Study environment (Business and IT trends)
- Identify the eReadiness of the company (Internal – B2E)
- Importance of identifying the external environment
- Identify readiness of clients, customers, & partners – (B2C, B2B)
- Identify Business goals/Business Strategies
- Identify Strategic Partnerships that will give the comp. adv.
- Step-by-step process to eTransformation (not project approach)
- Calculate ROI – Measurable benefits
- Address ICT Infrastructure issues –What technology?
- Security / Maintenance/ Disaster recovery issues?
- Change Management issues –Are they addressed?
- Process-based approach and not project-based
- Evaluating performance – How and when? KPIs

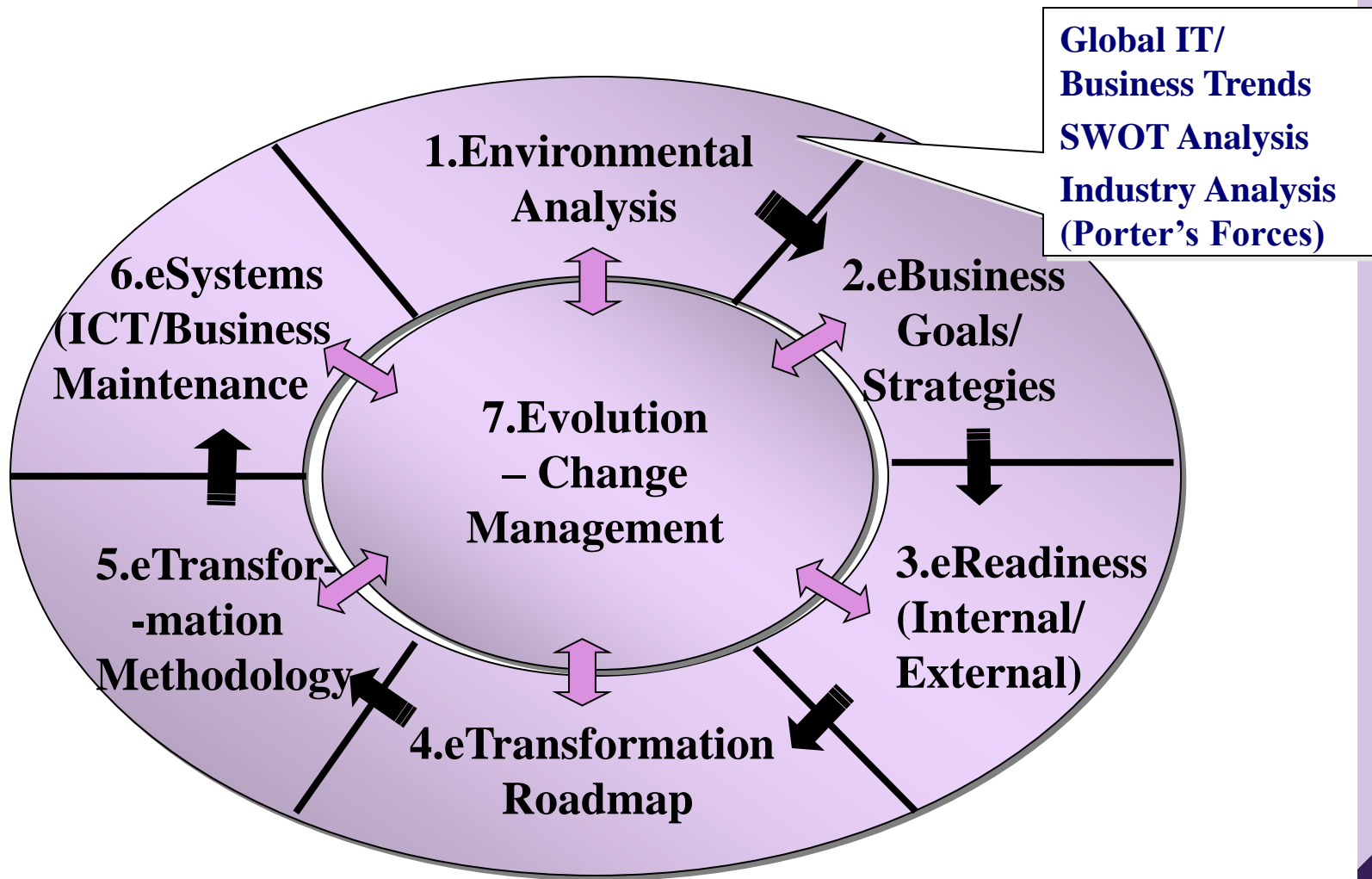
The Seven E's In eTransformation

– A Strategic eTransformation Model



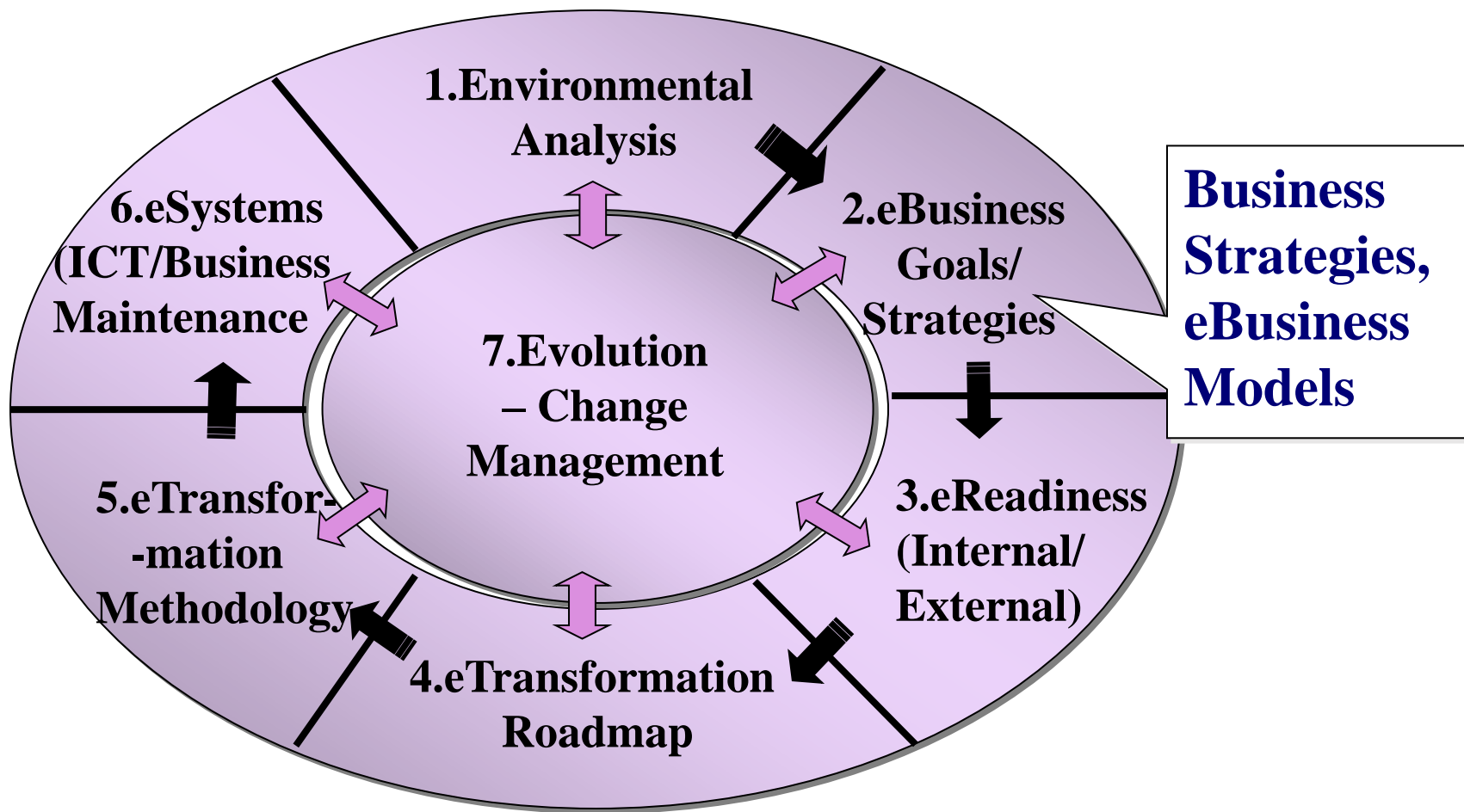
The Seven E's In eTransformation

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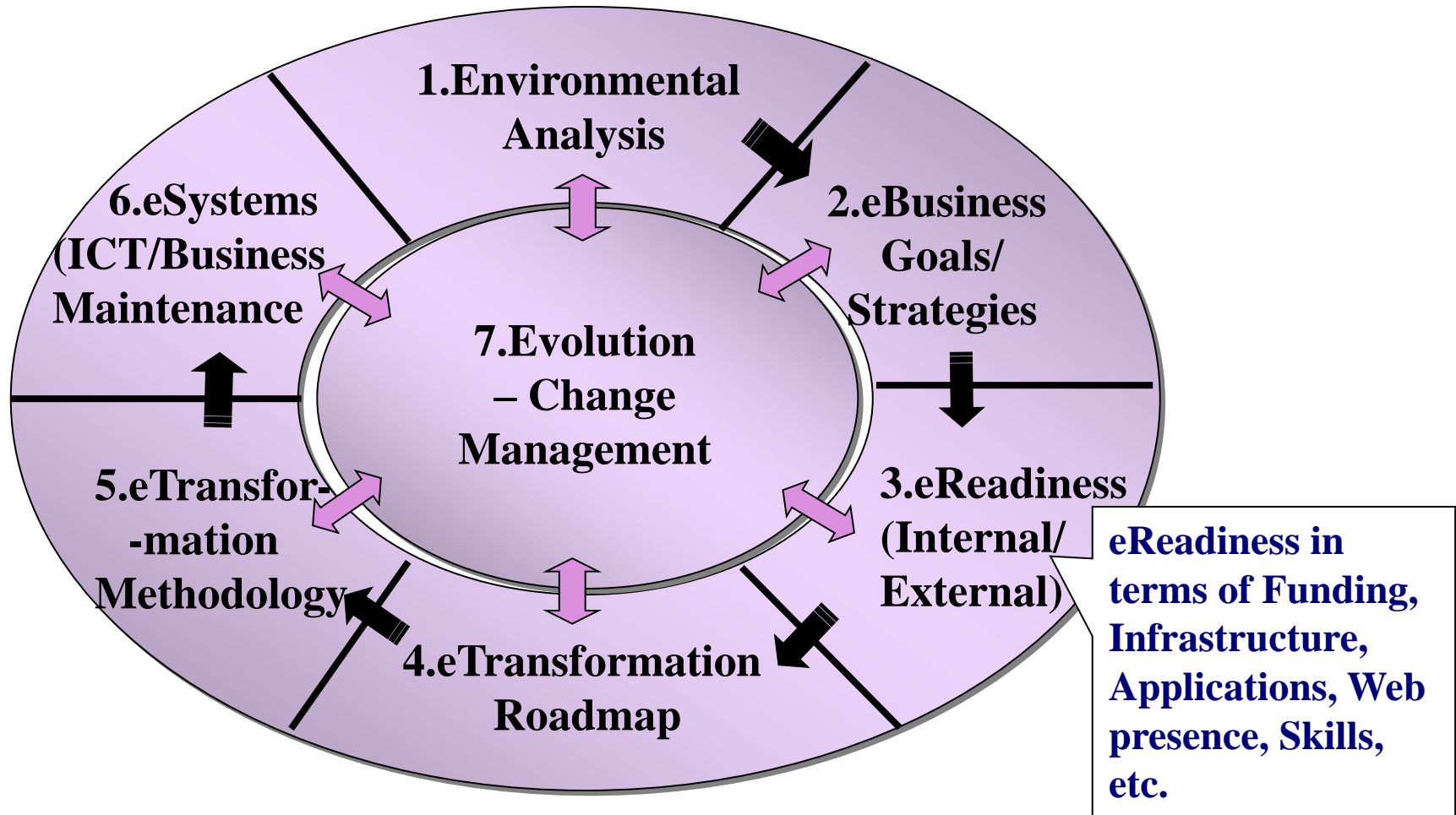
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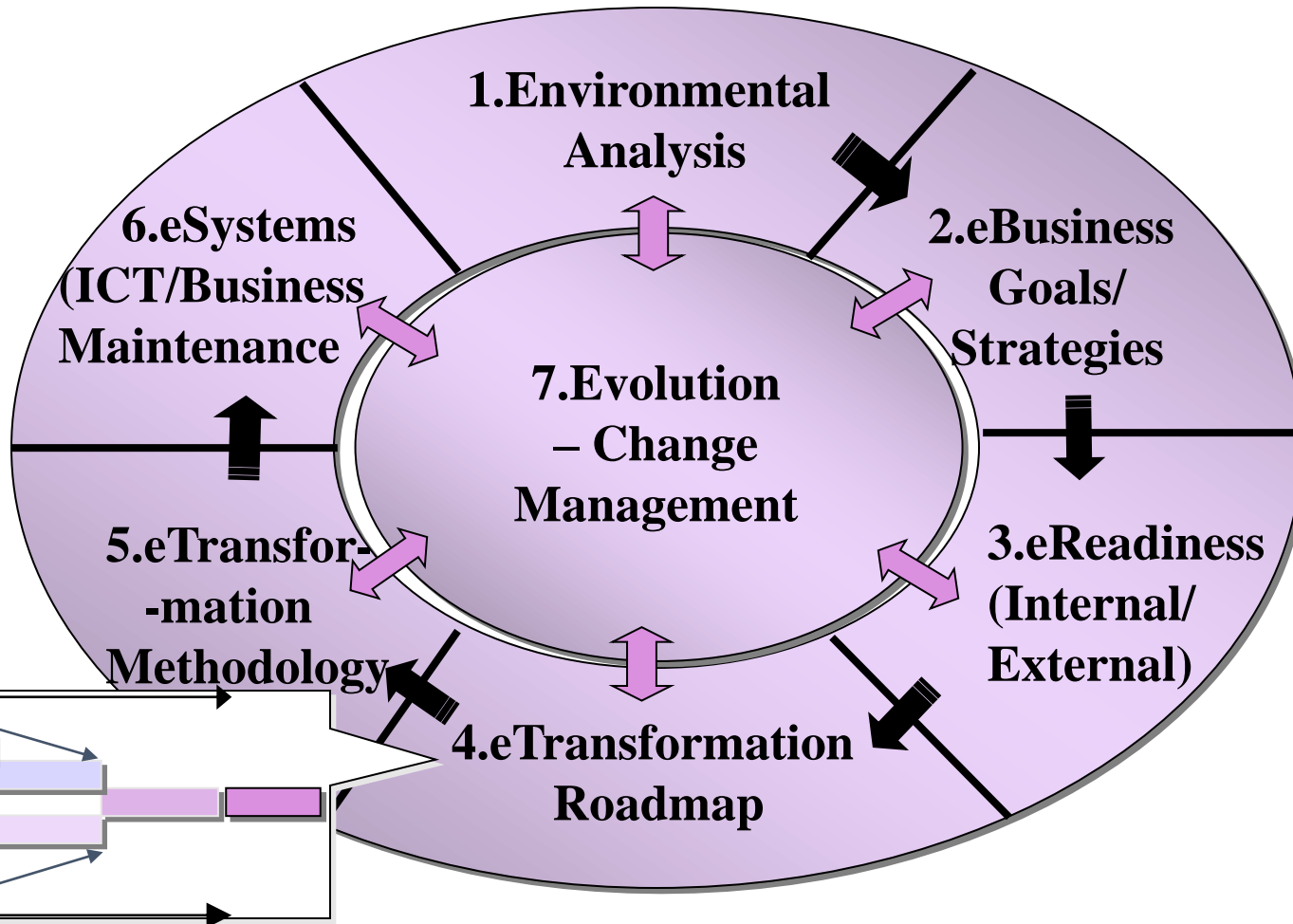
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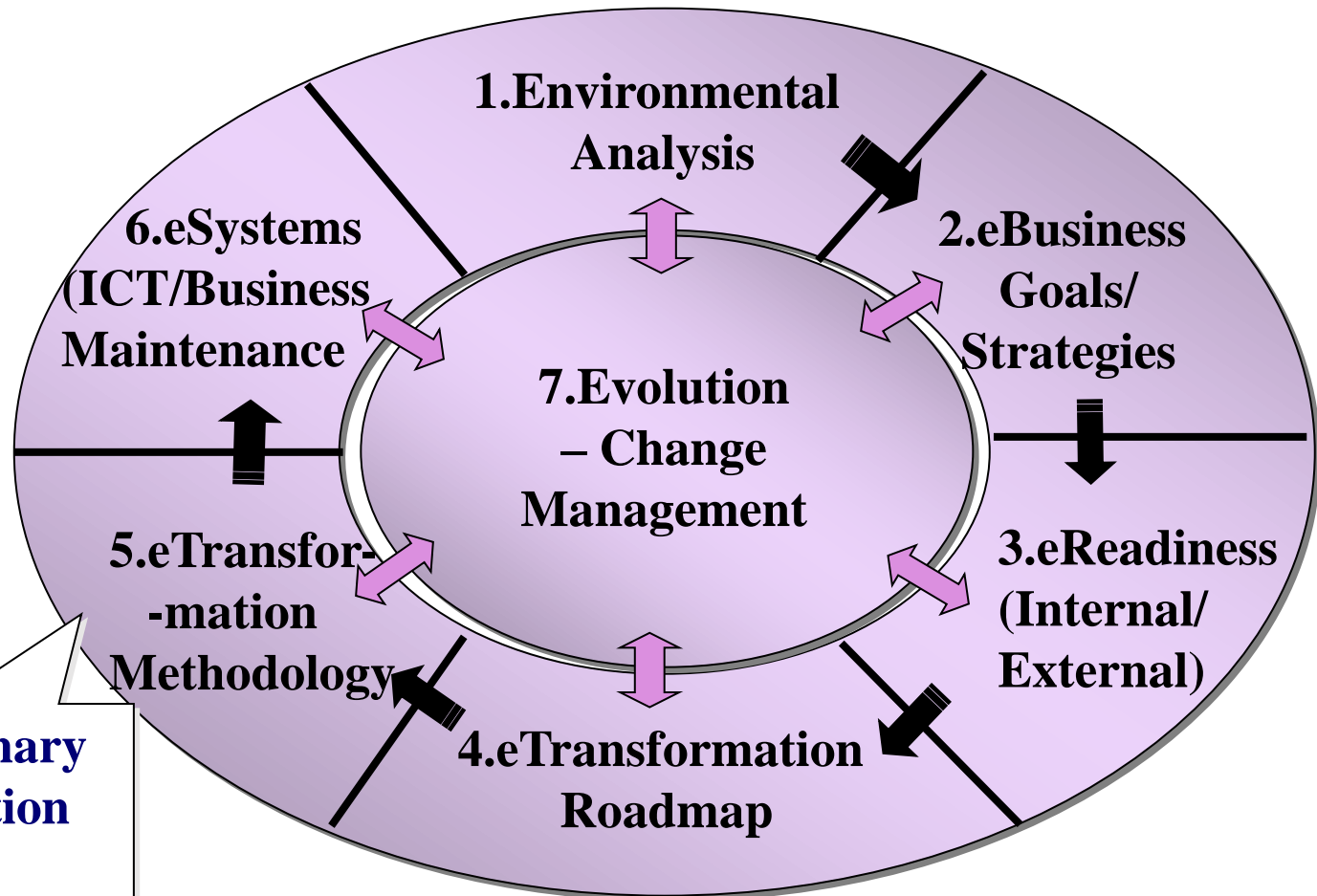
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The Seven E's In eTransformation

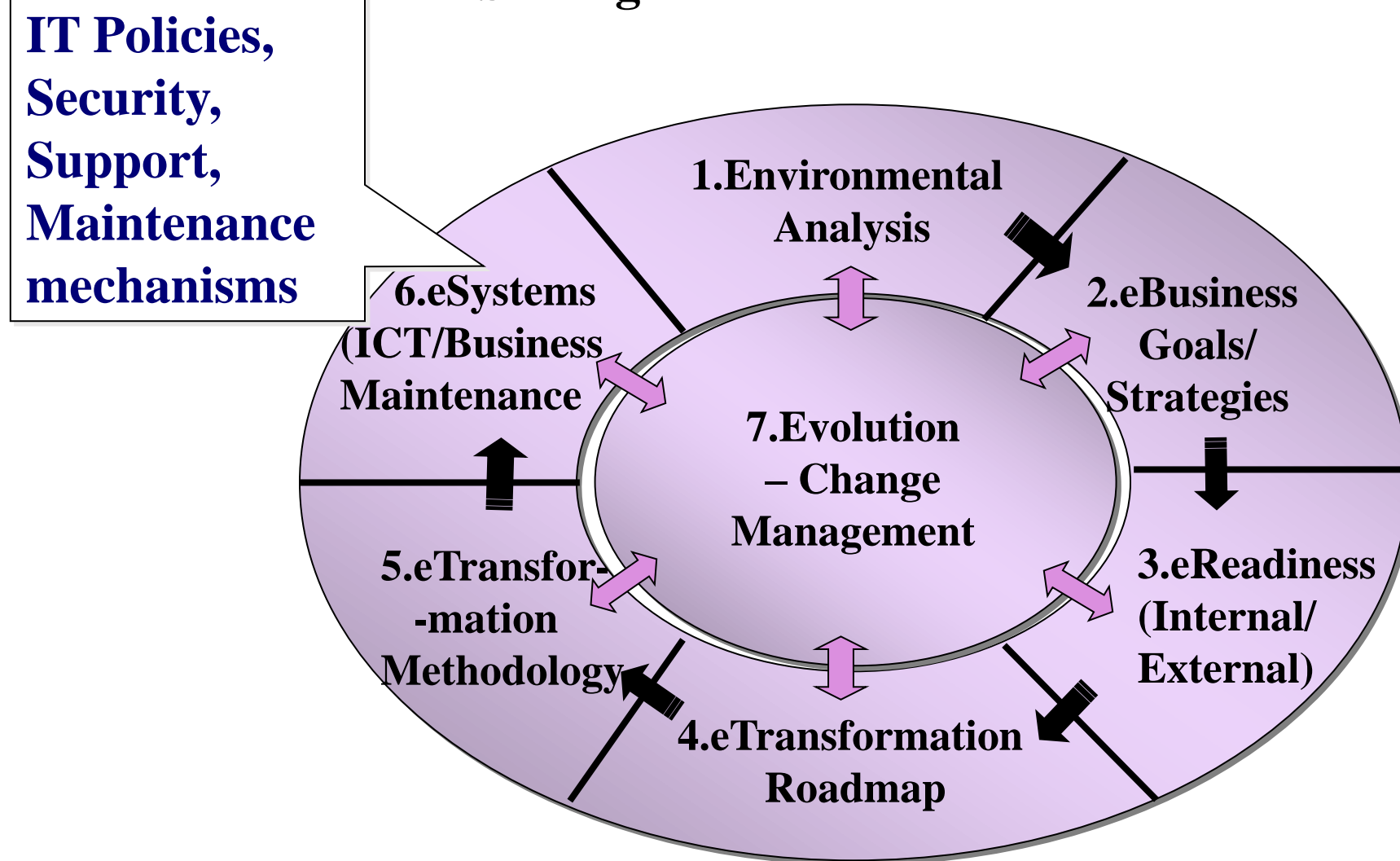
– A Strategic eTransformation Model



**The Evolutionary
eTransformation
methodology
Internal/External**

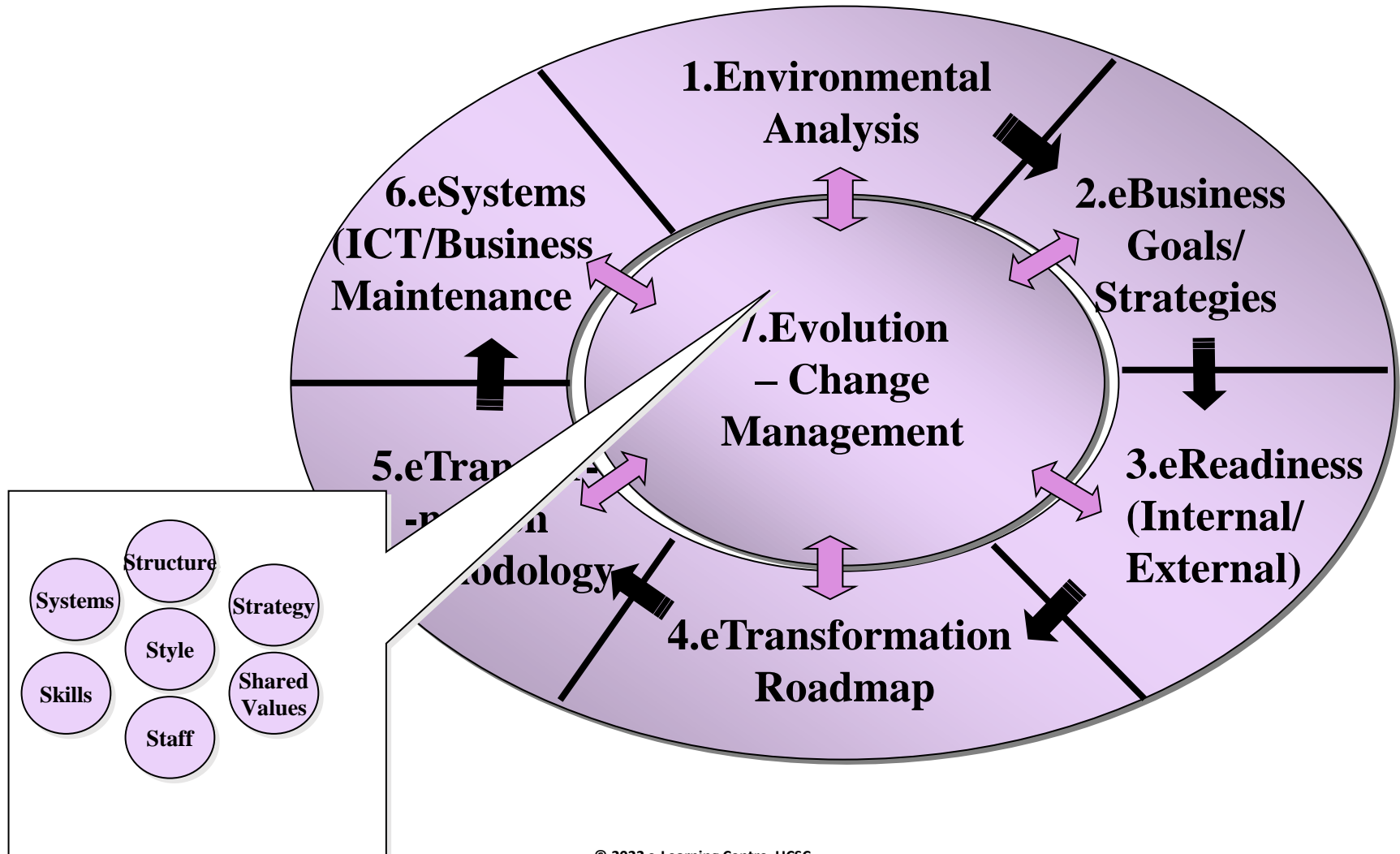
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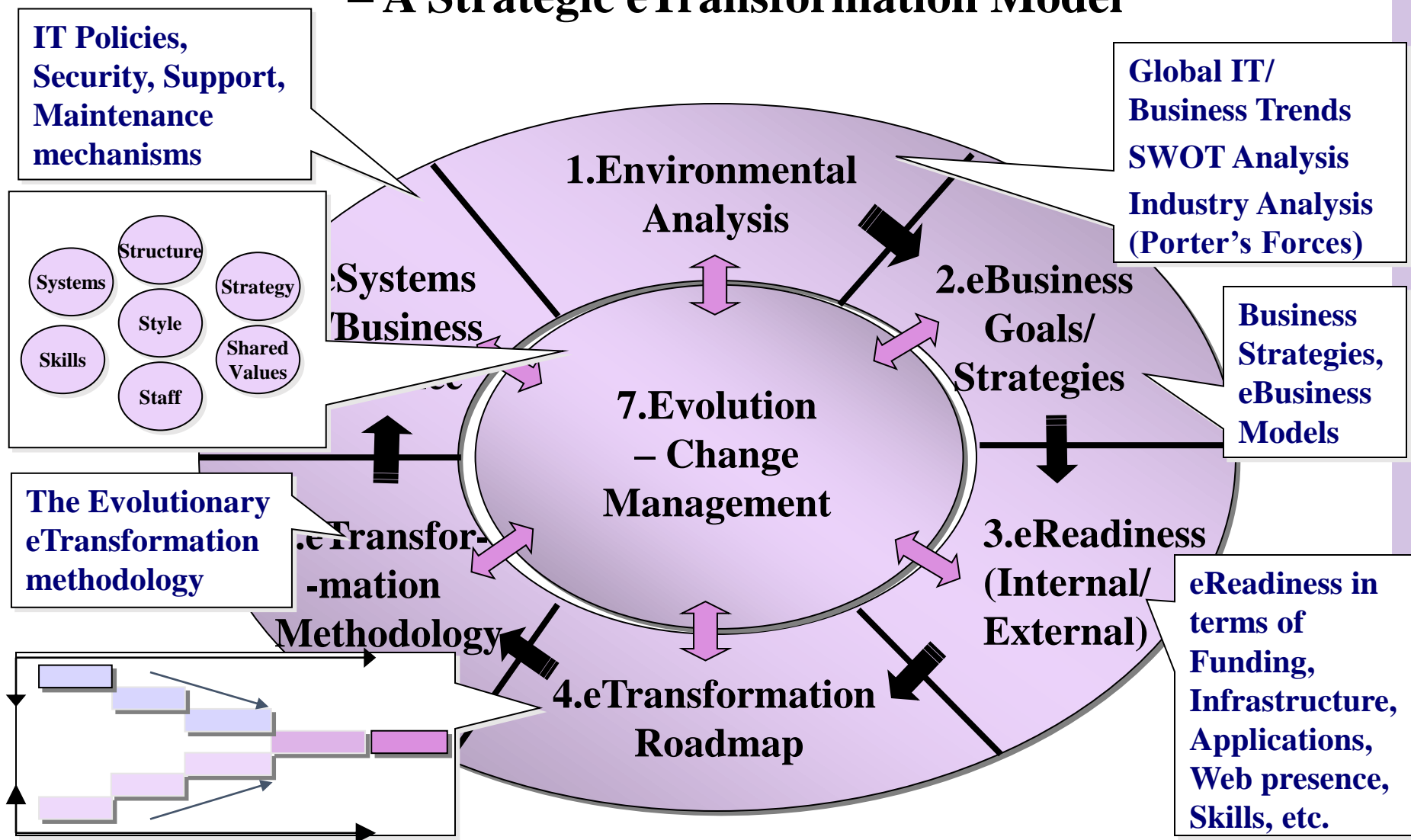
The Seven E's In eTransformation

– A Strategic eTransformation Model



The Seven E's In eTransformation

– A Strategic eTransformation Model



The Seven E's In eTransformation

7.1. Stage1: Environmental Analysis



7.1. Stage1: Environmental Analysis ... Cont

Significance and Outcomes: To understand the Global IT and Business Trends and the Company's Strategic Situation

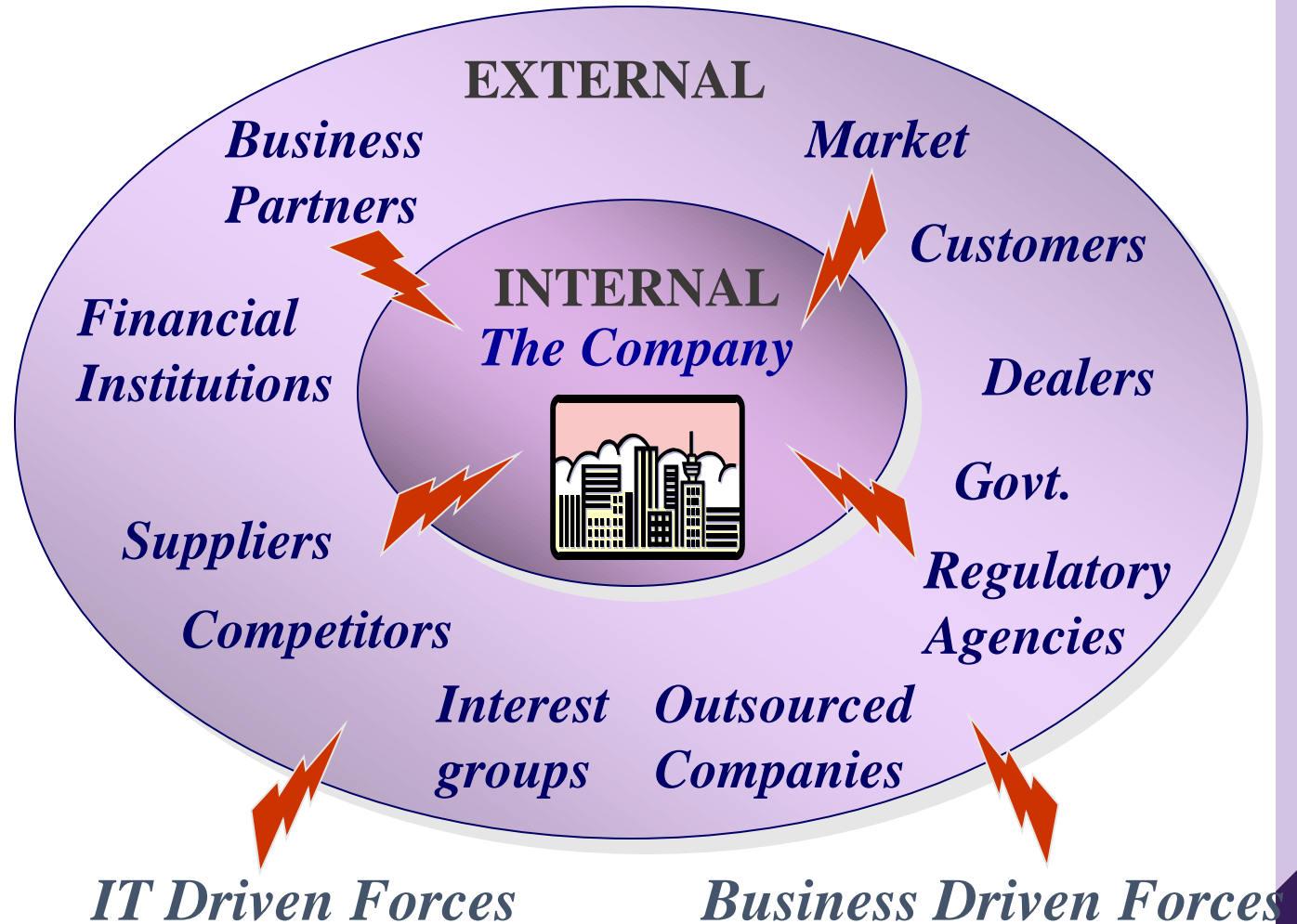
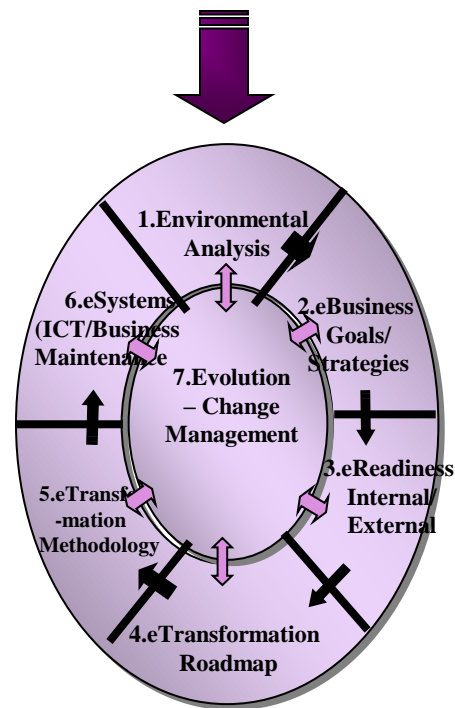
The major trends are driving organisations to change how they do business. They are Consumer Trends, Service/Process Trends, Organisational Trends, and Enterprise Technology Trends.

Methodology used: The following analysis is proposed to be carried out: ·

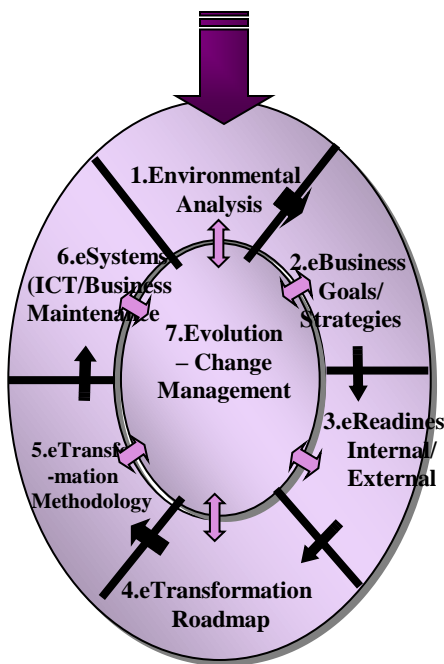
Industry Analysis – Michael Porter's Five Forces Model, the forces being Rivalry among existing competitors, Bargaining power of suppliers, Bargaining power of buyers, Threat of new entrants, Threat of substitute products/services ·

Internal/External Strategic Factor Analysis – The SWOT analysis deals with the assessment of external Opportunities and Threats a company will face with its internal Strengths and Weaknesses.

The Business Environment

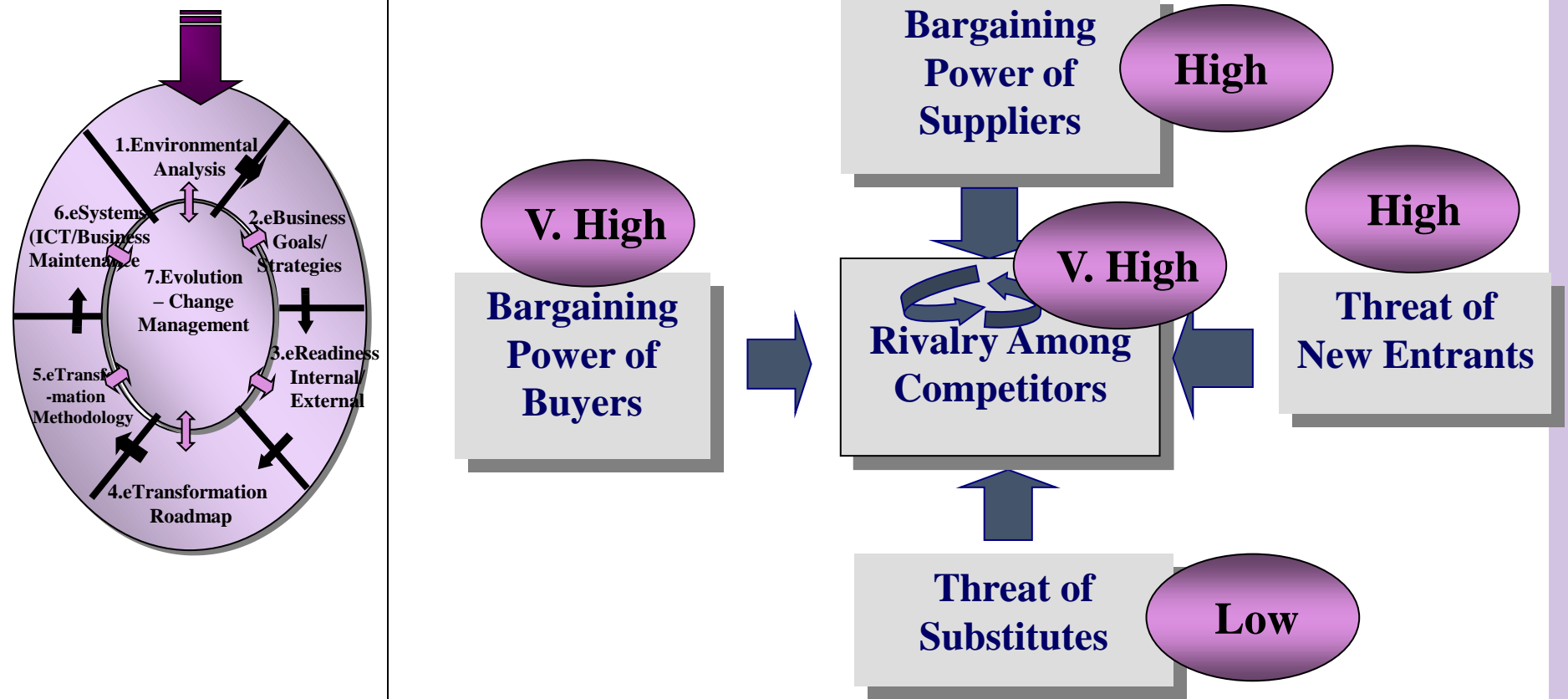


SWOT Analysis



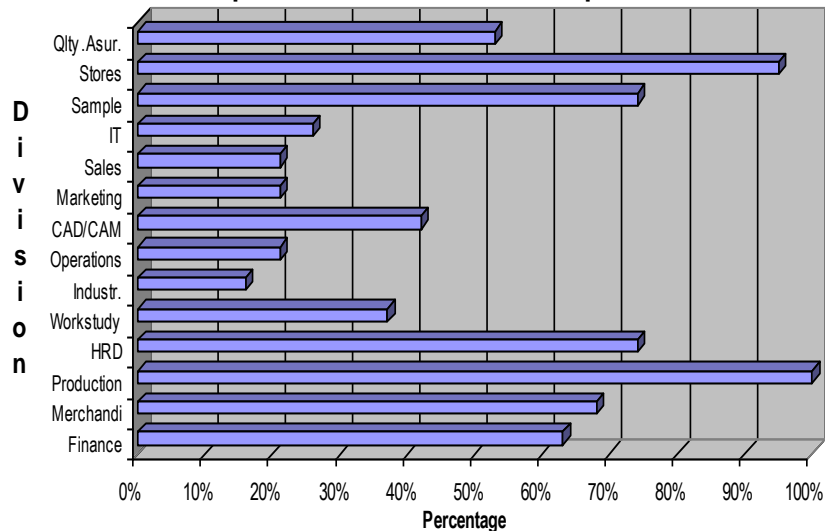
Strengths	Weaknesses
<p>The Industry knowledge of the CEO</p> <p>Manufacturing flexibility</p> <p>Company culture-best practices</p> <p>Innovation and creativity</p> <p>Customer base–Client pedigree</p> <p>Industry reputation</p>	<p>Over-reliance on the CEO</p> <p>Size of business – small</p> <p>Not using Web for any purpose</p> <p>Manual quality systems</p> <p>Lack marketing strategies</p> <p>IT is not used as a strategic tool</p>
Opportunities	Threats
<p>Possibility of acquisition</p> <p>New product/market develop.t</p> <p>Develop products to niche mkt.</p> <p>Alliance with giants in plastics</p> <p>Web as a strong marketing tool</p> <p>eBusiness opportunities</p>	<p>Raw material price increases</p> <p>Aging technology</p> <p>Market Intelligence</p> <p>Legislations – Food/recycling</p> <p>Market - large competitors</p> <p>No direct link to end-user</p>

Application of Micheal Porter's Five Forces Model to the Industry

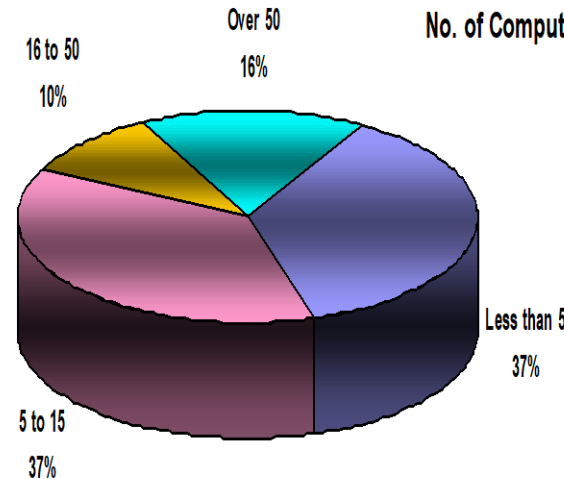


The Outcomes of the Garment Industry Survey

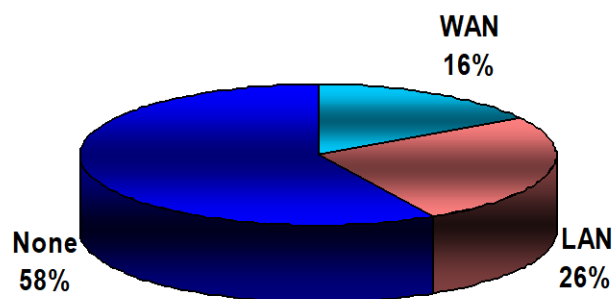
Departments/Divisions in Enterprises



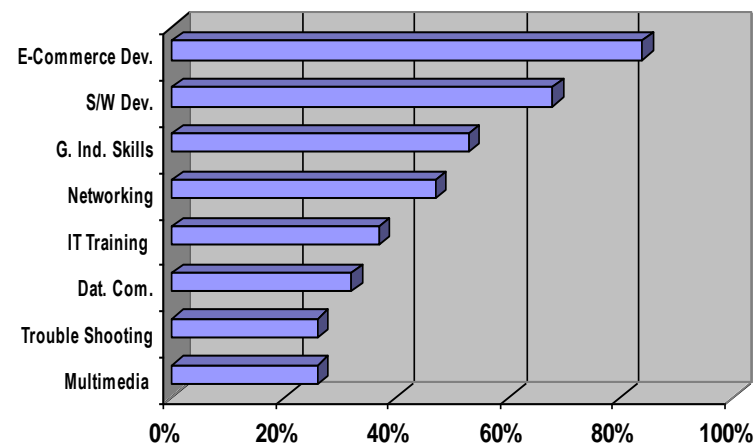
No. of Computers in Factory



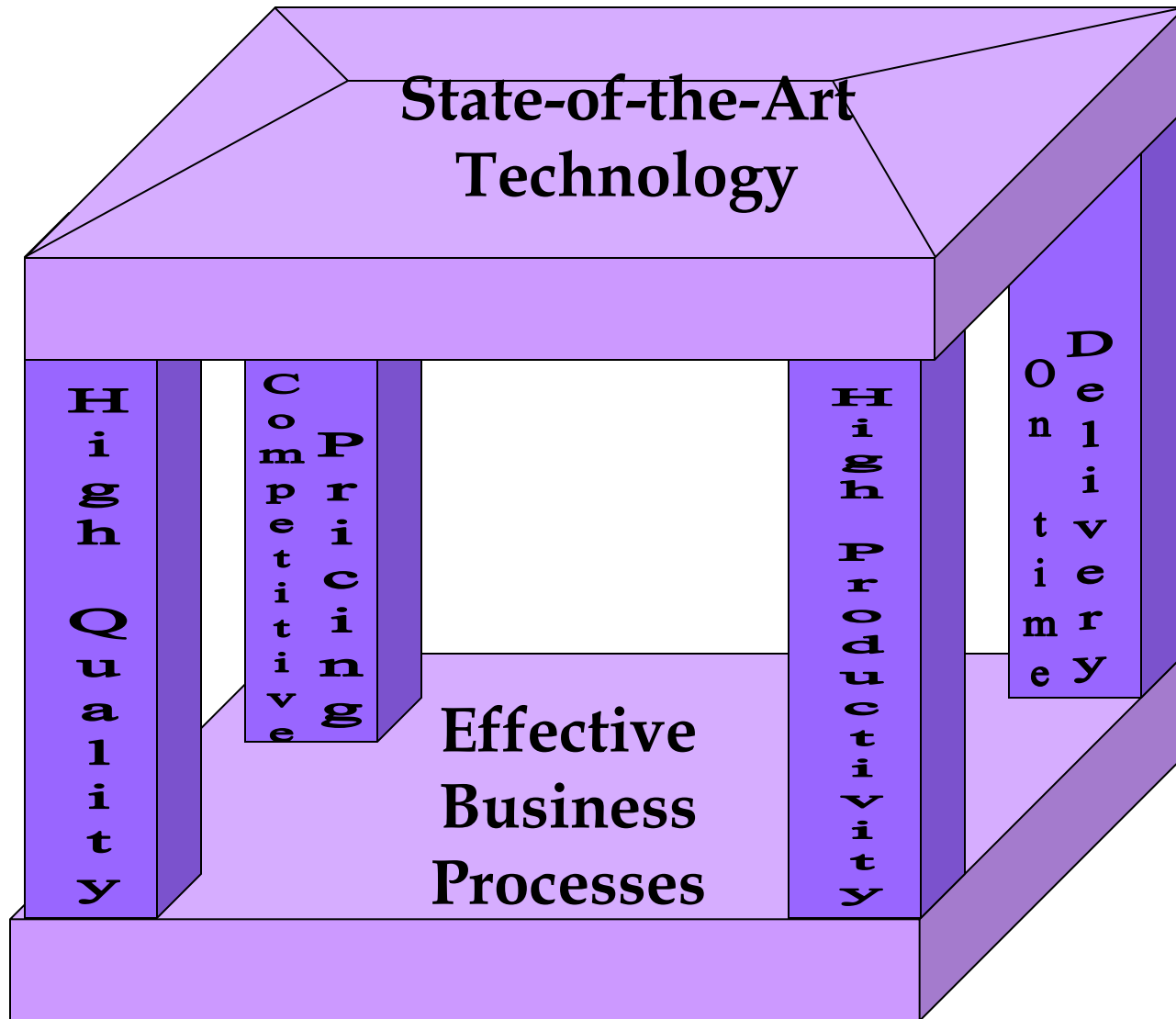
Existence of a Network in the Enterprise



Shortage of IT Staff Skills

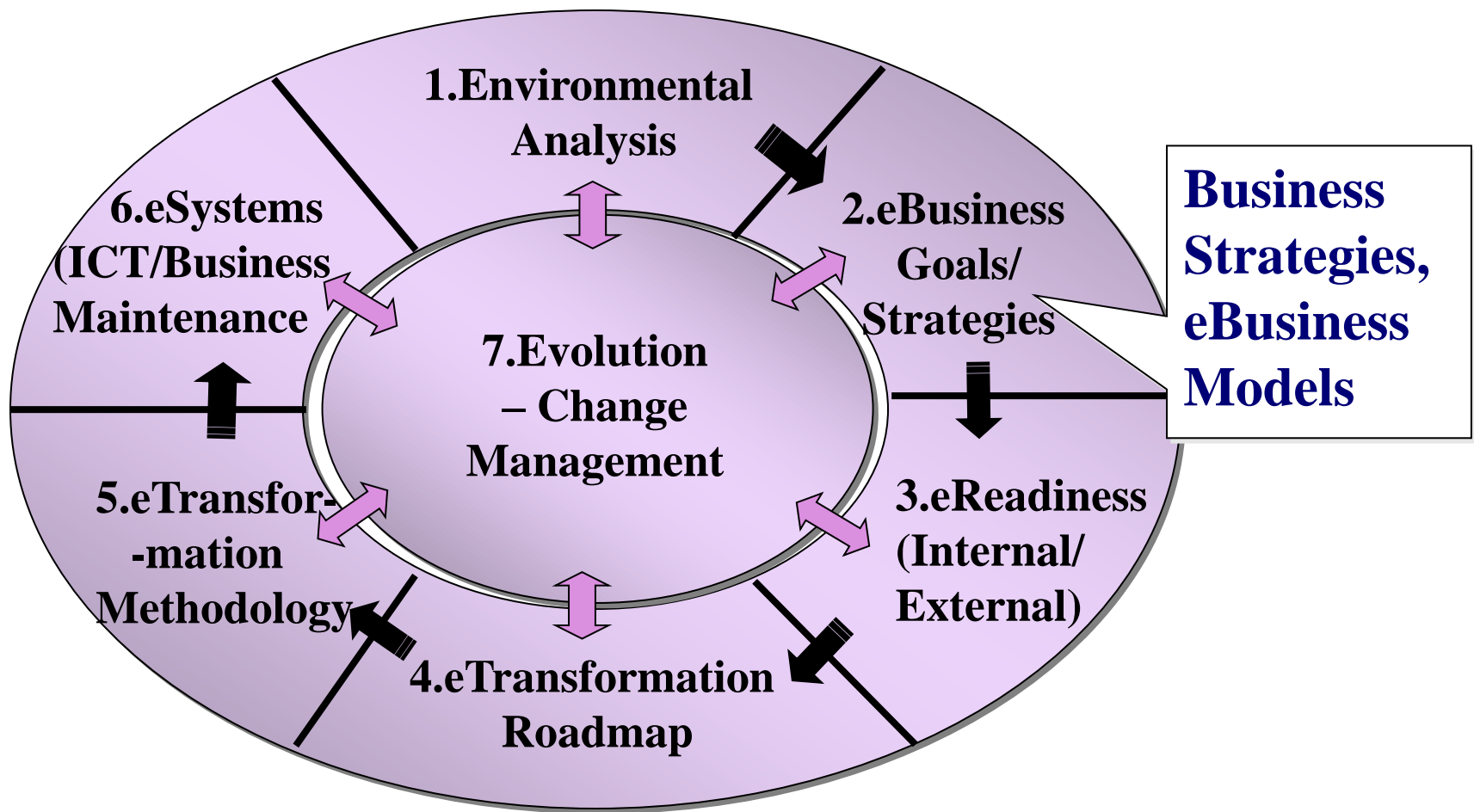


Critical Success Factors which give the Competitive Advantage in the Garment Sector



The Seven E's In eTransformation

7.2. Stage 2: eTransformation Goals/Strategies

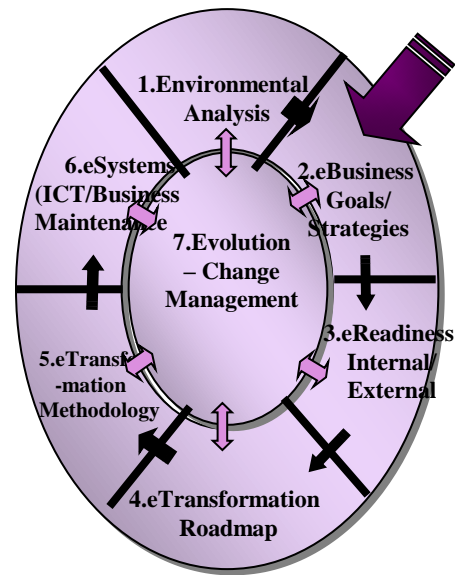


7.1. Stage 2: eTransformation Goals/Strategies..Cont

Significance and Outcomes: A corporate strategy/goal has to be arrived at, taking into consideration all the strategic factors looked at so far, which will explain the driving force for change. Depending on the status of the organization, the strategy should be adopted for Survival, Sustainability, or Growth

Methodology used: After determining the type of organization, the organization should decide on its strategic positioning. According to Michael Porter, Strategic Positioning means performing different activities from rivals or performing similar activities in different ways. Porter's generic strategies can be used to derive the most effective one of four strategic positions. They are Cost Focus, Cost Leadership, Differentiation Focus, Differentiation

Goals, Directions, Strategies and Competitive Advantage



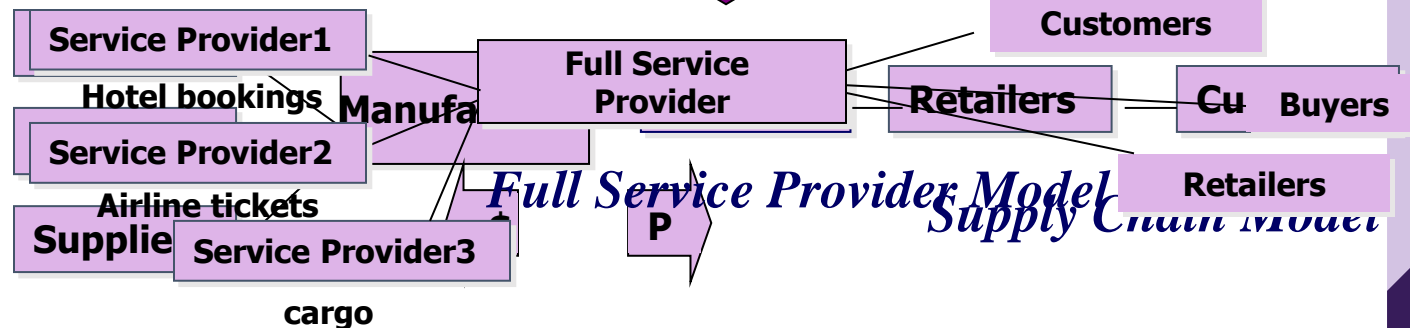
•Be the Cost Leader

Cost/Price
↕
Features/Quality

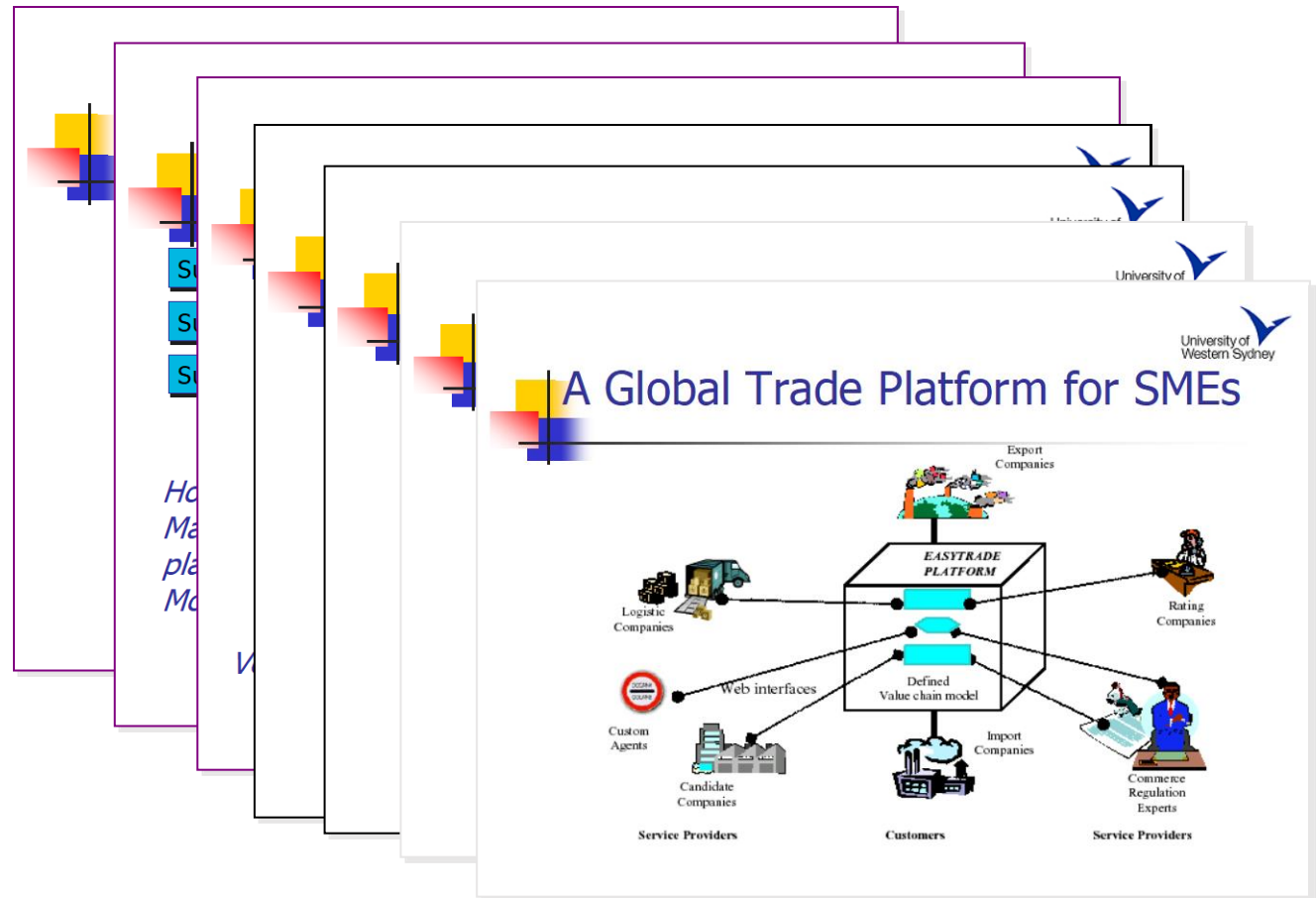
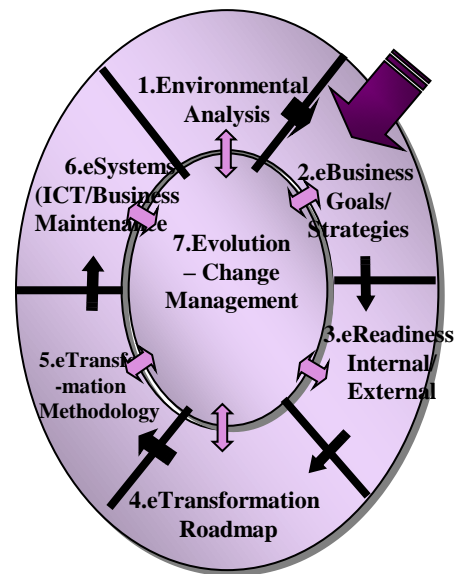
•Differentiate

Features/Quality
↕
Cost/Price

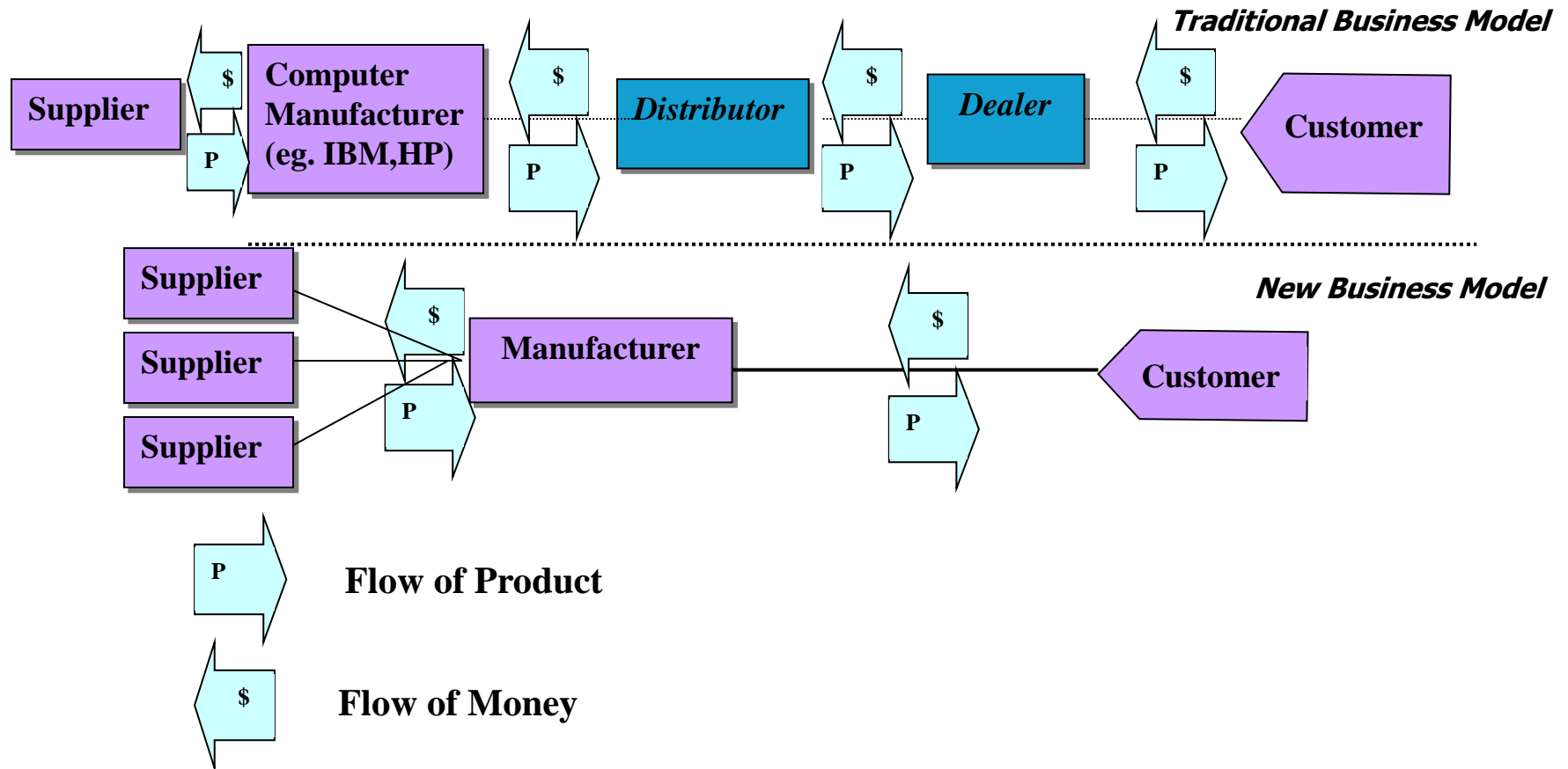
Apply eBusiness Model



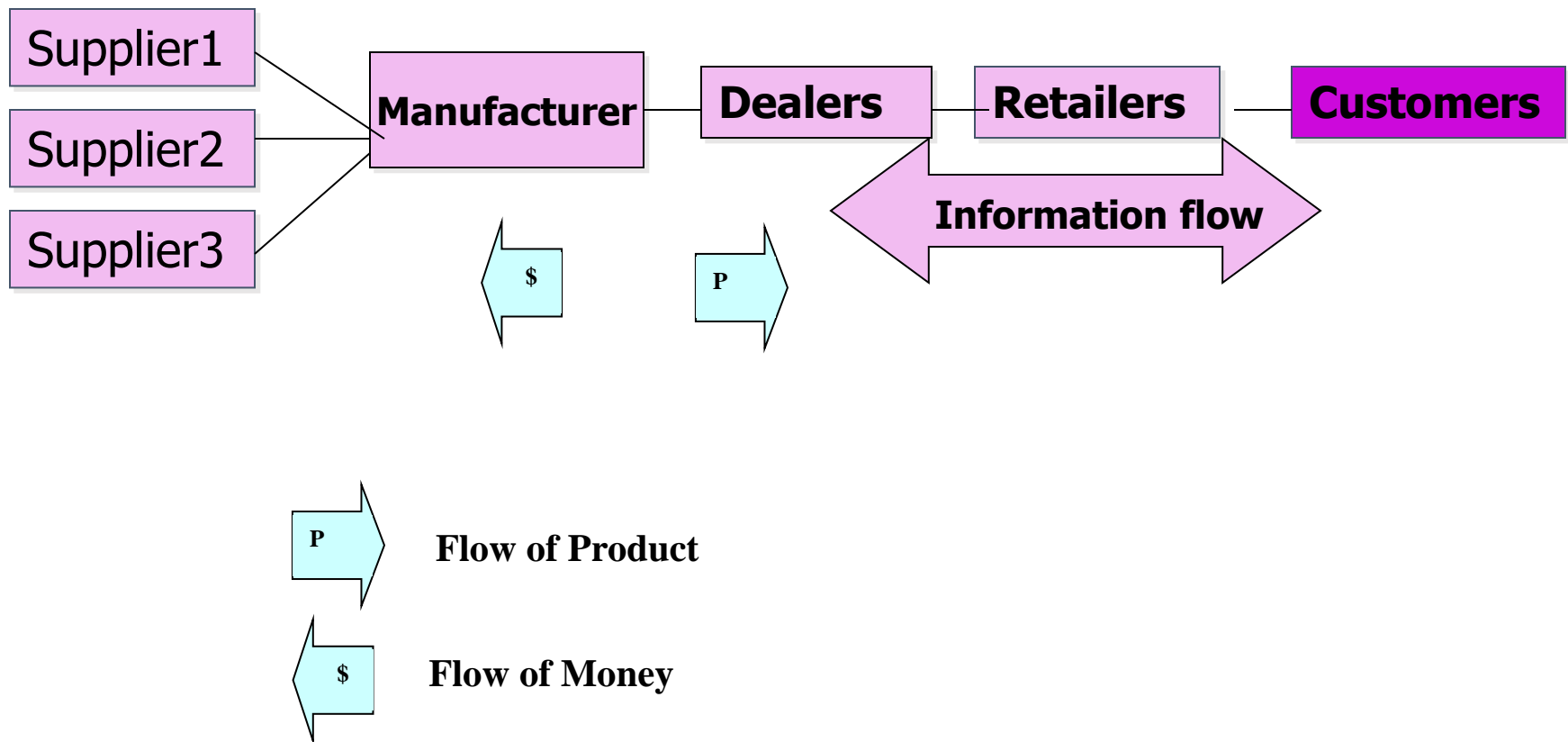
eBusiness Models



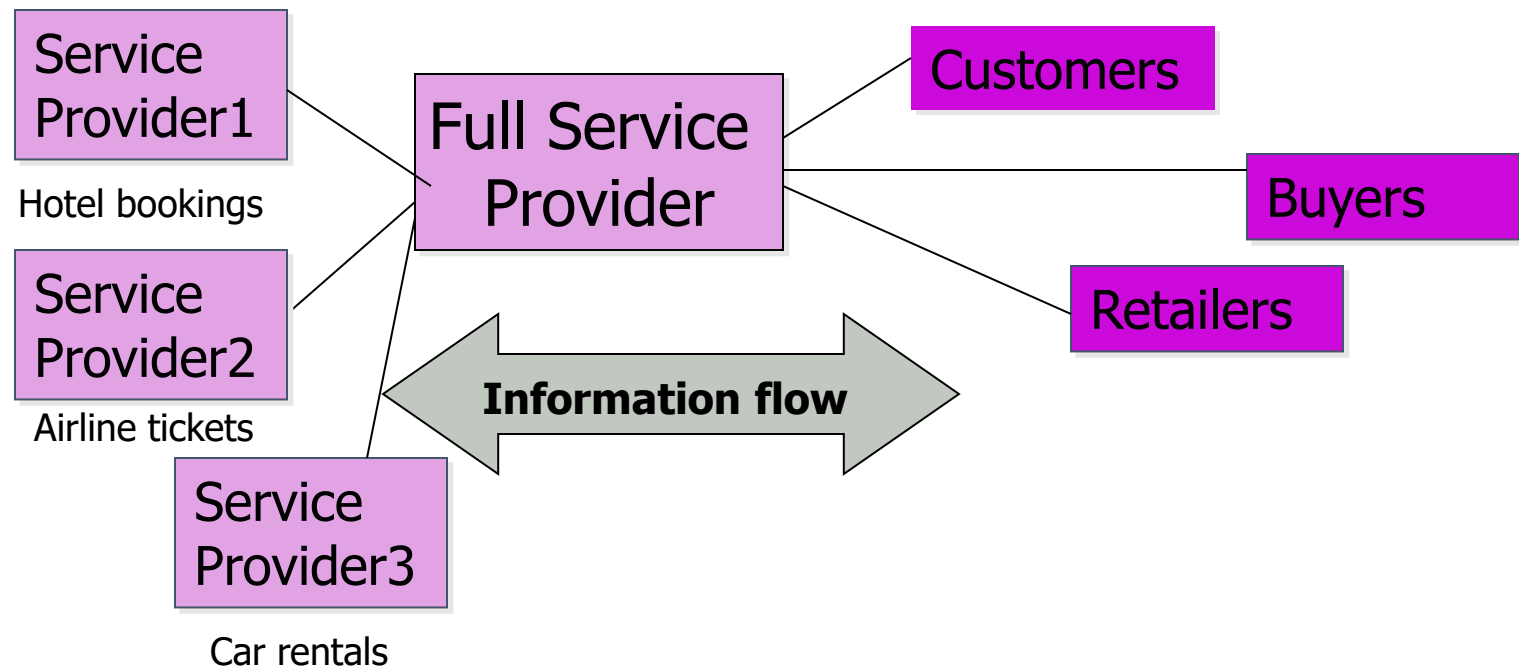
Direct-to-Customer eBusiness Model



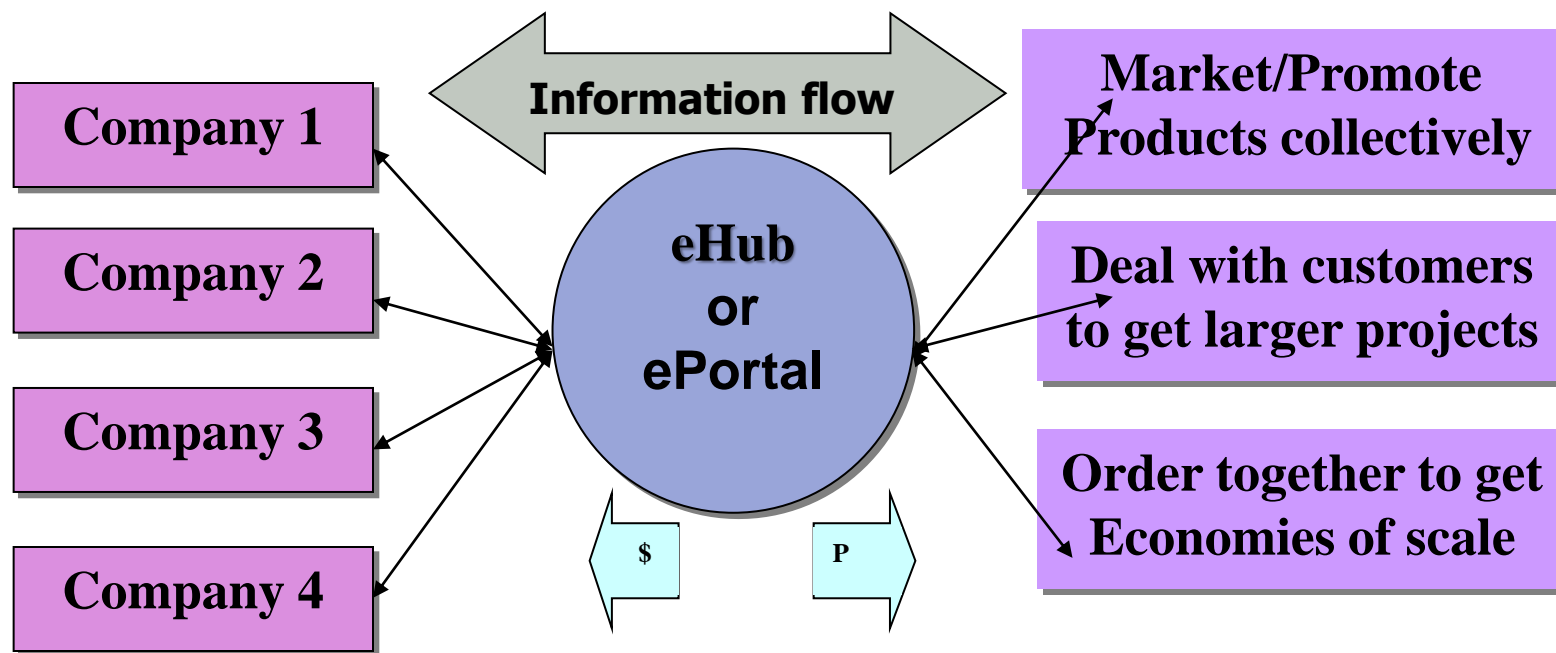
Supply Chain eBusiness Model



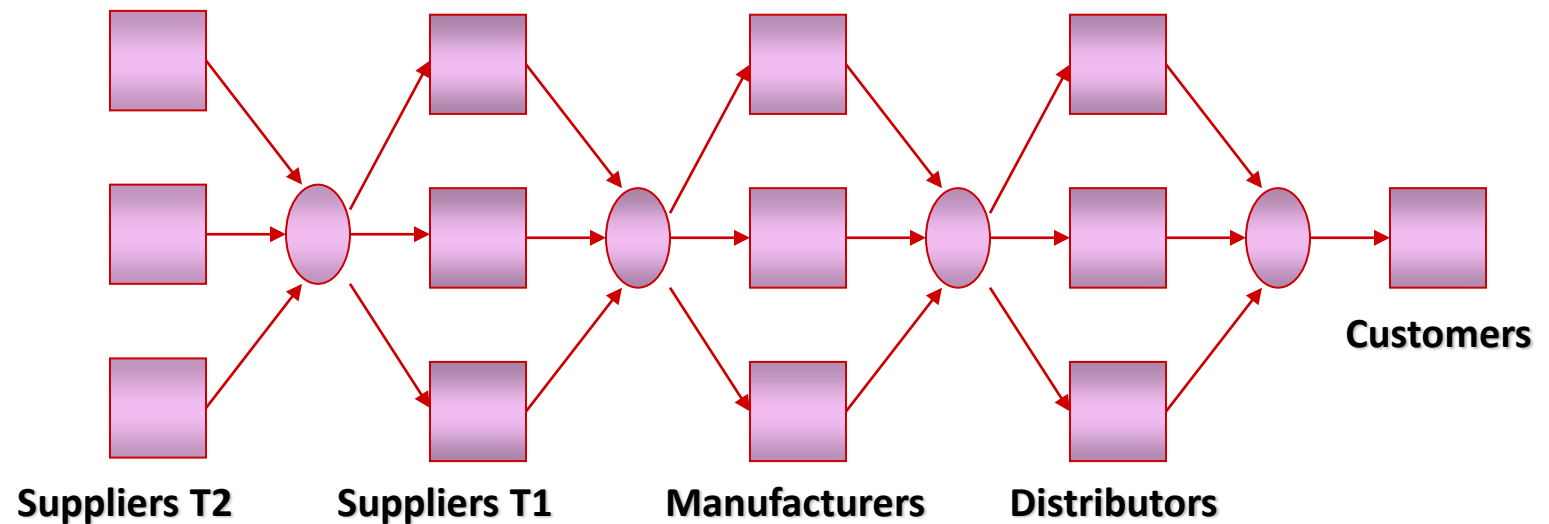
Full-Service Provider eBusiness Model



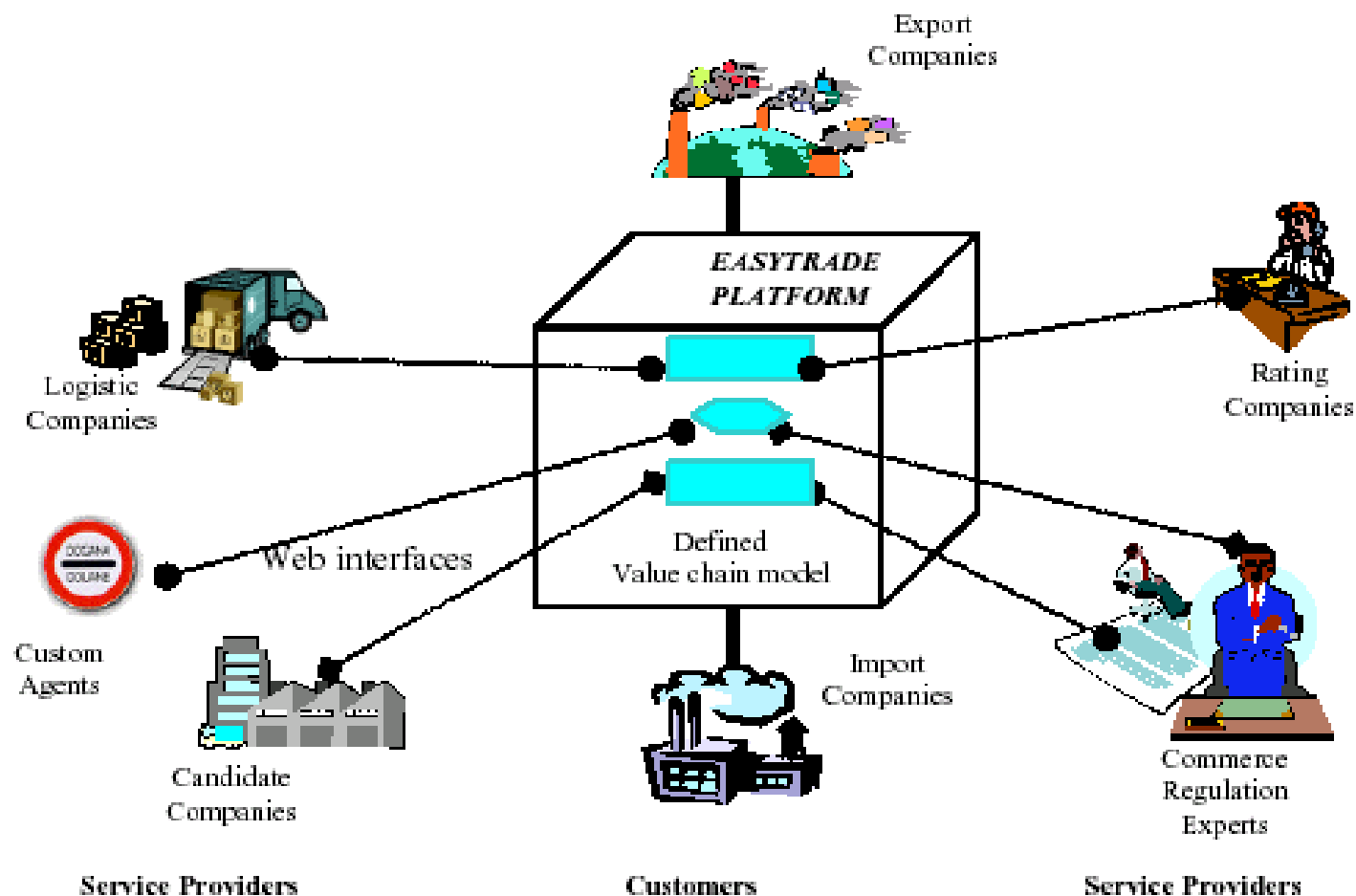
Revenue sharing eBusiness Model



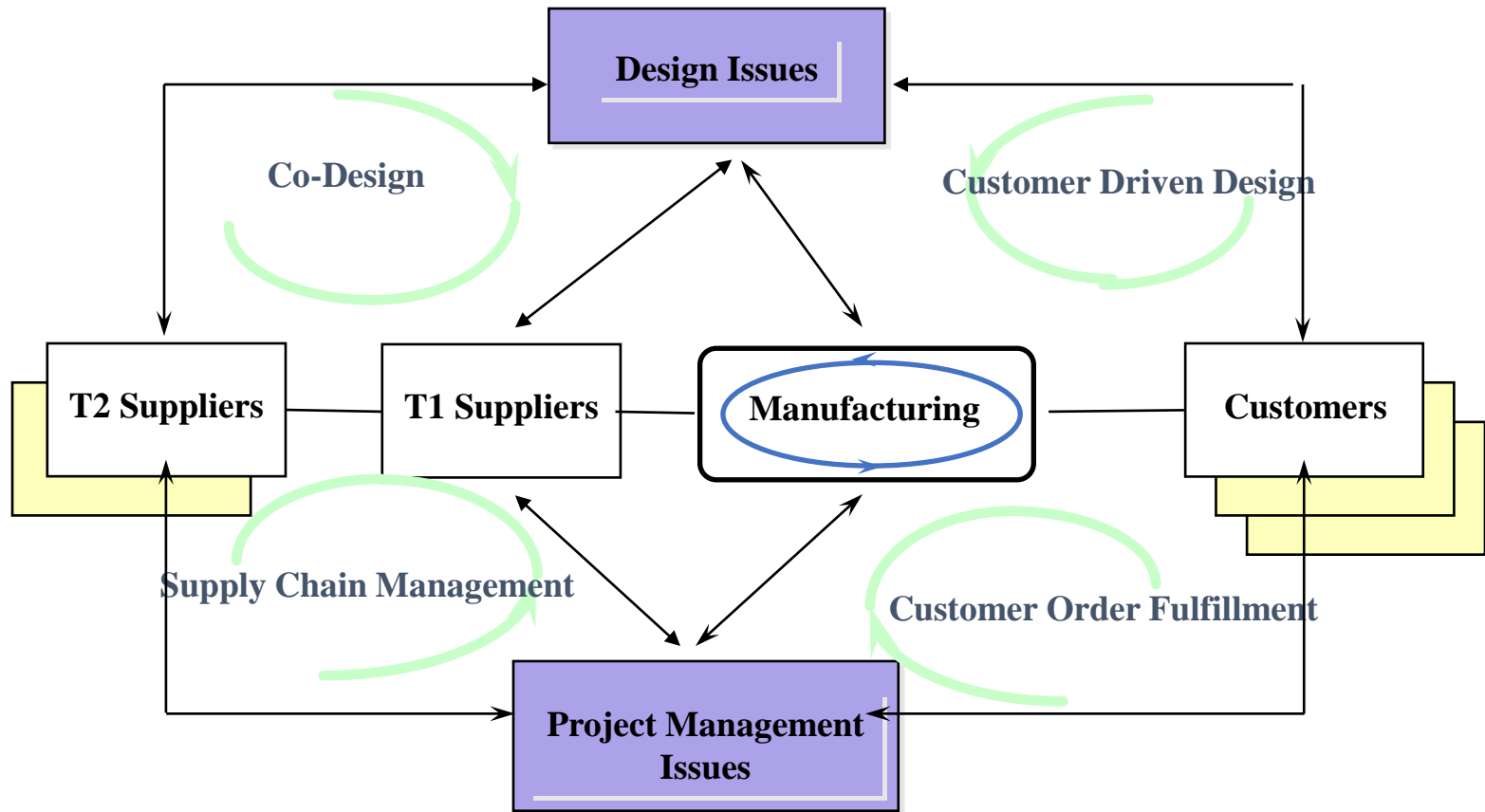
Digital Value Hub - eRegion



Global Trade Platform for SMEs

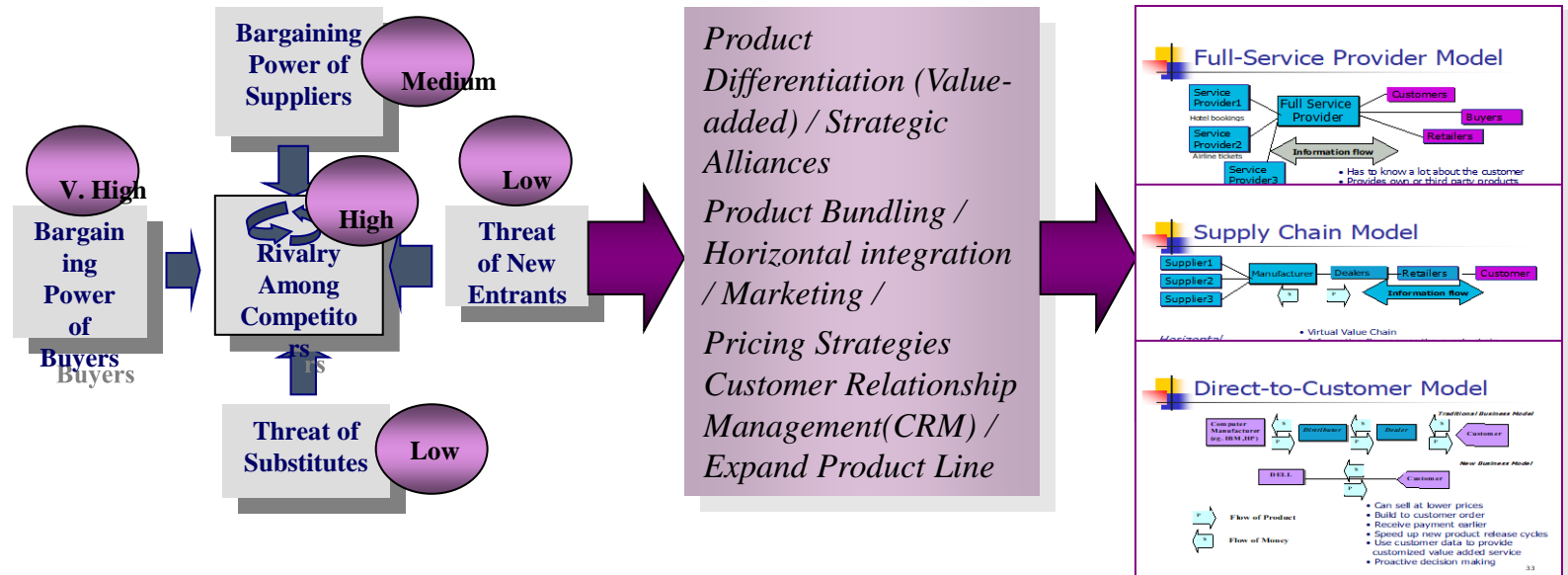


The Extended Enterprise - Collaborating to Win



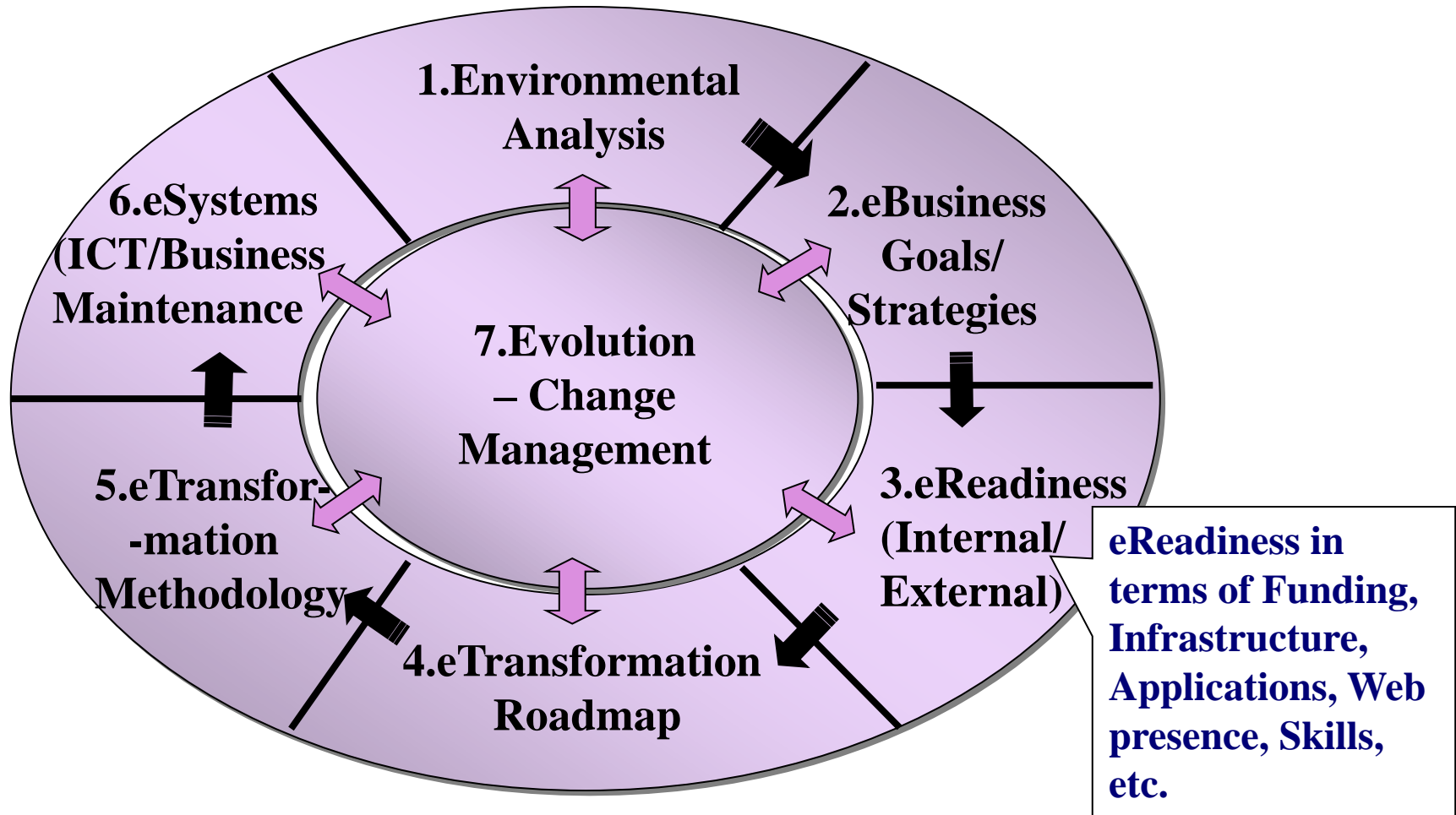
Professor Jim Browne, CIMRU, NUI, Galway.

Linking Industry Forces, Business Strategies and eBusiness Models



The Seven E's In eTransformation

7.3 Stage 3: eReadiness (Internal/External)



7.3 Stage 3: eReadiness ... Contd.

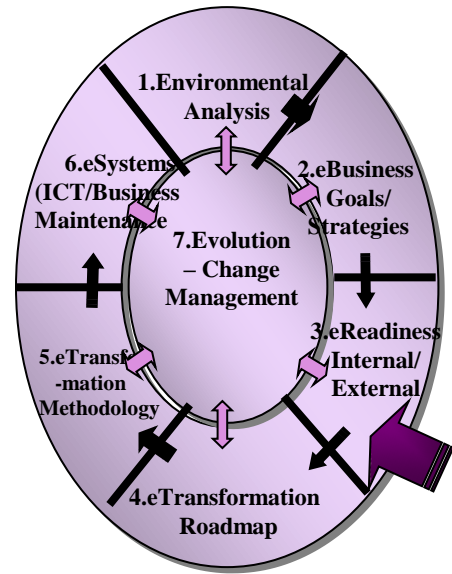
Significance and Outcomes: None of the eTransformation models developed so far try to see whether the organization is ready to go through the eTransformation process. It is very important for the CEO to see the implications and check the eReadiness of the company to go through this major transformation.

Methodology used : Seven important aspects are discussed in relation to the e-readiness of the organization. They are Business processes, Applications & Infrastructure, Web presence, Skills, Executive mgt, External connectivity, and Future directions.

The Suitability of the eTransformation Approach to Any Business Organisation

- Big Picture → Business-IT alignment
- Smaller incremental changes
- Change is constant – Changes in Requirements
- Flexibility is the key – Responsive, adaptable sys.
- Automation or Optimisation – SCM, ERP, MRP
- Strong Back End Systems to Support the Web based Front End Systems
- E-business is Business!

eReadiness (Internal/External)



Internal:

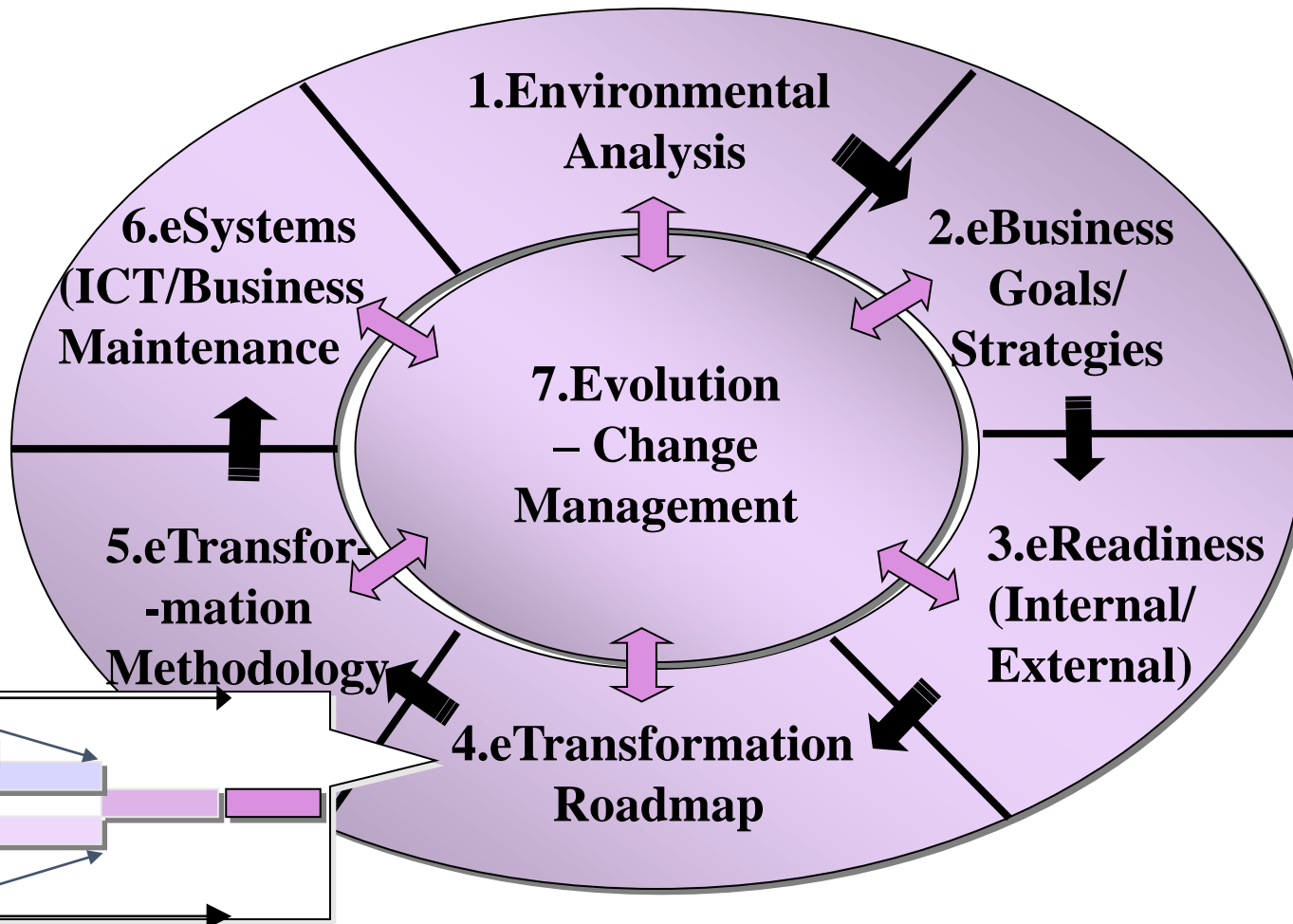
- Business processes – Well defined processes
- Applications & Infrastructure
- Web presence – Existence/ usage
- Skills –Level of IT skills of the employees
- Executive mgt – Commitment/Support
- External connectivity – Channels
- Future directions – Plans for expansions

External:

- Customers, Suppliers, Potential users

The Seven E's In eTransformation

7.4 Stage 4: eTransformation Roadmap

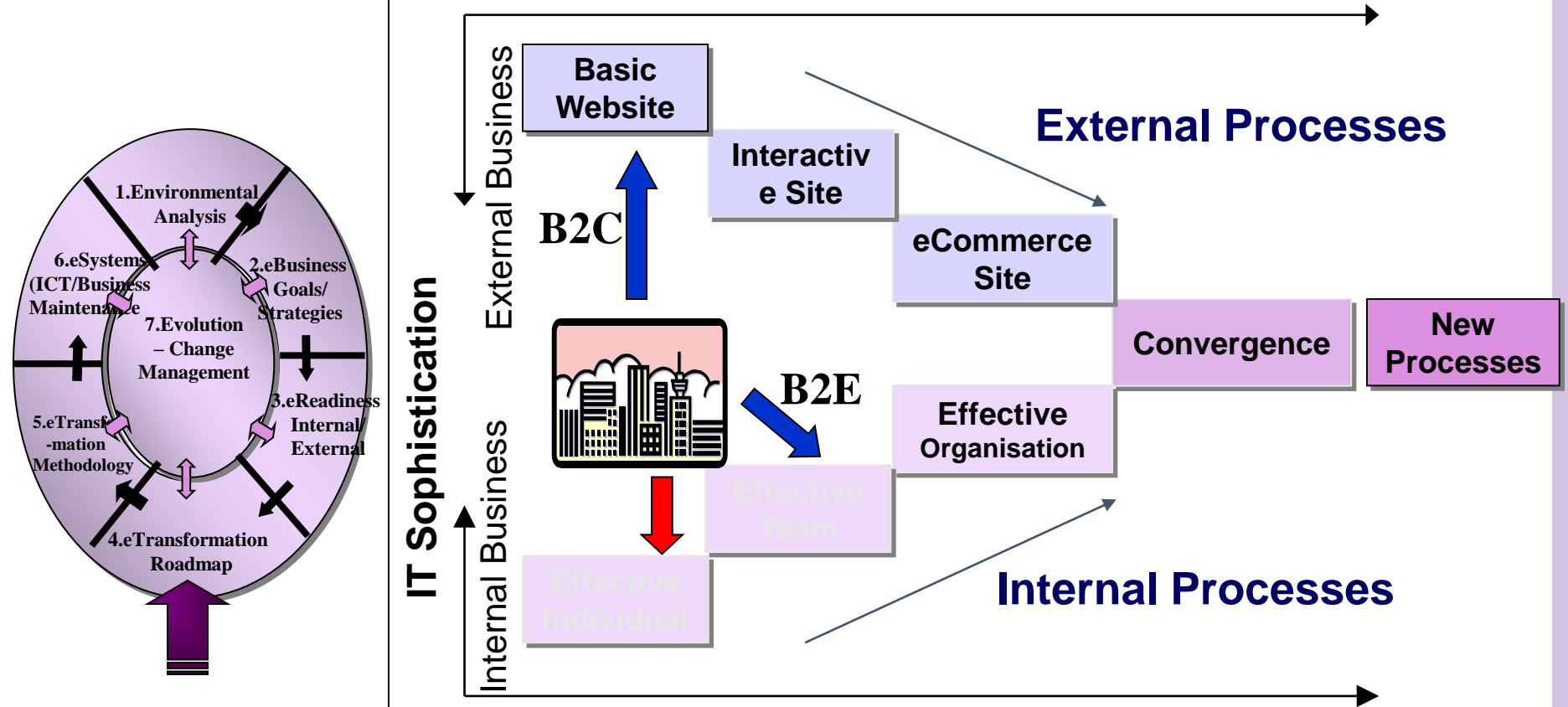


7.4 Stage 4: eTransformation Roadmap .. Cont

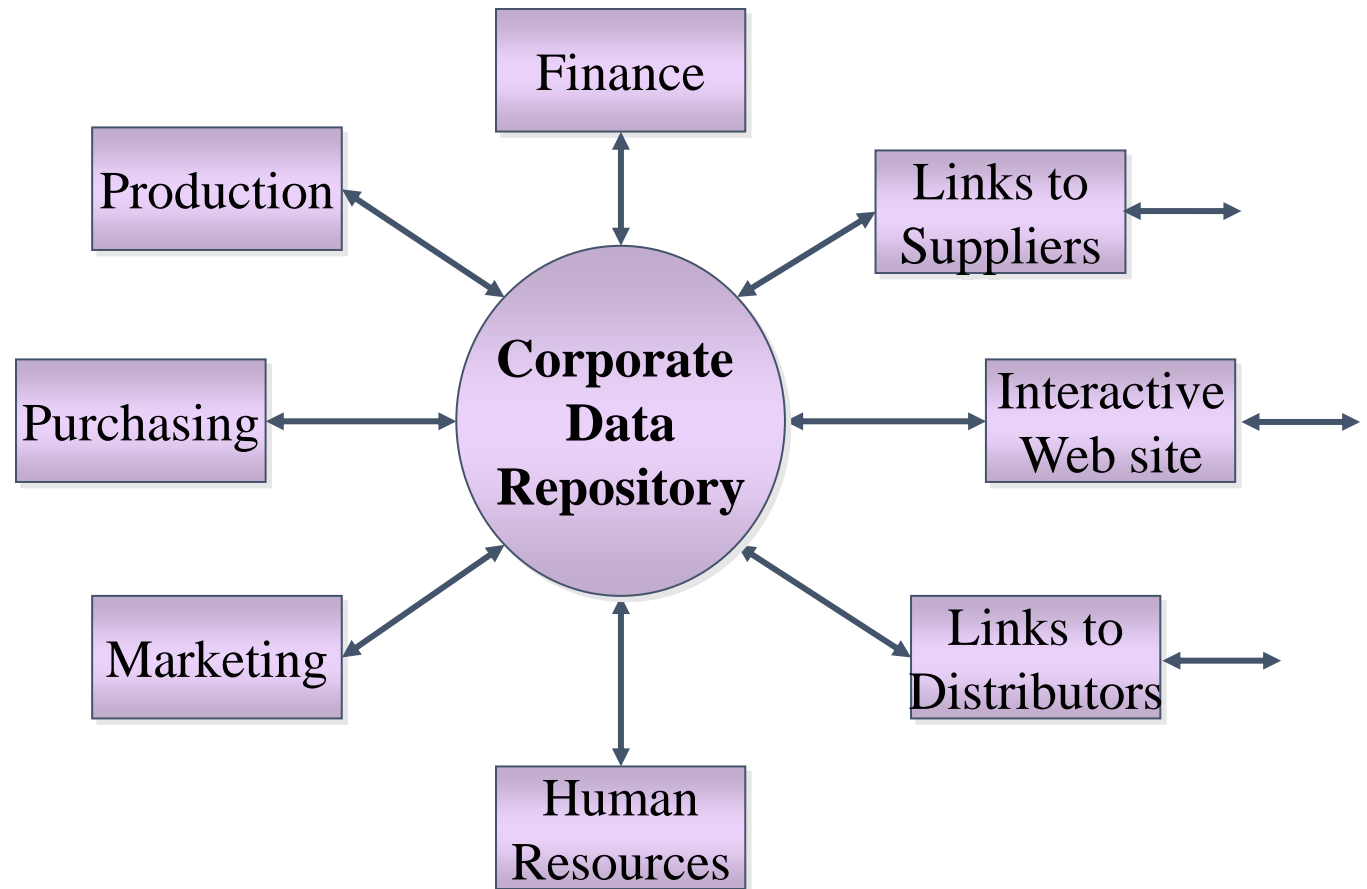
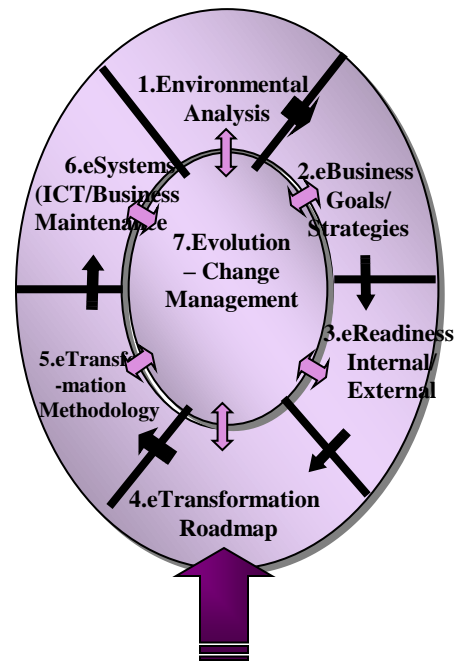
Significance of this Stage: The organization is fully aware of its strategic position and where the competitive advantage is, and its readiness to eTransform. It now needs a clear path to follow. The Roadmap assesses the current status of the company in the Roadmap and shows the direction to proceed.

Methodology used: The eTransformation Roadmap developed by the University of Western Sydney (UWS), Australia is the guideline being used for the successful eTransformation of many enterprises in the region of Western Sydney

The Company's Position and Path in the eTransformation Roadmap



Convergence



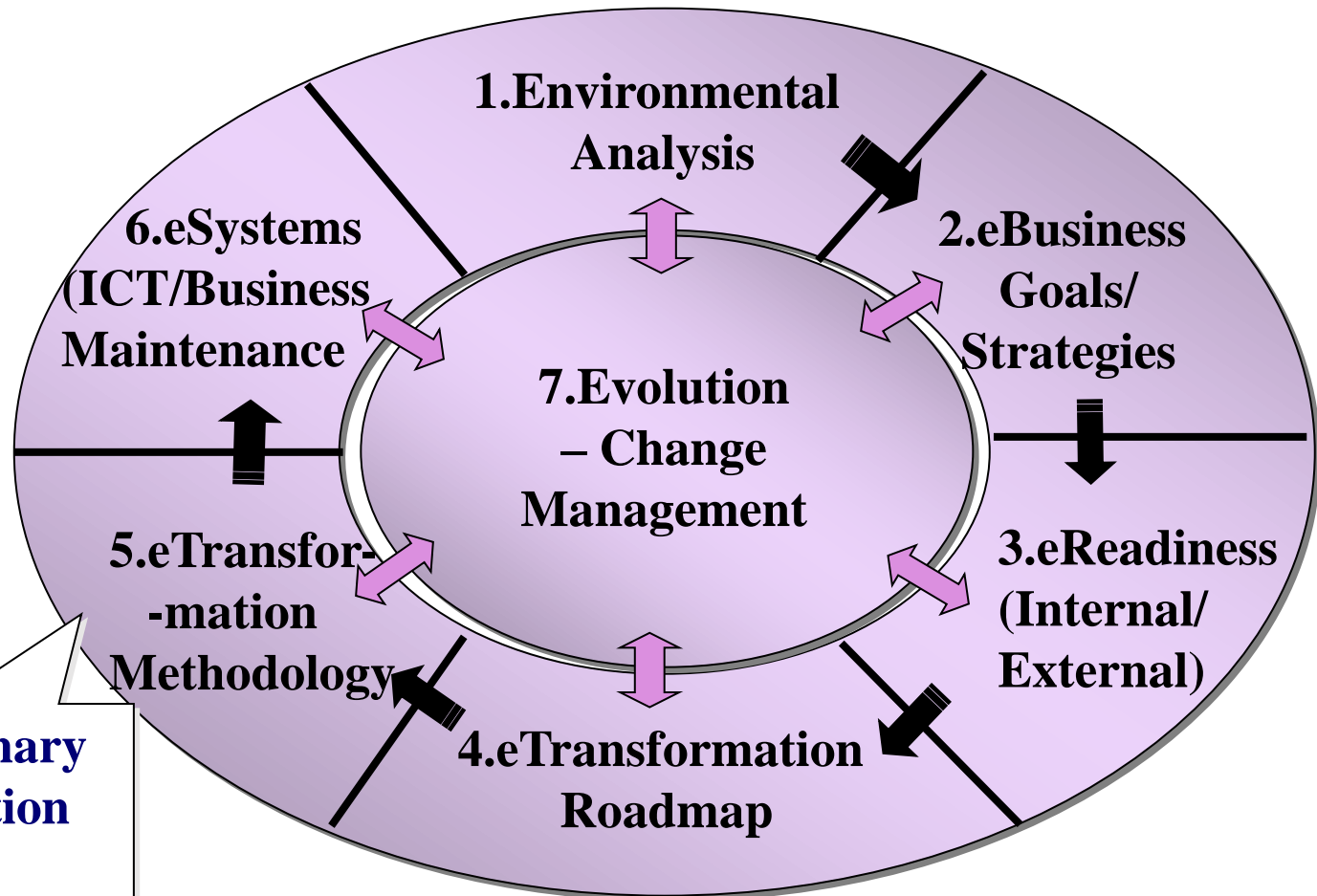
7.5 Stage 5: eTransformation... Contd.

Significance and outcomes: Successful eTransformation is not easy. There are so many techniques used in the world, but some organizations have failed miserably, damaging rather than enhancing their competitiveness. This methodology is being used successfully in e-transforming a number of companies in the region of Western Sydney.

The Methodology used: The following eTransformation Methodology. There is an iterative, evolutionary process, which enables the enterprise to become more adept in handling the change, which in turn will help to transform itself successfully and relatively quickly.

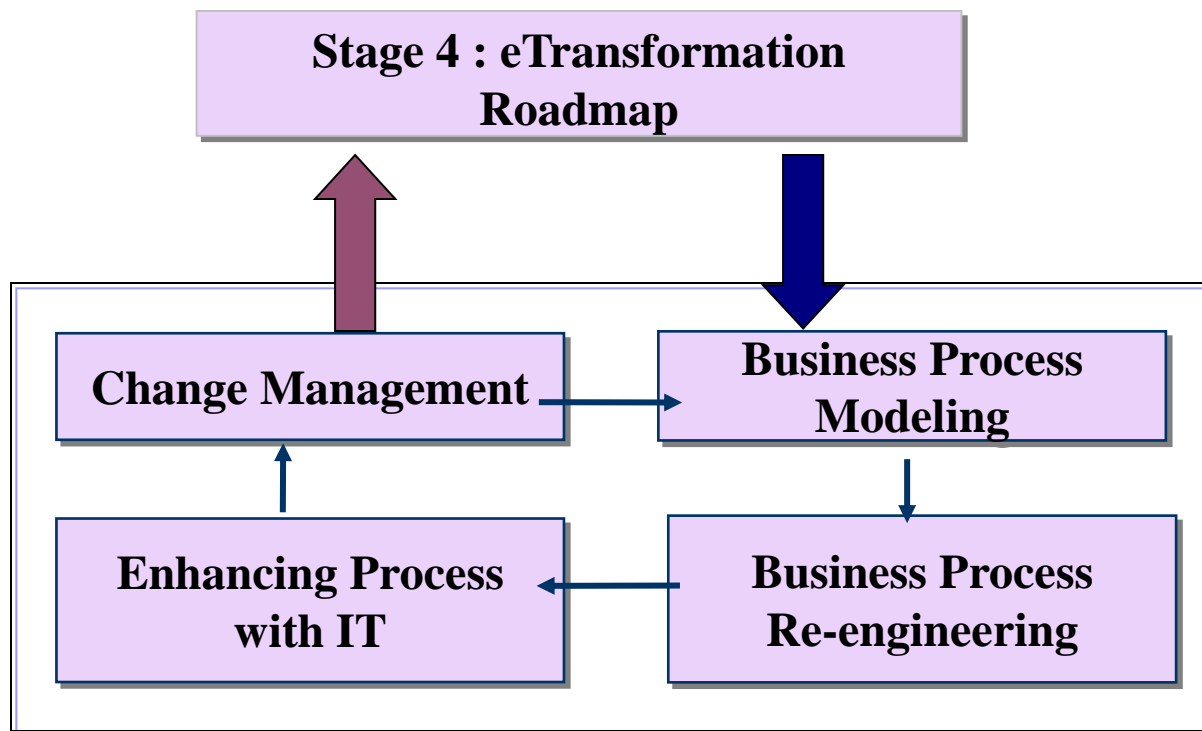
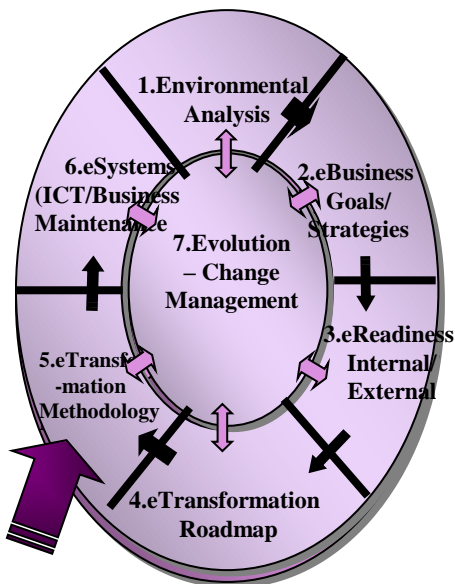
The Seven E's In eTransformation

– A Strategic eTransformation Model

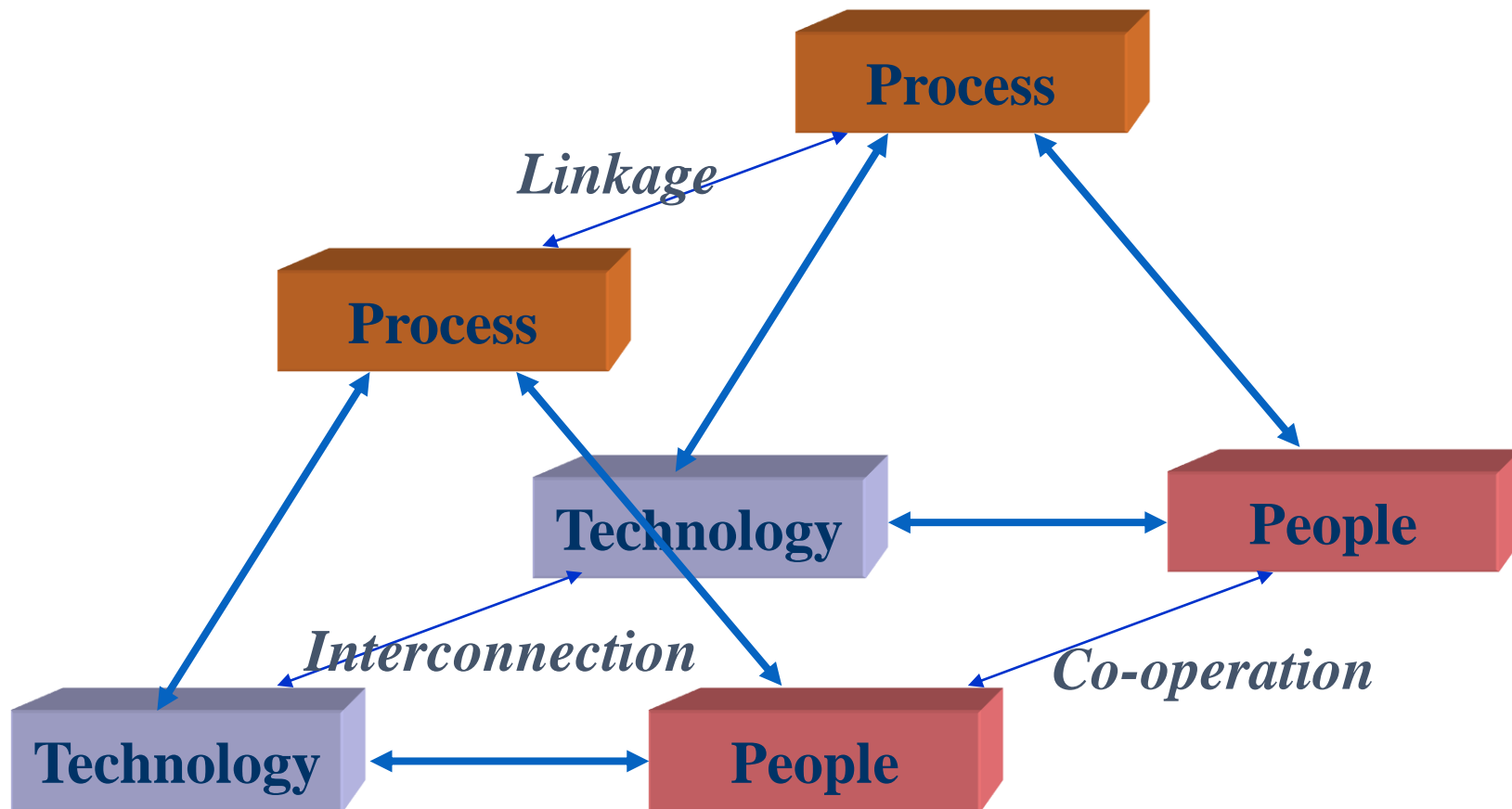


**The Evolutionary
eTransformation
methodology
Internal/External**

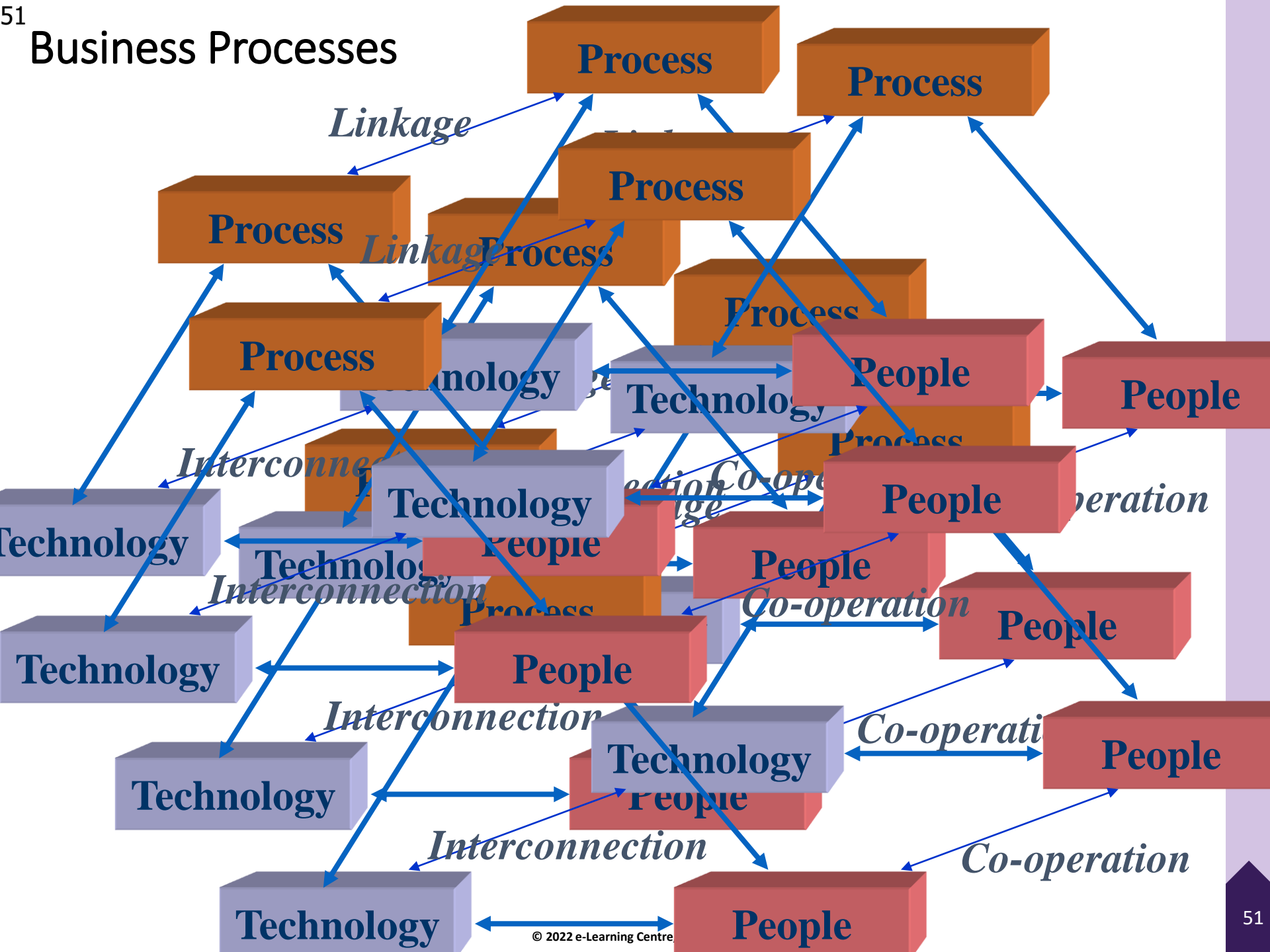
Internal eTransformation Methodology



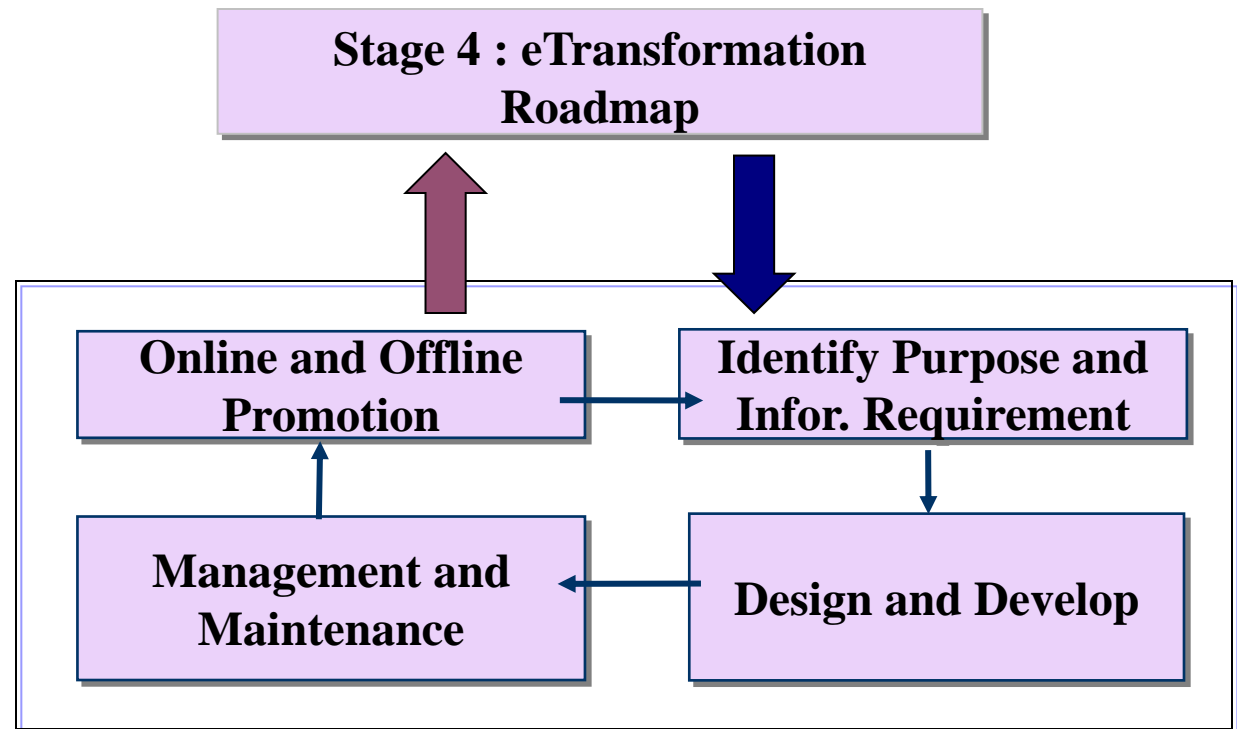
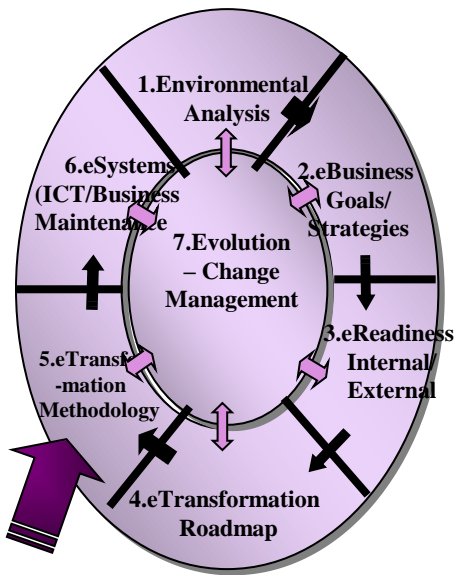
Understanding the Business Processes



Business Processes

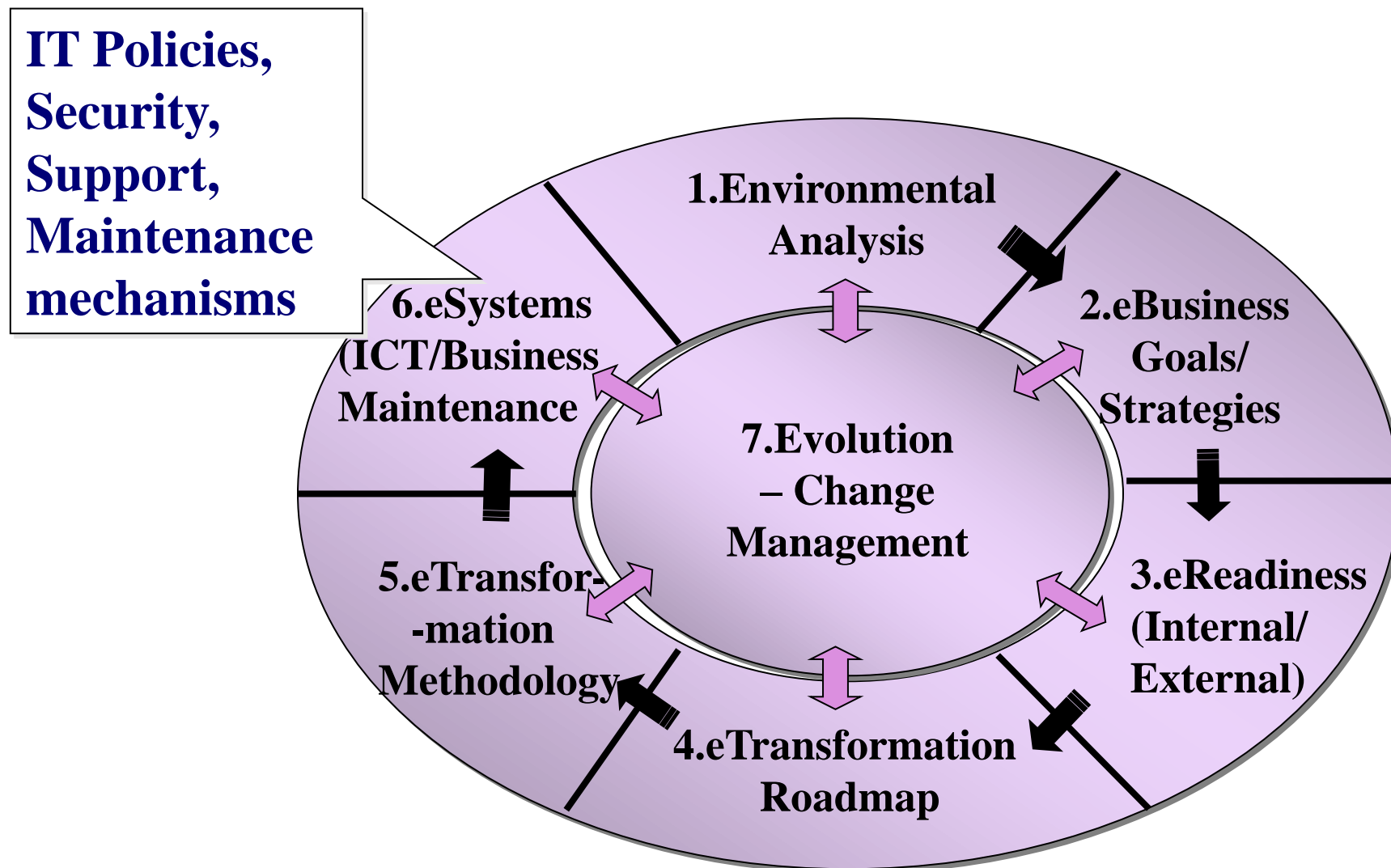


External eTransformation Methodology



The Seven E's In eTransformation

7.6 Stage 6: eSystems



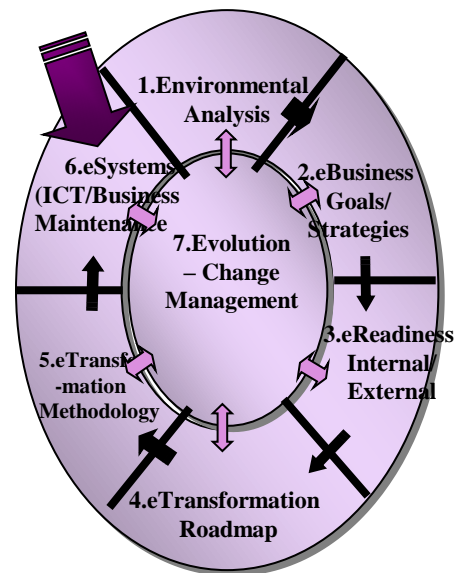
7.6 Stage 6: eSystems ...Cont

(ICT/Business Systems Maintenance, Policies/Security, Support)

Significance of this Stage: After Business Process Reengineering, there will be a proposed organization-wide 'Business and IT' integrated system. Along with this, the business thinking, the IT policies, and the support systems will also need to be in the proper place for the organisation to successfully sustain in the long run. The eTransformed organization must apply the appropriate Management controls, Operational controls, and Technical controls as well as IT policy into the corporate policy.

Methodology used: This section deals with the proposed eEnabled systems in the transformed organization, which could be broadly categorised into 4 areas: ICT Infrastructure, Business Systems, IT Policies/ Security Measures, and IT Maintenance/support for the Organization

eSystems (Policies, Support, Maintenance)



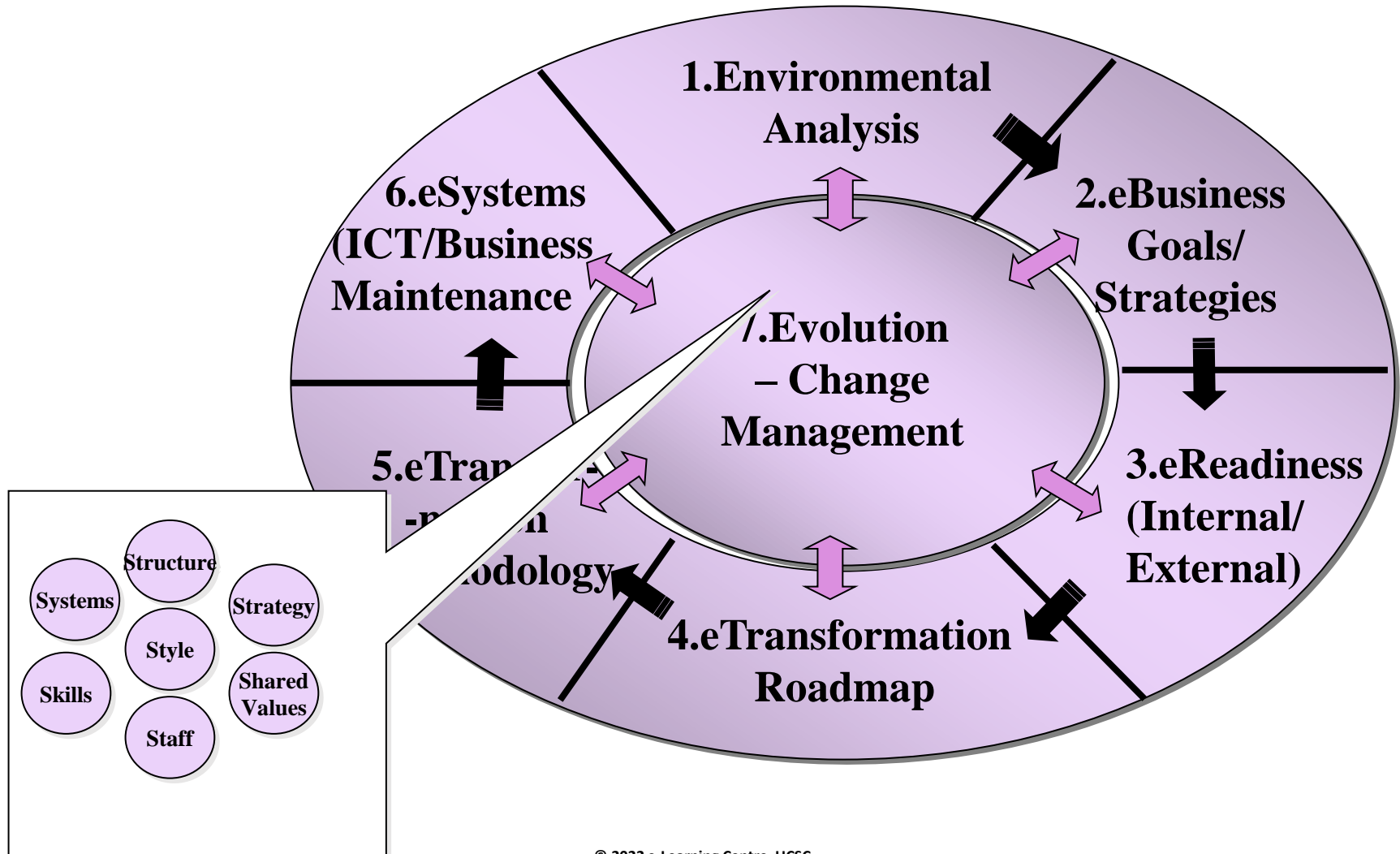
● **Management Controls:** Standards, guidelines to users, Procedures, Manuals

● **Security Measures:** To deal with common threats (sabotage, hacking, privacy, etc.) and contingency planning and disaster recovery

● **IT Maintenance and Support:** (Support for ICT infrastructure, upgrading, backing up, maintenance, troubleshooting, Support by the ISP and Vendors)

The Seven E's In eTransformation

7.7 Stage 7: Evolution – Change Management

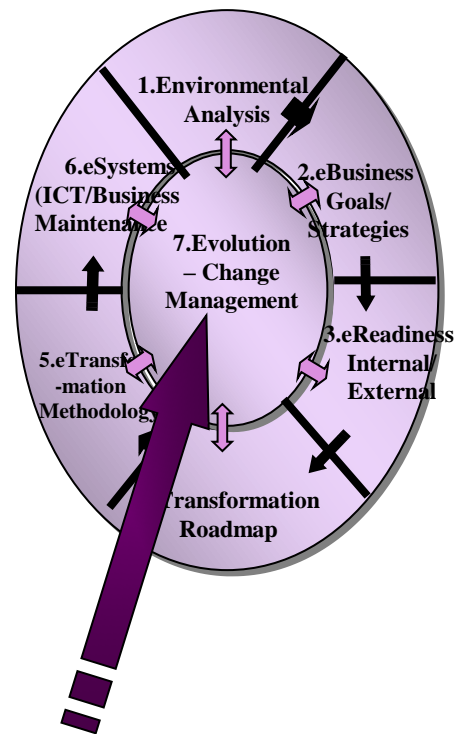


7.7 Stage 7: Evolution – Change Management .. Cont

Significance of this Stage: After going through each of the other stages, there could be internal changes the organization may want to go through, which can be done by going through this stage and implementing them using the 7 S model. This stage runs across all stages, linking them to each other, linking and implementing the Strategic, Managerial, and operational changes.

Methodology used: The model used to deal with the strategic, operational, and other changes is the well accepted 7 S model developed by McKinsey and Company over 20 years ago.

7S Model for Change Management



Business processes, methods, procedures and controls

Systems

Skills, aptitude, Educating, Training needs of the Staff

Skills

People employed, their positions, Levels,numbers and adequacy

Staff

Structure

Formal/informal communication Channels, Organisational Structure Hierarchical ? Network?

Strategy

Business Strategy, Strategic alliances, marketing, product and service development, sales and channel distribution, business systems and processes

Style

Behaviour of key managers and the way they relate to employees

Shared Values

People employed, their positions, Levels,numbers and adequacy

7S Model

- 1. Strategy** – This defines key actions and capabilities along the major dimensions of marketing, product and service development, sales and channel distribution, business systems and processes, and management of alliances and partnerships in order to achieve organisational goals.
- 2. Structure** – The way the organisation's units relate to each other and the chain of command and formal/informal communication channels
- 3. Systems** –The information flow which requires capabilities in both information technology and in organisational processes, methods, procedures and controls.

7S Model

4. Style – The behaviour of the key managers and the way they relate to employees in order to achieve the organizational goals

5. Staff - The types of people employed in the organization, their positions, levels and numbers.

6. Skills - The skills and aptitude for developing customer relationships, service and sales For staff to develop appropriate new skills requires a learning environment.

7. Shared Values – The guiding concepts, values and aspirations, often unwritten, which direct all the personnel in the organization in the same direction

Conclusion

Agility and adaptability are key in eBusiness transformation. Organizations need to embrace a mindset of continuous improvement and be willing to iterate and adjust their strategies based on feedback and market trends. This includes staying abreast of emerging technologies and industry developments, being open to experimentation, and actively seeking opportunities for innovation.

In conclusion, successful eBusiness transformation requires a holistic approach that encompasses strategic vision, effective leadership, stakeholder engagement, data-driven decision-making, and adaptability. By leveraging digital technologies and integrating them into the fabric of the organization, businesses can achieve improved operational efficiency, enhanced customer experiences, and sustainable growth in the digital era.