

Unit 1: Introduction to E-Business

What is E-Business?

Objectives

- Define e-business
- Discuss key differences between e-business and e-commerce
- Discuss key drivers of e-business
- Discuss local examples of e-business

What is E-Business?

E-Business: Definition 1

A **secure, flexible and integrated approach** to **delivering differentiated business value** by combining the *systems and processes* that run core *business operations* with the simplicity and reach made possible by **Internet technology**. (IBM in 1997)

E-Business: Definition 2

Use of the Internet to *network* and *empower* business processes, electronic commerce, organizational communication and collaboration within a company and with its customers, suppliers, and other stakeholders
(Cesalova, 2009)

E-Commerce: Definition

The buying and selling, marketing and servicing of *products and services* via computer networks.

E-Business vs E-Commerce

- Since e-business includes the process of transacting with suppliers and customers *there is an overlap in activities with e-commerce*
- E-business incorporates a broader range of processes within an organization:
 - Procurement
 - Logistics
 - supply chain management
 - Payments
 - Stock control
 - Order tracking.

E-Business vs E-Commerce



(Combe 2006)

Electronic commerce: evolution from 1st wave to 2nd wave

1st Wave

- beginnings in the mid-1990s
- grew rapidly until 2000, when a major downturn occurred

2nd Wave

- Beginning in 2003, electronic commerce began to show signs of new life

The New Economy

encompasses the spectrum from localization through to globalization

Traditional conduct of business

- How do businesses traditionally operate?

The new economy

Based on:

- Entrepreneurship in knowledge creation and sharing
- Innovation and creativity
- Utilizing information technology for developing and selling new products and services

The new economy: Drivers

- Rollout of high-speed broadband internet access
- Convergence of technologies
- Organizations are largely part of an integrated network of organizations
 - 'boundaryless' organisation.
 - Facilitated by ICT
- Globalization
- Responding to local demands
- *New forms of management and control*, both within organizations and between organizations

The new economy: Drivers

- Development of the World Wide Web (WWW) in the early 1990s
 - Hypertext linking documents on different servers
 - HTTP
 - HTML
 - URL
- Rapid increase in the use of computers with access to the internet and the Web by the public
- Cost of entry and exit is low relative to traditional industries
- Rising connectivity rates among potential customers

The new economy: Drivers

Organizations need to adapt to changes in market conditions, seek new opportunities, enhance learning, embrace change and innovation, and create and share knowledge

Key differences between the old and new economy

Economy factors		
Markets	Stable	Dynamic and complex
Competition	National	International and global
Structure	Manufacturing	Service
Value driver	Physical capital	Human capital
Business factors		
Organisation	Hierarchy	Network or virtual
Production	Mass	Flexible, customised
Growth driver	Capital and labour	Innovation and knowledge
Technology driver	Machines	Digital and electronic
Competitive advantage	Low cost/high production	Innovation, speed, quality
Relationships	Independent	Collaborative
Consumer factors		
Tastes	Stable	Dynamic, segmented
Skills	Specialised	Multiple and flexible
Educational needs	Trade orientated	Lifelong learning
Workplace relations	Confrontational	Collaborative
Nature of employment	Stable	Insecure, opportunistic

(Combe 2006)

Local examples of E-Business

Discussion

- Why do we need business re-engineering to implement an e-business?
- Can any business organization afford not to be part of this new e-business economy?
- Name a Malawian business organization and explain the reason(s) why the business organization should use e-business.

Types of e-business and related industries

Types of e-business

- Business-to-business (B2B)
 - Services across the supply chain or in parts of the supply chain (*e-procurement, logistics, stock control, ordering, payments and distribution*)
 - Organisation of collaboration platforms
- Business-to-consumer (B2C)
 - Selling of products or services to customers
- Consumer-to-consumer (C2C)

Business segments that support e-business

- Internet access and search engines
- Providing applications software
- Development and maintenance of infrastructure
- Maintaining and supporting e-businesses
 - Computer analysts
 - IT specialists
 - Software consultants
 - Applications consultants
 - Digital marketers
 - Technology strategists
 - Security consultants
 - etc.

The growth of e-business

References

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<http://www.cutn.sk/is330/mis5.doc#:~:text=E%2Dbusiness%20is%20defined%20as,suppliers%2C%20and%20other%20business%20stakeholders.>
- Combe, C. (2006). Introduction to E-business Management and strategy