

- \* Value Chain Disaggregation & Reaggregation
  - Disaggregation allows firm to separate producing from the end customer need. e.g. Intel with continuous innovation in chip design & manufacturing.
  - Disaggregation requires identifying, valuing and nurturing the true needs of the business: the underlying needs satisfied by company.
  - It allows manager to dismantle the old structure, rethink core capabilities and identify what forms of value can be created.

- \* Reaggregation enables business to create a configuration that streamlines the entire value chain.
  - Success dependent on well integrated enterprise app.
  - Objective is to lower cost or enhance differentiation. e.g. Amazon, Barnes & Noble.

- \* Steps involved in reaggregation & disaggregation: (follow system & logic)
  - 1) ~~break~~ the challenging traditional definition of value
    - customer need business to improve: speed of service, convenience, personalization.
    - Business manager should ask: they can use technology to create value proposition for the customer. e.g. Domino pizza, Dell, Amazon.
  - 2) Define value in terms of whole customer experience:
    - customer looking for cheapest, most familiar or best quality product.
    - A product or service that is 98% as good, unfamiliar or cost 50% more will not suffice.
    - web & e-commerce have accelerated value innovation in speed, convenience, personalization & price dimension of a service.
  - 3) Engineer the end-to-end value stream.
  - 4) Integrate, integrate, integrate some more.
  - 5) Create next generation of leader who understand how to create differentiation by design not by accident.

## E-business:

- E-business (electronic business) is the process of conducting a business over internet.
- online business or e-business is any kind of business or commercial transaction that includes sharing information across the internet.
- it would include the buying and selling of goods & services along with providing technical or customer support through the internet.  
eg flipkart, amazon, ebay etc.

### Adv.

#### \* seller Advantage

- No need to open Showroom in different cities.
- less operating cost.
- Better market place for all the item.
- It is easy to setup.
- There is no personal touch.

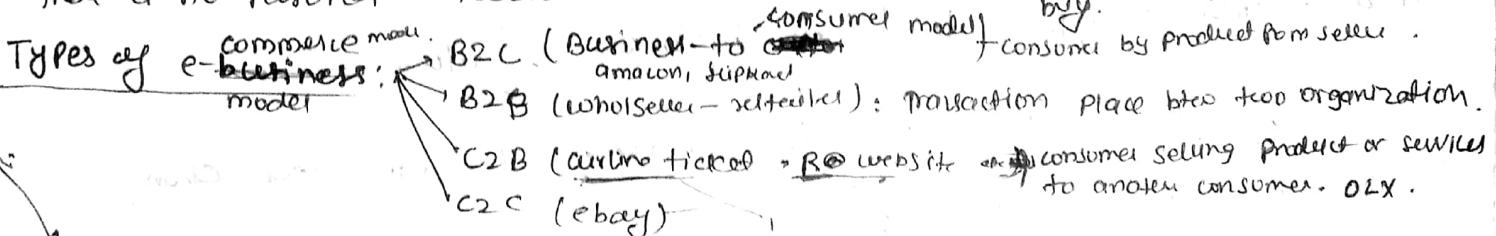
### disadv.

- There is transaction risk.

### \* Buyer Adv.

- can choose the product from your home.
- get the delivery at your door step.
- easy convenience & lesser time.

## Types of e-commerce model



What is the new industry structure? (configuration)

What does the digital consumer want? (Value in form of experience & expectation)

What are the new economy?

How do we recognize our business?

Where is the value?

How do we implement change?

### \* Evolution of e-commerce:

1991 - www

1994 - Netscape launches navigator, offu Pizza online delivery

1995 - ebay founded & Amazon first sales.

1998 - PayPal founded

2005 - cyber monday (biggest online shopping of a day).

2007 - flipkart.

2012 - B2C

### \* e-business environment:

macro-environment: Social, legal, economic, Political, technological.

micro environment: Organization, industry & market.

### \* Evaluation of e-business:

• 1991 - www

Phase 1: (1994-1997): information only over web.

Phase 2: (1997-2000): transaction (paying seller).

Phase 3: (2000-?) Profitability. ↑ revenue.

## \* 10 Rule of E-business:

- 1) Technology is no longer an afterthought in forming business strategy but the actual cause & driver.
  - conventional or risk-adverse business can't ignore e-business.
- 2) The ability to design & structure information flow of information is dramatically more powerful and cost effective than moving and manufacturing physical products.
  - information management will be key driver of success in information age.
  - Always plan for information based products such as branding, customer relationships, supplier integration etc.
  - This rule is core driver of speeded transformation.
- 3) The inability to overthrow the dominant, outdated business culture often lead to business failure.
  - Company need to continuously creating fundamental changes.
  - e-business requires flexible business design.
- 4) The goal of new business design is to create flexible outsourcing alliances between companies that not only off-load costs, but also make customers ecstatic (happy or excited).
  - enable outsourcing.
  - ~~e-business~~ entire value chain
- 5) e-commerce enables companies to disaggregation & reaggregation and become either the cheapest, the most dominant or the best.

don't use technology to just create the product. use technology to innovate, entertain and enhance the entire experience surrounding the product, from selection and ordering to receiving & service.

- Amazon.com

- CEO must understand how to manage in a fast moving environment.

3) The business design of the future increasingly uses reconfigurable e-business community models to best meet customers needs.

- competition no longer b/w companies but b/w business web

4) For urgent e-business it's easy to minimize application infra

- Structure needs to and to focus on the glitzy front end apps.

② To

5) The tough task for management is to align business strategy, process & applications fast, right and all at once.

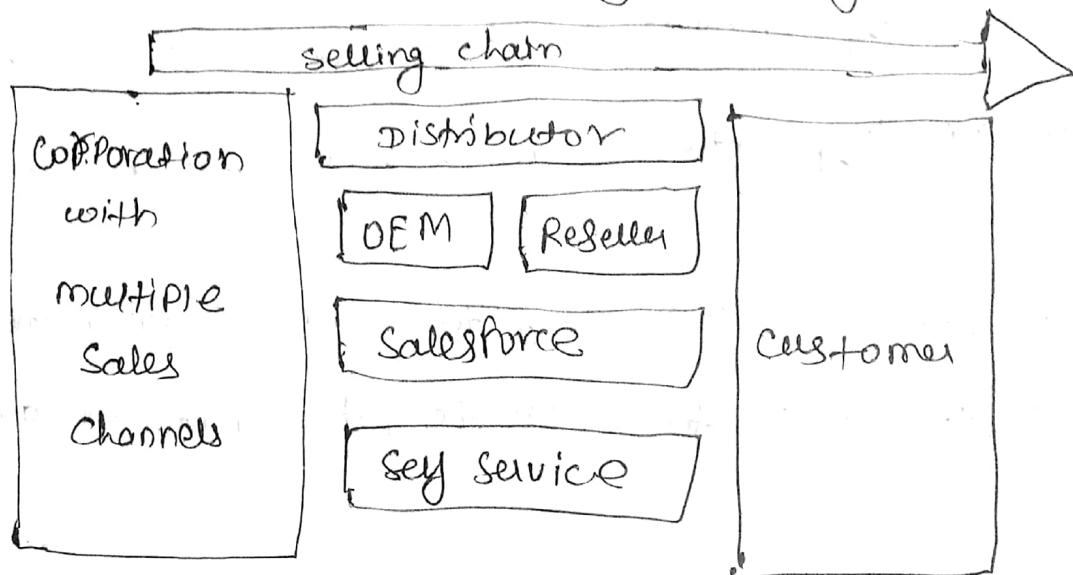
6) The ability to plan an e-business infrastructure course quickly and to implement it ruthlessly <sup>swifly</sup> & <sup>quickly</sup> to key to success.

Ruthless execution is the norm.

- goal of every successful business strategy is to help the firm either save or make money.

## \* Selling chain management (SCM)

- Selling chain management is an app framework that helps sell better and more effectively across all channels.
- Establishes linkage between previously disconnected sales junction within a company and sales processes.
- Can enable new revenue channels while simultaneously proving effectiveness of a company's existing channels.

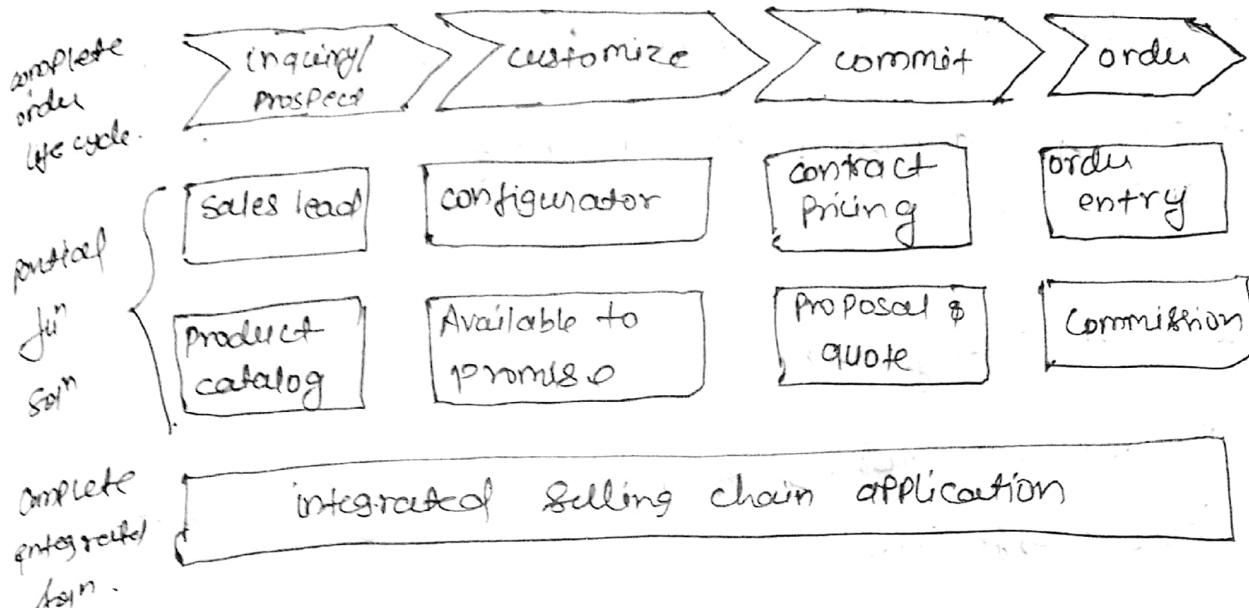


### Type of sales channel:

#### Defining SCM:

- SCM is an integrated order acquisition strategy set in a multichannel environment. The focus is on buying process, not the sales process, enhancing the buying process and making it fast.
- It ensures that sales people at their fingertips, and customers have the information they need.

## Complete order lifecycle:



## Goal of Secm:

- 1) Engage your prospects & turn them into customers.
- 2) Add value for customer.
- 3) make it easy to order customize products.
- 4) increase sales force effectiveness.
- 5) Coordinate team selling.

## Business force driving Secm: (helps buyers & sellers over internet)

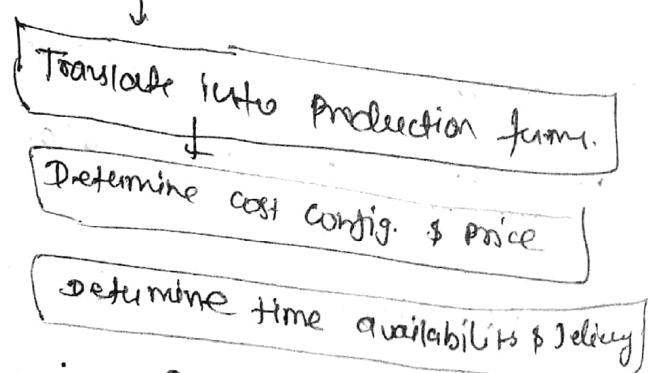
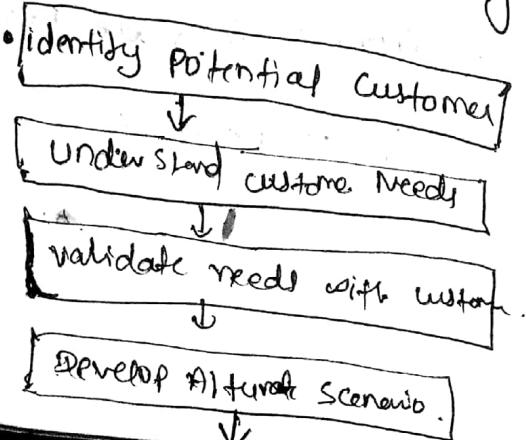
- 1) Rise of self service order: increase customer demand, faster turnaround, more option for customize & product services.
- 2) The excessive cost of presales technical support: translate need into product specification with the help of specialist.
- 3) The increasing cost of order errors.
- 4) The proliferation of channels.
- 5) The increasing complexity of products.

## Technology force driving SCM:

- 1) The selling - chain application continuum: In order to understand possible future of automated sales processing; you must understand how sales applications have evolved.
- 2) Problems with existing SFA:
  - 1) Limited Process -- order taking & management
  - 2) Limited sales effectiveness.

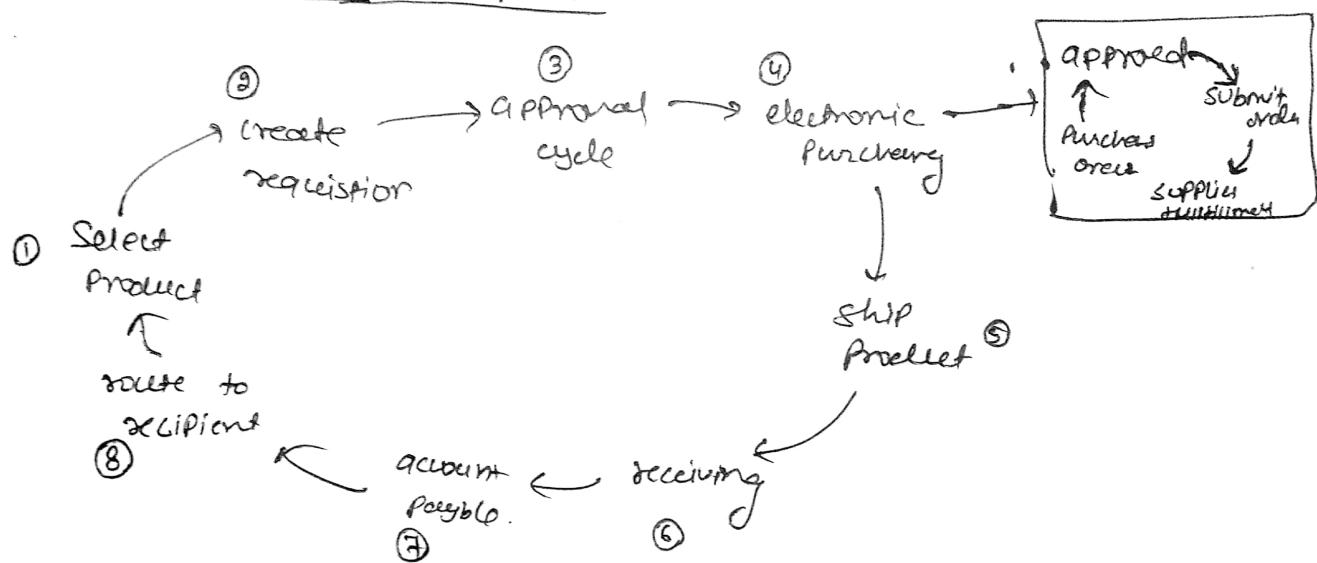
## Managing order acquisition process:

- It is more complex & difficult to manage b/c of its need to customize products & services.
- New distribution channels.
- Multiple pricing options.
- Selling complex products requires dealing with two kind of complexity
  - = Product complexity (Product has more features)
  - = Needs complexity



Print bid  
Evaluate

## e-Procurement chain/process/Step:



- 1) Buyer recognizes needs & Place a request for required goods or services.
- 2) Each requirement is verified by approval agent. Once it approves further process starts.
- 3) After approval purchase order is created and automatically delivered to the supplier.
- 4) Once goods are received the buyer issues or confirms a receipt of such goods to supplier.

Infrastructure:

order flow

Self service requisitioning (Buyer side)

Secure login  
Browse catalog.  
Supplier.  
Create requisition  
Submit requisition  
entice Purchase & approval.

Backend integration

Search & select

Requisition

Approval & purchase

Customer service

ulfillment flow

Receiving

Tracking

Pick, pack & ship

Order management & supplier integration

Order dispatch

Accounting back office system

Supplier connectivity

Order tracking receiving.

Payment flow - invoice management

Page 1

Invoicing

Payments

Reporting

at best supplier analysis

the efficiency & accuracy of procurement process.

After Preparation of shipment, an invoice is created.

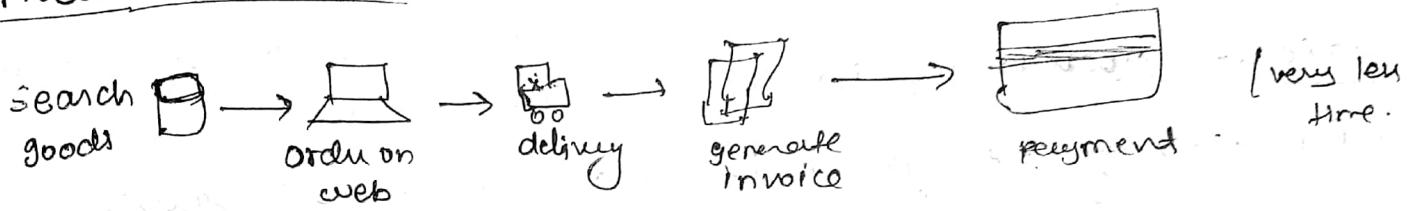
Once goods receive then payment process starts.

Supply chain: Direct & Indirect  
And/or Support units

Procurement refers to all activities involved in obtaining item from supplier. e.g. purchasing, transporting, warehousing.

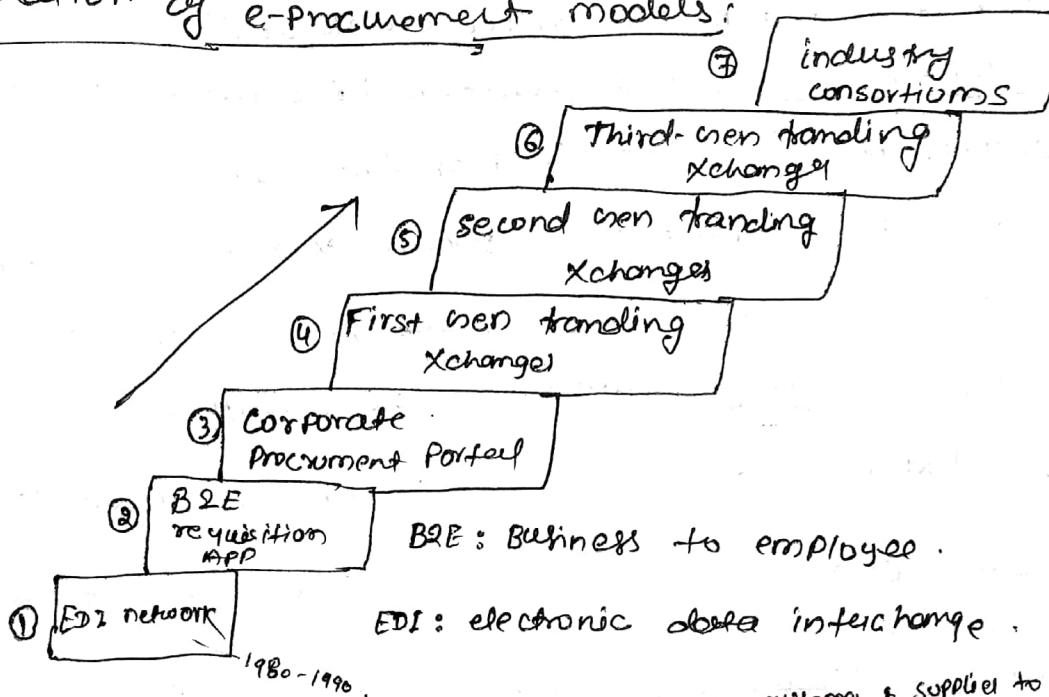
- \* E-Procurement:
  - it uses the Internet to operate the transactional aspects of acquiring, authorizing, ordering, receiving and payment process for the required service or product.
  - refers to the use of electronic methods in every stage of the purchasing process from identification of requirements through payment & potentially to contract management.

### E-Procurement Process:



- \* Benefits compared to traditional approach:
  - organized, low operational cost, save time, quality, satisfaction, predictability, buyer productivity.
- \* tools used of eprocurement: ERP system, www, XML, E-mail, WEB-EDI.

### Evaluation of e-Procurement models:



industry consortiums

Third user trading Xchange

Second user trading Xchanges

First user trading Xchange

Corporate Procurement Portal

B2E requisition APP

B2E: Business to employee.

① EDI network

EDI: electronic data interchange.

① EDI network: (pre-internet era); forwarding network

\* allow customer & supplier to send an order using call

\* Private & limited to large business (linked with major software)

require large capital outlays.

- Perform the best in Strategic Partnership, specialized digital Performance contracts.
- Batch Processing, simple transactional capabilities.

### ② B2E: Purchasing & requisitioning APP:

- making buying fast & hassle free for company
- Provide supplier management tools for the professional buyer
- enable employee to purchase products & services online
- Automated approvals routing and standardization of requisition procedure

### ③ Corporate procurement Portals: more consistent version.

- for buying both production & non production goods
- custom negotiated prices posted in a multi-supplier catalogue (OLX)
- Procurement Portal do more than basic purchasing
- spending analysis of multi-supplier catalogue management.

Purchasing: Buying of material & all activities related to buying products.

Procurement: including requisitioning, Purchasing, transportation, warehousing & inbound receiving process.

- negotiated prices posted in a multi-supplier catalogue.

- ### ④ Trading Exchanges - first tier: (trading-exchange is B2B portal)
- New sales channel for distributor & manufacturer.
  - centralized online market-place with pre-approved group of suppliers
  - Industry content job posting and needs, provides industry trend, product info, industry participants, and classified.
  - it consist of chat-room, discussion forum, bulletin board, calendar
  - provide new sales channel for distributor and manufacturer (vertical communities)
  - Product content and catalogue aggregation.

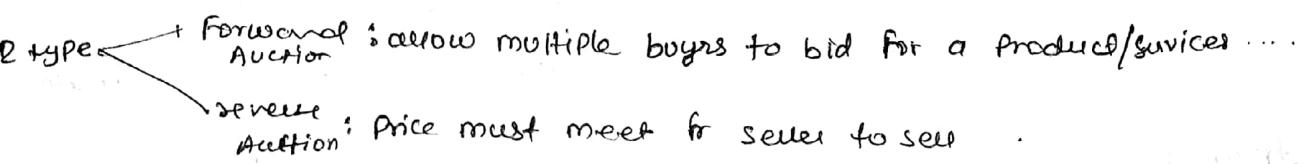
### ⑤ Second-tier trading exchanges: transaction oriented trading exchanges

- focus on obtaining a revenue from each buying and selling transaction that occur within the exchange.

eg. Virtual distributor: offer one-stop shopping for fragmented buyer & seller by pulling different product from multiple catalog / supplier and manufacturer into one magacatalog. (unhappy buyers).

Auction hub: sole channel for spot buying unique items such as equipment surplus inventory etc.

- it is like stock market buyers & seller meet anonymously to agree on price & commodities.

R type 

- Forward auction: allow multiple buyers to bid for a product/service
- reverse auction: Price must meet for seller to sell

#### ⑥ Third generation trading exchanges: collaboration hubs.

- it creates one common platform to enable all participants in industry supply chain to share information, conduct business transactions, planning, collaboration hub provide value-added services to continuously reduce stickiness generate multiple revenue, remove competitive barrier.
- enable partner to closely synchronise operations & enable real time ~~just-in-time~~ fulfillment.

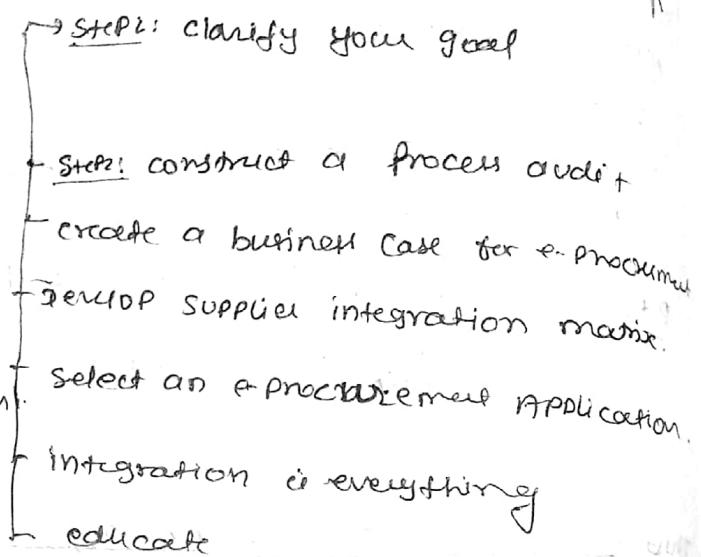
#### ⑦ industry consortia:

#### \* Operating resource procurement: (indirect procurement)

- indirect procurement is the purchase of support material or service to enable the production of end products.
- indirect procurement concern non production related acquisition of operating resources which company purchase to enable its opn.

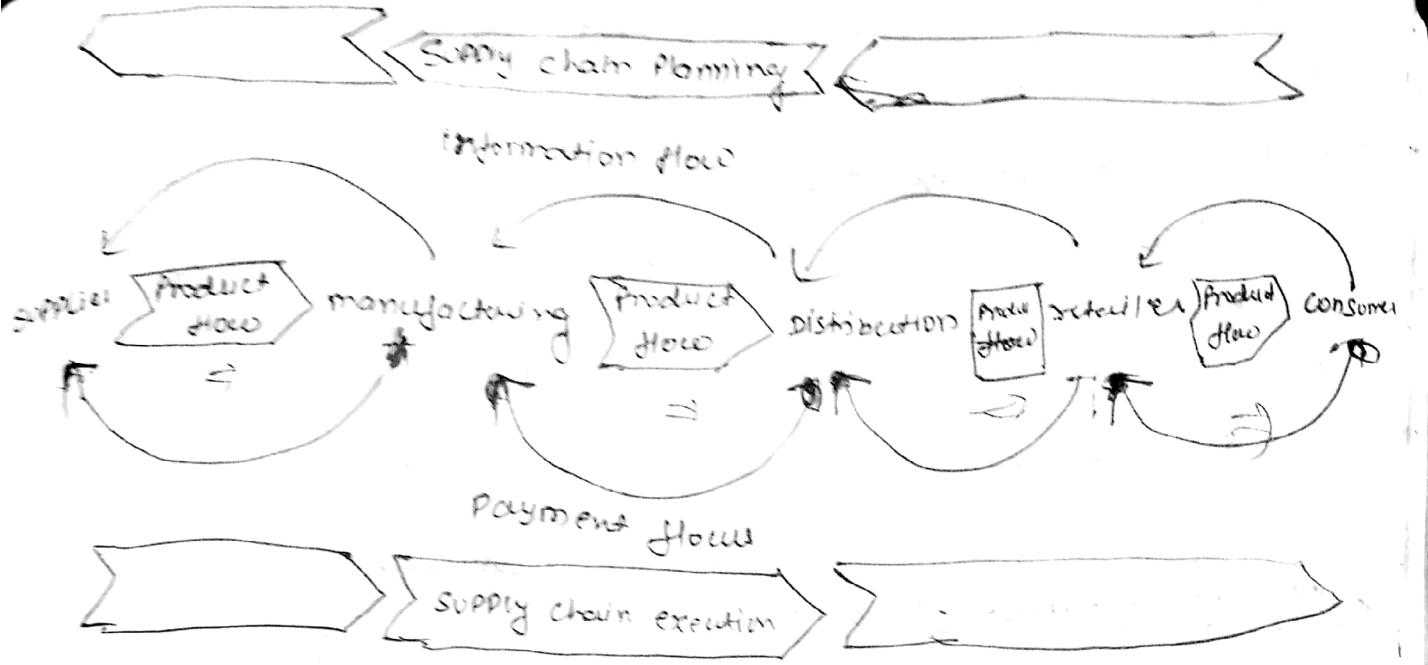
- Operating resource involved basic office supplies to complete business such as printing, advertising & temporary labour, managing delivery & dealing with complaints.
- Operation resource procurement deals with meeting the daily need of organization or daily need to sustain the business.

Roadmap for e-Procurement manager  
 ↗ (draw same fig of SCM).



### \* Supply chain management:

- Consist of all parties involved, directly or indirectly in fulfilling a customer request, include not only manufacturer & suppliers but also transporters, warehouses, retailers & even customers.
  - It is the flow of goods & services involves the movement and storage of raw materials of work in process inventory and of goods from point of origin to point of consumption.
  - SCM involves planning, design & control of flow of materials information and finance along the supply chain to deliver value to the end customer in an effective & efficient manner.
- Adv: Higher efficiency rate, decrease cost effect, increase O/P, eliminate waste, no delay
- process view of supply chain:
- disadv: mismanaged implementation, inadequate training



- Material flow: involves physical product flow from supplier to customers through the chain as well as the reverse flow via product returns servicing, recycling and disposal.
- Information flow: involve demand forecast, order transmissions & delivery status ~~& export~~.
- Financial flow: involve credit card information, credit terms payment schedules and consignment & title ownership arrangements.

#### \* What SCM Software does:

- integrate demand prediction, inventory stocking & transportation decisions.
- focus on managing tasks rather than costs.
- ensure timely delivery of raw material required for products and the finished product.

#### Trend in SCM:

- world-wide dispersion of manufacturing and distribution facilities. The demand for customized products for local market has increased.

- \* Channel unpredictability: firm must work with multiple suppliers to ensure reliability of raw material supply.
- \* Responsiveness over efficiency: companies have to change the way they manage their inventory bcz of customized delivery schedules.
- \* Acceptance, at lower margin for greater market share: companies are re-designing supply chains to eliminate waste & inefficiencies.

### \* SEM - Inter-enterprise fusion:

- How to create integrated supply chain structure?
- Inter-enterprise integration is a major focus of e-supply management.
- It involves creating alignment across the business processes and throughout the supply-chain application suite.
- It is composed of set of cooperating, intelligent agents, each performing one or more supply chain functions and coordinating their decisions with other agents.

Key element of supply chain

Sc Planning  
Sc Execution  
Sc Measurement  
Sc Monitoring

adv: increase in revenue, controlled costs, quality control, flexibility, elimination of waste.

#### Disadv.

- A business facilitates relationship with all of its suppliers and manages the distribution & logistic activities through a central system rather than having multiple systems within the organization.

#### Types of inter-enterprise fusion:

- This kind of supply chain response quickly & accurately to customer needs.
- Available to Promise (ATP) is important feature of responsiveness and provides real time integrated (fusion) view through out the entire supply chain.
- Adaptive: it is adaptable on customer demand.
- Intelligent:

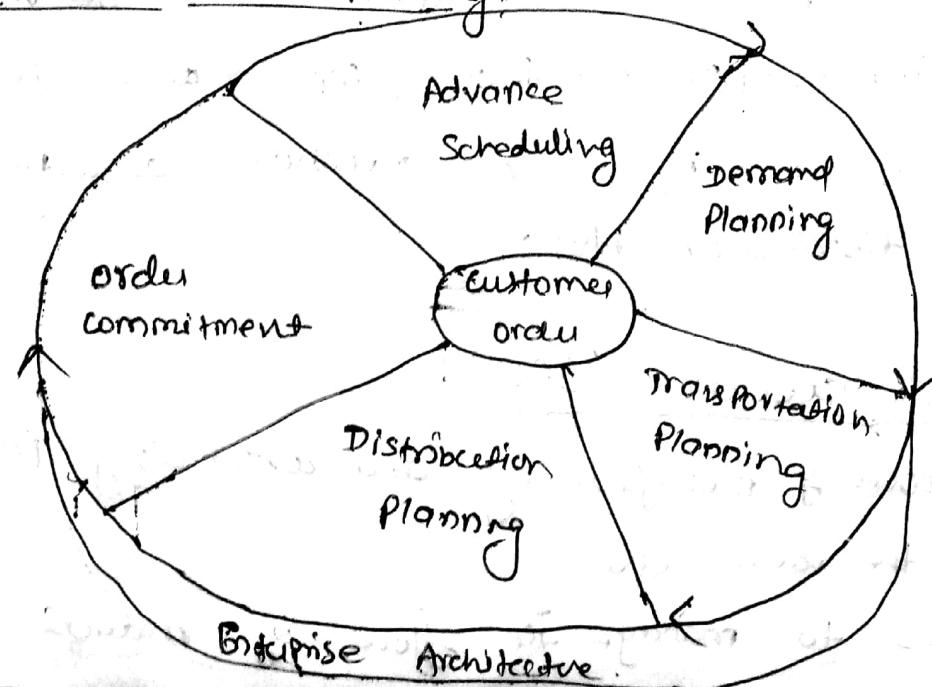
## Internet enabled SCM:

- Internet is used by firms to improve coordination among their internal supply chain process & they use extranet to coordinate among business partners & customers.
- The internet reduces the cost of purchase by giving supply chain partners quick access to information about sources, availability, pricing and technical data.
- SCM is a business framework comprised of multiple applications and divided into two application.

### i) Supply chain Planning (SCP):

- The planning process focus on demand forecasting, inventory simulating, distribution, transportation & manufacturing planning & scheduling.
- It is designed to improve forecast accuracy, optimize production scheduling, reduce inventory cost, decrease order cycle times, reduce transportation costs, and improve customer service.

### elements of Supply chain planning:



Order commitment: it allocates vendors to accurately quote delivery dates to customers by providing real-time details visibility.

• Provide availability of raw material & inventory status to customer.

Advance scheduling: provides detailed coordination of all manufacturing and supply efforts based on individual customer orders.

• Scheduling is much more execution oriented and creates job schedule for managing the manufacturing process as well as sup-

Demand planning: generate & consolidate demand forecast from business units in large corporations.

Distribution planning: create operating plan by the logistic man-

Transportation planning: facilitates resource allocation & execution, ensure that materials and finished goods are delivered at the time & to the right place according to the planning schedule at minimum cost.

\* SCP helps to make better operating decision.

\* flexible SCP app involve evaluation of multiple planning strategies such as

+ Profitable to Promise (Should I take customer order at this time)

+ Available to Promise (if inventory available to full-fill order)

+ Capable to Promise (does manufacturing capacity allow order commitment)

\* SCP meets their need by making necessary adjustments + production & distribution plan.

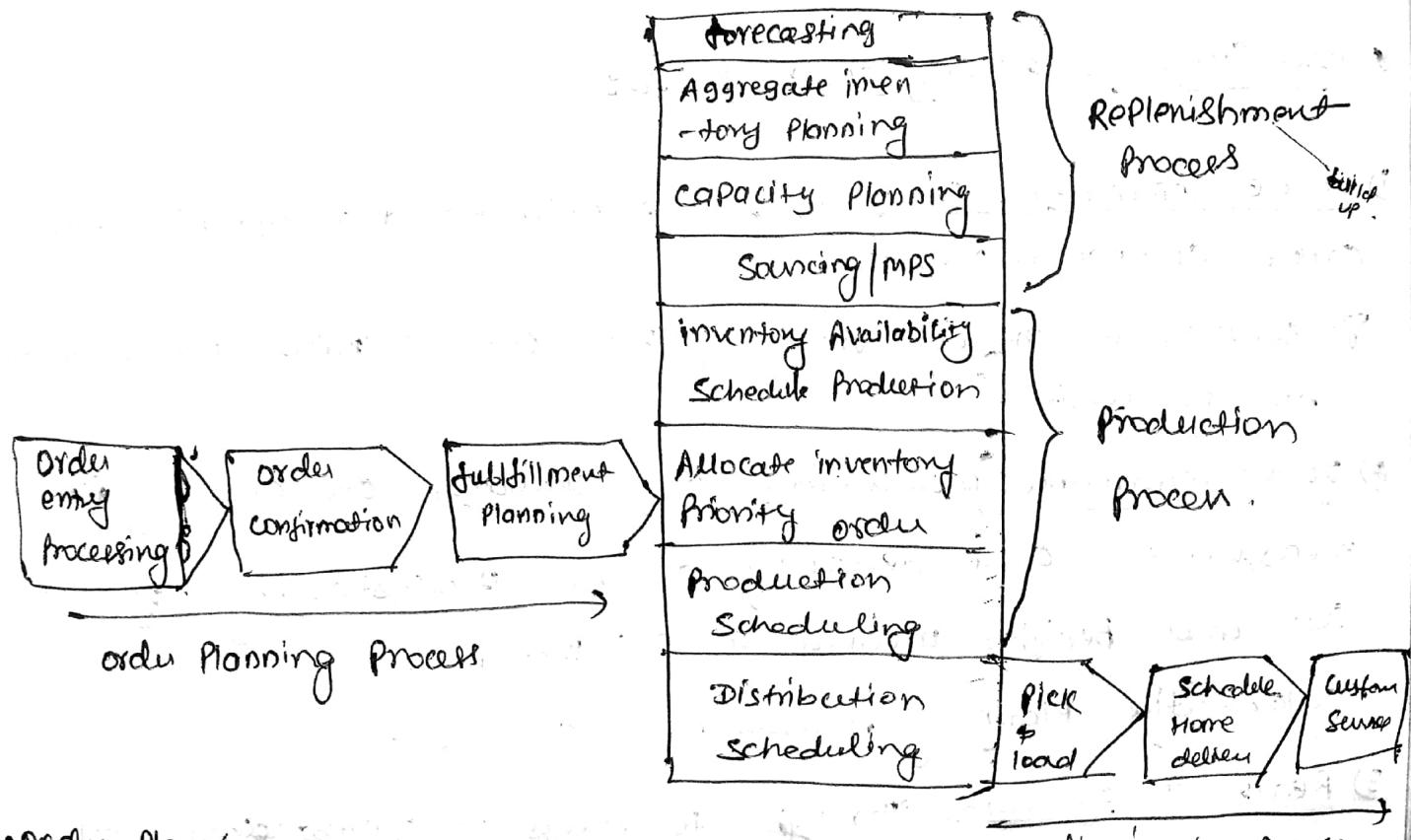
## 2) Supply chain Execution (SCE):

- Addresses procuring, manufacturing, and distributing products throughout the value chain.
- it is designed to manage the flow of products through

distribution centers and warehouses and help ensure that products are delivered to the right location using the best transportation alternative available.

### \* Elements of Supply chain execution:

- It is the process of fulfilling customer specific needs for goods and value-added services in a timely, efficient and cost-effective manner.
- market of supply chain execution app is growing due to following major factors:
  - 1) Businesses that have maximize efficiencies within their organizations are now working to achieve greater operational efficiencies in their relationships with supply chain.
  - 2) Focus on effective management of warehouse & transportation



#### • Order Planning

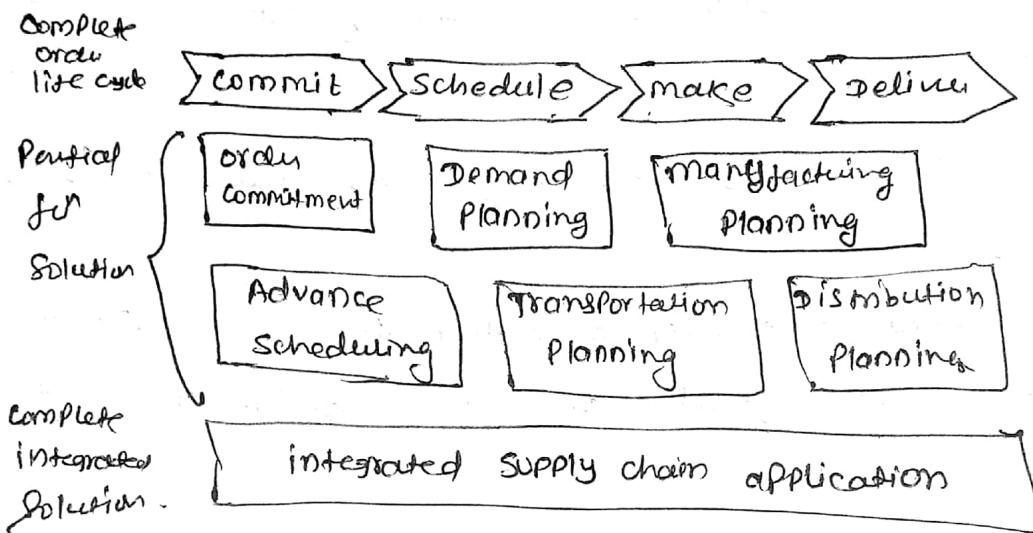
#### • Production

#### • Replenishment

## e-supply chain fusion:

- Process of e-supply chain fusion involves the migration from existing non-integrated supply chains to more effective integrated supply chains, thereby creating a tightly woven supply chain.

### Architecture:



### \* Four Stage of e-supply chain fusion:

- 1) Enable information sharing: Well-established and effective communication channels are required.  
e.g. consumer can interact effectively with entire enterprise from a kiosk or website.
- 2) Joint performance measurement: Key challenges are creating performance measurement and developing a clear understanding of the costs and benefits involved in SCM integration.  
Collaborative planning processes are created.
- 3) Realign work: Through the process of collaboration, decentralization is achieved and work load is shared among enterprises.

- y) Pedesigning product and processes: Products and processes are redesigned so that work becomes easier and more effective.
- A major challenge is to include the entire supply chain in the inter-enterprise process reengineering effort.

#### \* Management issues in e-supply chain fusion:

- 1) Determining the right e-supply chain structure: Objective of design is to please the customer and to make money.
- need for cost-efficiency does not permit to maintain a large inventory of finished products for the customer.
  - market demand may change and price-structure may also undergo changes. For this reason it is imp. to maintain a right kind of e-supply chain structure to ensure right product at the right time.

- 2) Enabling effective differentiation capabilities: organizations develop strategies for competitive differentiation, offering customers something unique that the competition doesn't have.

- Differentiation is in terms of products and services and also in terms of performance standard.
- Build-to-order models are used for this purpose.

- 3) Facilitating effective order fulfillment capabilities: Accurate order fulfillment is challenging and offers a great opportunity for reducing cost and improving customer service simultaneously.

- An integrated supply chain is critical to order fulfillment.
- Effective supply chain management configures the chain to respond quickly.

- 4) Determining the right infrastructure capabilities:

- Creation of real-time supply chain management infrastructure is a major task for an organization.
- Planning, selection & implementation of SCM solution is becoming more complex with the change of technology and with the increase of the no. of business partners by a company.

### Module 3

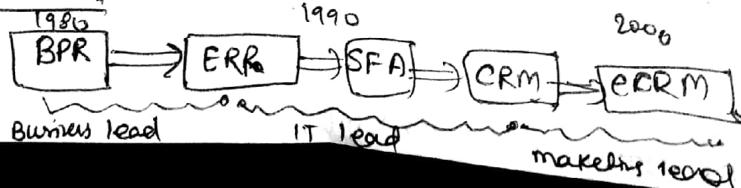
#### \* Customer relationship management (CRM):

- CRM is an approach to manage a company interaction with current and potential customers.
- it uses data analysis about customer history with a company to improve business relationship with customers. Specifically focus on customer retention & Sales growth.
- CRM compiles the data from various communication channels i.e. Company website, telephone, email, live chat, marketing material, more recently Social media.
- CRM Software is a tool that centralizes, simplifies, secures sales and customer engagement.

#### \* Need of CRM:

- centralize customer information.
- customer can easily raise his query.
- Helps business to grow their sales.
- Activity reports.
- Know what your customer really want.
- Reduce the extra labour cost.

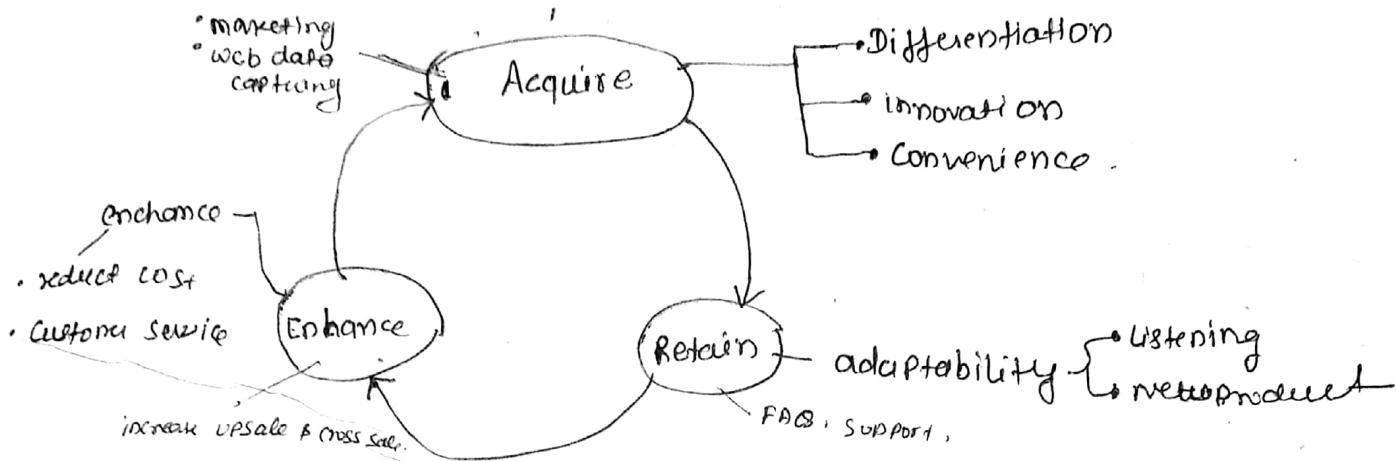
#### \* CRM evolution:



BPR = business process reengineering  
 ERP : enterprise resource planning  
 SFA : sales force automation  
 CRM : customer relationship management

## Phase of CRM:

- use to manage the customer life cycle.



- quite often companies choose one of these phase as their main focus bcz being master in all become a tedious task.

1) Acquiring Phase: Acquiring new customer by means of promoting product/service leadership that pushes performance boundaries with respect convenience and innovation.

- CRM advance Software database are used to capture key customer data at the point of first contact (include name, no., email, etc.)
- it track the behaviors of the customer through data analysis.

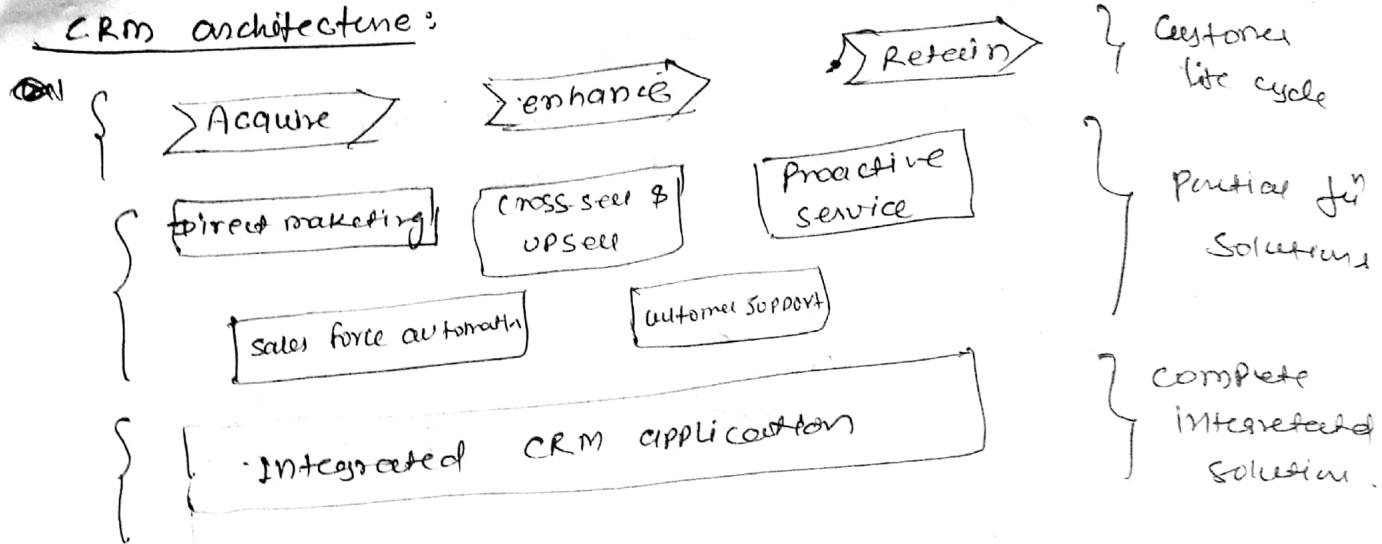
2) Enhancing Phase: Enhance the Profitability of existing customer.

- it can be achieve by encouraging excellence in selling.
- customer receives value when purchasing is convenient at low cost.
- This is achieve when company commit a great deal of time to actually listen to customer problems wishes & want.

3) Retaining Phase: Retaining profitable customers.

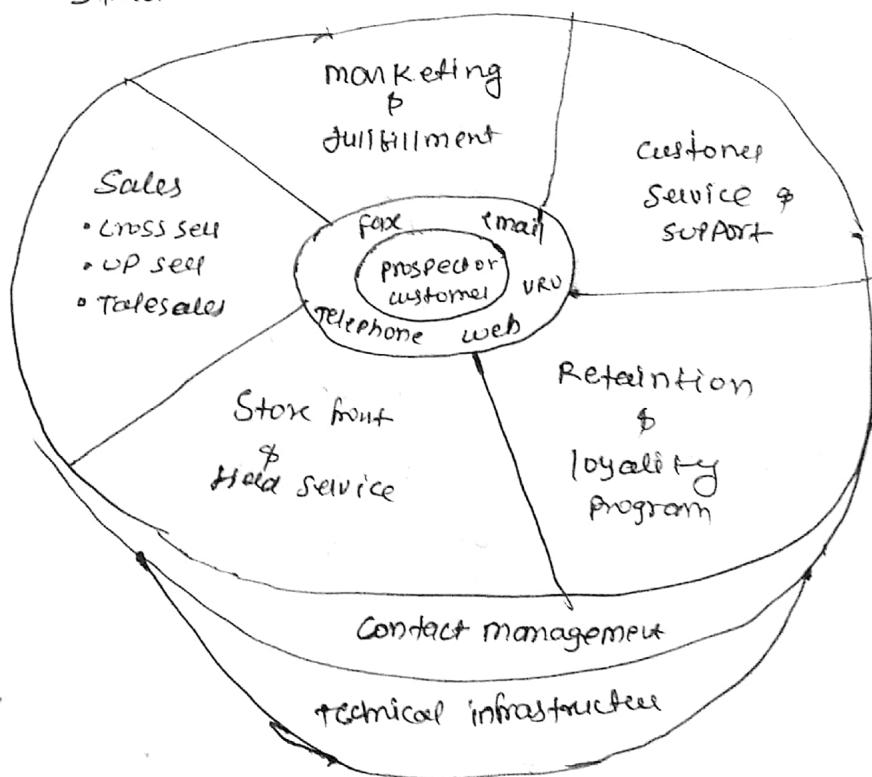
- it focus on Service adaptability . i.e what the changing customer wants.
- it works for best interest of the customer & to lead customer loyalty.
- company tries to identify & recruit the best customer with whom they seek long term relationship.

## CRM architecture:



## \* CRM Infrastructure: (portfolio process competencies)

- Organizations can create end to end communication & performance accountability for entire set of activities.
- must understand the CRM competencies to ~~understand~~ <sup>better</sup> the CRM infrastructure
- Structure -



- ## \* Cross-Selling & Up-selling:
- Cross sell & up sell software used to schedule sales calls, keep details about sales activities and the status of customer order.
- It is integrated with inventory software.

- \* direct marketing and fulfillment: (sell well & deliver fast)
  - include direct marketing & other advertising techniques that either influence or provide potential customers with the necessary info to make purchase decision.
- \* customer service & support: provides customer care and other services
  - its application include support for service request management, account management, contact and activity management, customer surveys, return material authorization, & detailed service agreement.
- \* field service operations:
  - it is the hand-on extension of external customer support activated when a problem can not be solved over the phone & requires sending a repair person to the customer site to perform maintenance or repair equipment.
- \* Retention management:
  - effective CRM must differentiate the potential customer by analysing the customer transactional or account history.
  - detail knowledge of customer allows company to treat customers individually.
- \* Next generation of CRM infrastructure requires five types of integration to be effective:
  - integration of customer content: ability to access, manage & process customer content. understand customer desire.
  - Integration of customer contact info: electronic capture of customer info.
  - Integration of end-to-end Business Process: company must have cross functional process integration.
  - Integration of extended enterprise:
  - Integration of front office & backoffice systems:

## CRM Implementation Challenges:

- Implementing CRM requires a high degree of political, cultural, organization change.
- CRM program data originate in one unit & used in another.
- CRM may reduce an individual business units contribution, even though whole company benefits.
- CRM requires making a careful transition from an existing silo-centric infrastructure to an integrated customer centric infrastructure.
- Organization with global operations must manage customer interaction in different languages, time zones, currencies & regulatory environments.

## \*CRM trends:

- Rise of call center as a powerful customer contact Point
- Listening to the customer.
- customer loyalty
- New integrated service experience
- Higher service expectations
- New competition create new headaches.

## • How to build a CRM infrastructure: Page no: 136

- ① involve top level management
- ② Define a vision of integrated CRM
- ③ Establish the CRM strategy & specify its objectives.
- ④ understand the customer.
- ⑤ Review cultural changes that will man...

## \* Enterprise Resource Planning (ERP):

- ⑥ Develop a business case.
- ⑦ Evaluate current readiness.
- ⑧ Evaluate appropriate applications with an uncompromising focus on ease of doing business.
- ⑨ Identify and target quick win.
- ⑩ Put the ownership of the end-to-end project in the hands of a single manager.
- ⑪ Implement 8 stages.
- ⑫ Be sure to create close loop CRM environment.
- ⑬ Create concrete measurement goals.

## \* Enterprise resource Planning (ERP): (centralized system of an organization)

- It is a business process ~~systems~~ management software that allows an organization to use a system of integrated applications to manage its business and automate many back-office functions related to technology.
- ERP systems are large computer systems that integrate application programs in accounting, sales, manufacturing and other functions of the firm.
- The key ingredient of most ERP systems is the use of a unified database to store data for various system modules.
- i.e. combine all database across departments into a single db that can be accessed by all employees.
- Integrate enterprise planning, manufacturing, sales & marketing efforts into one management system.

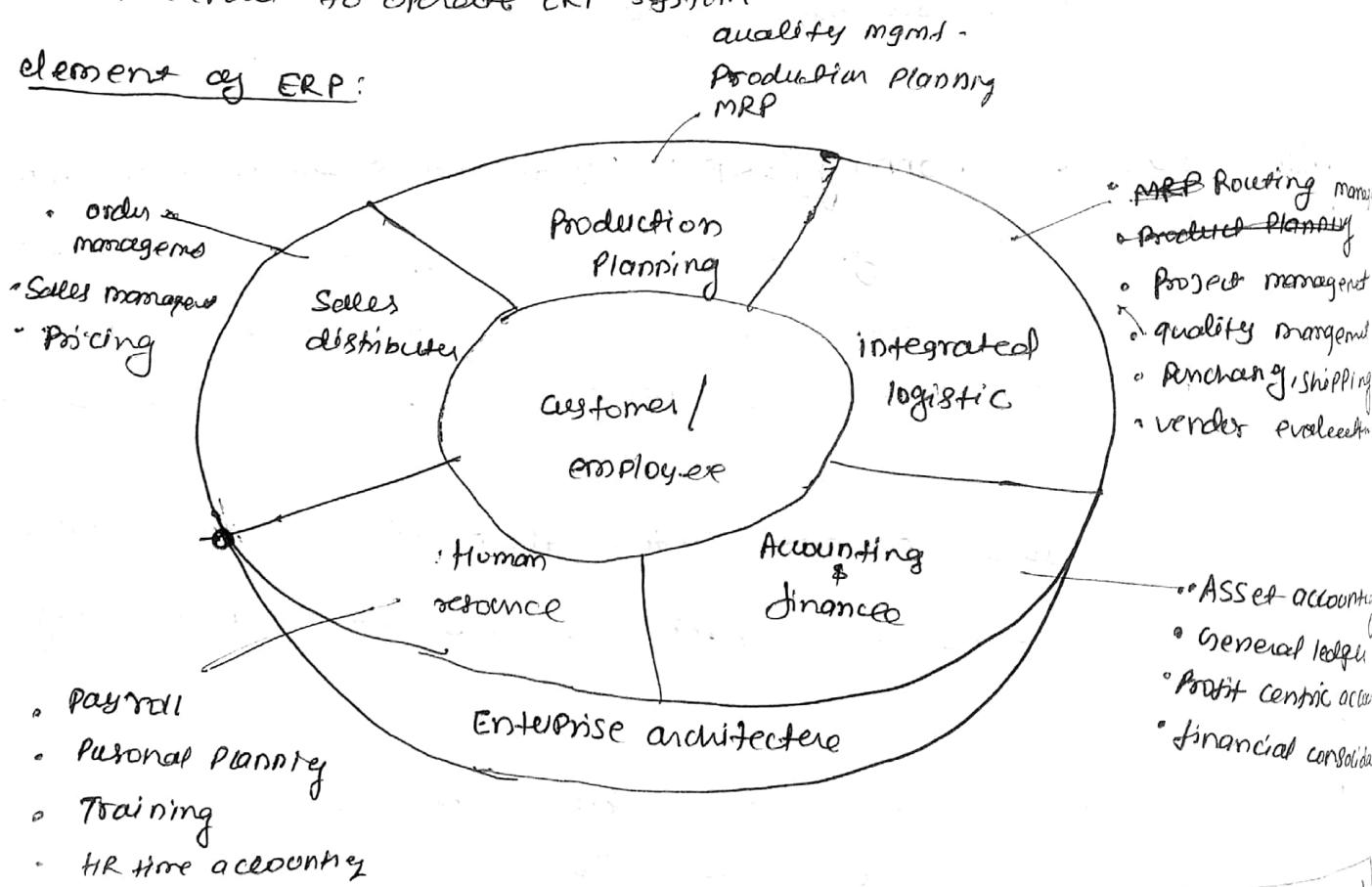
## Advantages:

- Better organizational control.
- Improve communication both internally & externally.
- Improve decision making process.
- Complete visibility into all imp. process across various departments.
- Duplication of info. is avoided.
- Back-up of all enterprise data.
- enable quick response to change in business oprn & market cond.
- Better use of time.

## Disadvantages:

- The cost of ERP software, planning, customization, configuration, testing, implementation etc. is too high.
- Too little customization (too much customization slow down the project).
- Additional indirect cost.
- Need expert to operate ERP system.

## elements of ERP:



## Evolution of ERP:

wave 4. interenterprise integration (XRP)

wave 3

customer centric integration (CRP)

wave 2

Enterprise integration (ERP)

waves

manufacturing integration (MRP)

Planning

ERP

### Wave 1: manufacturing resource Planning (MRP).

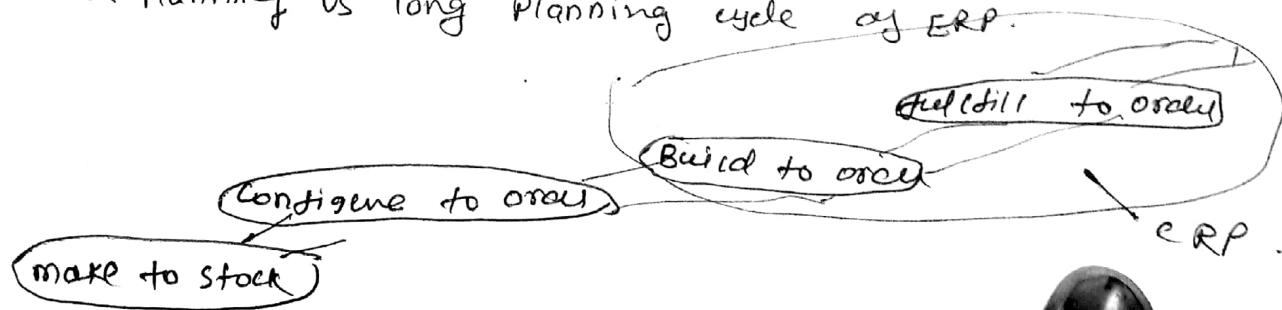
- it was introduced in 1960 just for inventory control.
- utilizes software applications for scheduling production process.
- it generates schedule for the operations and raw material purchases based on the production requirement of finished goods, the structure of production system, the current inventories levels and the lot size procedure for each operation.
- 1980 - MRP II (focus on production process into business functions).
- Shows technology could link or disconnect business functions.

### Wave 2: Enterprise integration Planning (ERP): Began in 1980.

- modified version of MRP II.
- Business driver of ERP
  - replacing legacy system (outdated soft.)
  - greater control
  - globalization (to m<sup>xplace</sup>)
  - regulatory change (too much change, no easy to manage it)
  - integration of decision across enterprise.

### Wave 3: customer-centric integration Planning (CRP):

- ERP evolving into CRP to integrate brick with click.
- connect to value chain (CRM, SCM, E-commerce, Product Life cycle management)
- Using middleware has drawbacks.
- Traditional ERP build for make-to-stock business model but this is no longer the case: customer value, effectiveness, enhance service delivery key today.
- Continuous planning vs long planning cycle of ERP.



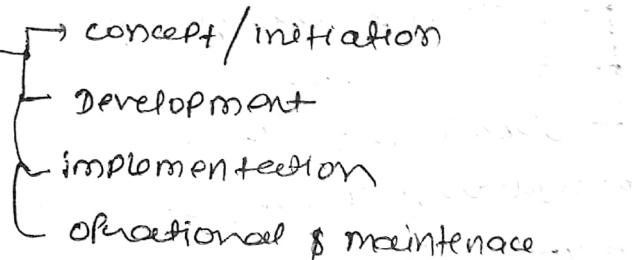
## Want:

- A company partner benefits from the same seamless integration of company itself.
- Extends beyond four walls of the enterprise to customer, supplier & partners.
- B2B marketplaces.
- ERP doesn't support continuous planning requirements of SCP.

## ERP implementation:

- identify the problem/set the objective.
- Define scope/team.
- check infrastructure.
- technology & knowledge transfer.

4 major phases



E-Business design

- connect window-shoppers to actual buys.
  - A e-business web-site design determine the type of interaction customer have with business.
  - make a Strategic Plan before building an e-commerce.
- Some of the important technology required to build an e-business (e-commerce site).

Value Proposition

Customer Segments

Customer Priorities

Organisational Capabilities

Magento (open source e-business tool.)

Web server, Server Software, Web tools (editor), Database, Networking  
PHP\* Constructing an e-business design:

- To create the innovative e-business design you must answer some questions:
  - what business design?
  - do you need to make your customer experiences unique & memorable?
  - what capabilities & competencies create each customer experience?
- e-business uses technology & e-commerce processes to build better customer relationship and create new value propositions.
- Define a capabilities needed to match customers.
- How does company manufacture internally and how does it source?
- After make all the decision, coordinate the process.

\* The first step of e-business design: Self-Diagnosis:

- Must first diagnosis your company before creating e-business design.
- Ask the question about the impact of customer, business and technology trends on your company.

- 1) Has the recent wave of technology created new ways of doing business and recognizing priorities?
- 2) Is your company responding to changing customer expectations? Is it aware of the dimensions of value that your customer care about?
- 3) Is your company willing to question and change countless industry assumptions to take adv. of new opportunities while also preserving investments in people, app & data?
- 4) Is your company successful at lowering operating cost while making complex business application adaptive & flexible to change under the relentless pressure of time to market.  
continuing.

- If you answers all are yes then you are in the innovator or market leader category. (You are lucky & rare, save the moment.)
- If most of your answers are yes then you are in early adopter and visionary category. → Charles Schwab.
- If most of your answers are NO Then your firm belongs in the Silent majority category.  
→ Pragmatists, old guard • Conservatives, die-hard skeptic.  
These three are varying in degree of risk
- a) Pragmatist: Pragmatic firm sees the world changing around them but they want proof that the changes are long-term before commit to action.
- b) Old-guard conservative: are in a state of denial.  
- Avoid the growth prospects that don't align with their distinct core competencies.
- c) Die-hard skeptic: companies are destined to fade away.

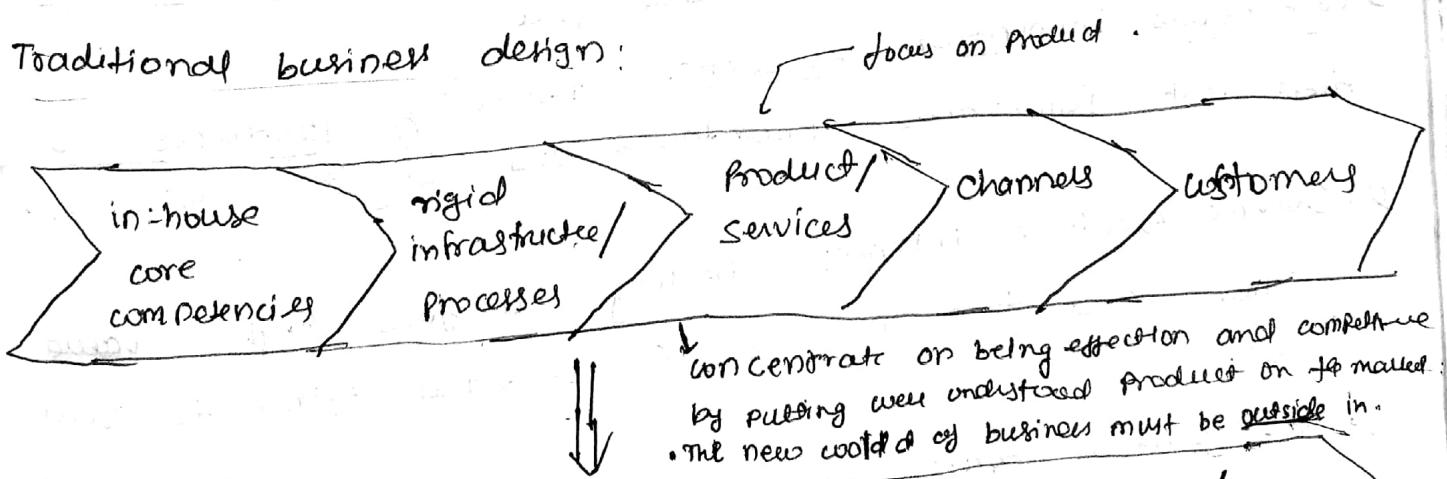
these companies are like Luddites the 19<sup>th</sup> century british reactionaries who feared competition from machinery.

these three categories of companies comprise the current business landscape.

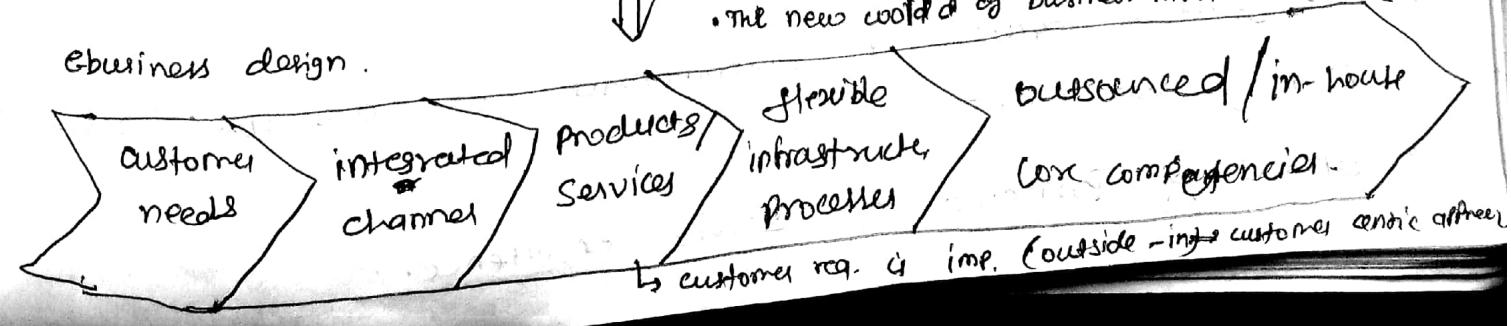
The second step of e-business design: Reversing the value chain:

- The greatest challenge in e-business is linking emerging technology to new business design.
- As the technology emerge the affects to customer need and customer needs influence business design.
- As the business emerge they affects the process and it influence the next generation of technology.
- Successful companies invent value not just add value:
  - To invent value, manager must reverse the traditional value chain thinking characteristic of the inside-out mode in which business define themselves in term of the product they produce.

Traditional business design:



Ebusiness design:



- The creation of an e-business design is inextricably linked to the management of change.
- In outside in approach, customer requirement important not the company.
- Outside in customer centric approach essential in times of great structured transition in economy.  
e.g. Dell, Microsoft, Walmart.

### \* Step 3: choose a focus:

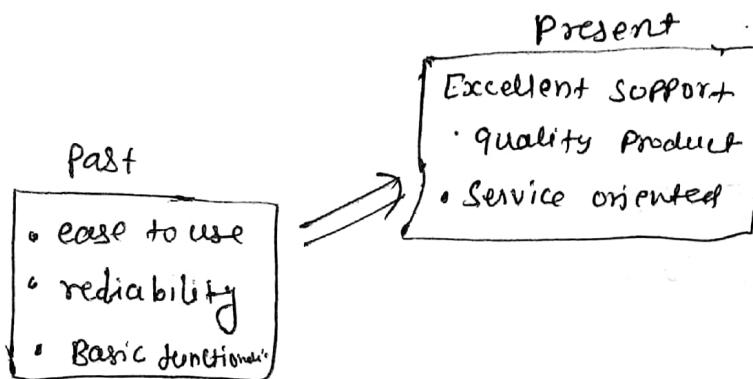
- Market leaders use three types of e-business design to narrow their focus and retain leadership, bcz they know that their organisation can do many things well.
- In order to narrow it's circle of competence a successful firm chooses one of the following types of focused excellence:
  - 1) Service excellence: Delivering what customer want with hassle free service & superior value.
  - 2) Operational excellence: Delivering high-quality products quickly error free and for a reasonable price.
  - 3) continuous innovation excellence: Delivering products and services that push performance boundaries and delight customers.
- Service excellence involves selecting a few high value customer niches and then making a concerted effort to serve them well.
- The Strategy requires a commitment to customer relationship management (CRM).
- Operating Principle of Service excellence.

Prepare your company for unpreparedness. (10).  
gather and maintain all the up-to-date, accurate info you need where you need and when you need it. future.

use customer contact management.

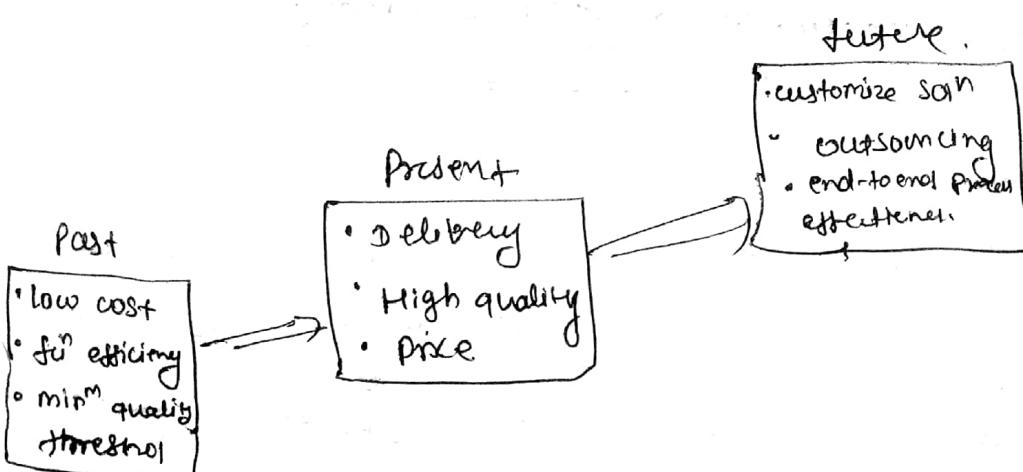
develop a corporate philosophy abt customer service

- Self service
- One-to-one marketing
- Value



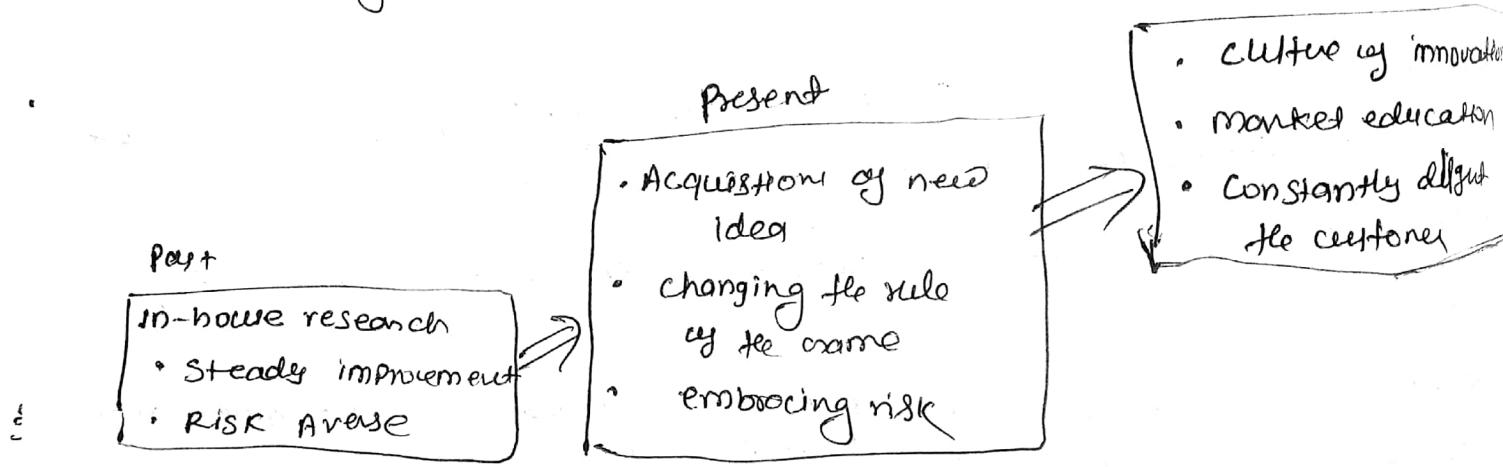
Q) It means providing the lowest cost goods & services possible while simultaneously minimizing problems for customers.

- The success of Operational Excellence depends on several key principles
- Efficient levering of assets : resource are allocated in the most efficient manner
- management of efficient ~~is~~ at the lowest cost possible.
- Management of sales intelligence
- Transaction
- Dedication to measurement systems.
- Management of customer expectation.



### 3) Continuous innovation, excellence:

- involves not only providing best possible products and services
- but also offering customers more exciting features and benefits than competitor.
- eg: Microsoft, Nike, Sun Microsystems
- Key Principles:
  - Risk oriented management style:
  - Growth by merger & acquisitions
  - A market education style
  - Encouraging innovation



### 3) Step 4: Execute flawlessly: where are you today & where u want to be?

#### 1\* Case Study: Operational excellence at Dell Computer

\* Founder Michael Dell → <sup>Dell</sup> <sub>1984</sub> <sup>\$80,000</sup> ← Company overview

\* Build-to-order e-business design: - provide end-to-end operational excellence

- \* New supply chain that was very flexible & agile for following reason:
  - when product becomes non competitive
  - As customer income rises.
  - As competitors introduce new models
- \* Dell must be agile enough to change quickly

- + build to order definitely gives dell several adv:
- + dell has no finished good inventory.
- + dell tailor made computer systems contain the latest high-margin components.
- + dell has direct contact to the customer.
- + selling directly means dell isn't getting paid by reseller.
- . key element of operational excellence of dell is the influence to the supply chain.
- . operational excellence model followed by dell by customer satisfaction

Easy to use

with

search functionality

and

Reliable

~~(plus)~~ plus

Integrated

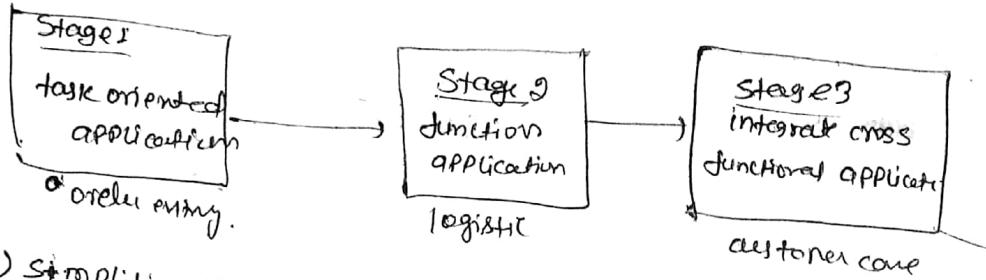
~~equals~~

Customer satisfaction

## \* E-Business architecture:

- modern business designs are constructed from well integrated building blocks called enterprise application.
- enterprise application includes: ERP, CRM, HRM, SCM apps
- these apps form the backbone of the modern enterprise
- e-business design is about how to integrate an intricate machine of APPS so they work together like a well-oiled manage, organize, route & transform information.

### Evolution of e-business app:



- 1) Simplification & Segmentation: Simplifying processes such as order entry, product
- 2) Reintegration & transformation:
- 3) cross functional integration & flexible adaptability:

### Trend driving e-business architecture:

- the velocity of business is increasing.
- enterprise boundaries are disappearing.

\* • expectations for technology Solution is rising

\* These application framework designed to integrate an array of

CRM, ERP, SCM , SCM

CRM, Sales  
Service  
marketing

ERP, Components

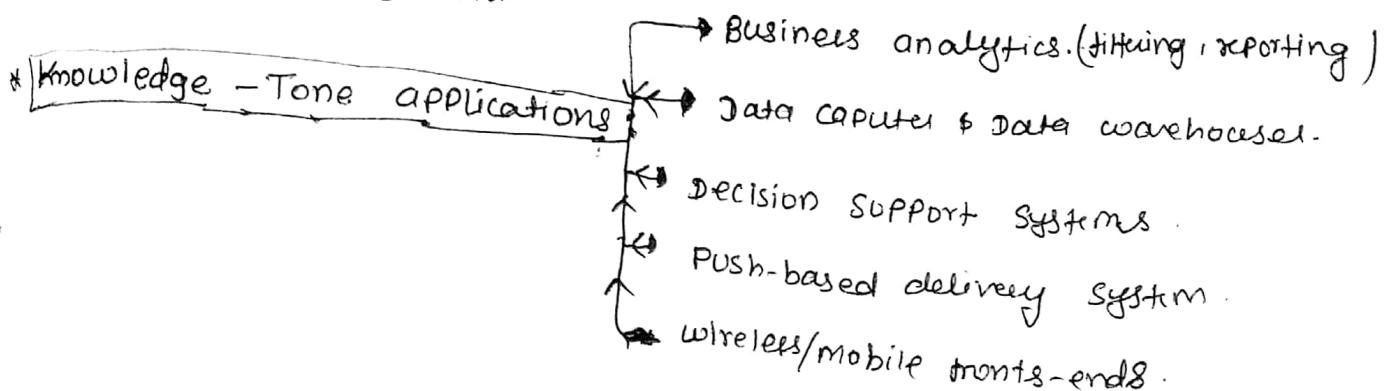
SCM, market demand  
storage & capacity constraints  
Real time sched...  
Scanned by CamScanner

## Integrating application cluster into e-business architecture:

, effectively managing the transformation to a process centred organization will be critical to the success of the twenty-first-century organisation.

, enterprise business app as process system .

, the popularity of app that automate, integrate or transform a major portion of firm's processes is a new phenomenon in the world information management .



- Aligning the e-business design with application integration :
- Company are expecting e-business to increase profitability, create competitive differentiation & support innovative business practice .
- To achieve this goal company must evolve through distinct stages from integrated process to truly synchronized inter-enterprise communities, managing with each step the changes required to sustain a competitive advantage through each phase of development .
- Where is your organization in term of these stages ?
- It is very important to align the scope of e-business design with the nature of application integration .