E-Business Strategies CPIS468

Main Objectives

- An understanding of the key characteristics of the E-Business environment

- An understanding of the new information and communication technologies (ICT) affect business activities. This is generally referred to as "The New Economy" or "Internet Economy"

- An understanding of the opportunities and challenges posed by the Internet and E-Business in the information economy

- Understanding the vital concept of virtual organizing.

- Understanding of the reach of technology without needing specialist technology.

- An appreciation of emerging strategies, business models and organisational innovations in the E-Business environment

Introduction

- Book:
  - What is E-business, How the internet transforms organizationa, Feng   Li, Blackwell, 2007

- Grading
  - Final (30%)
  - Midterm exam 1 (15%)
  - Midterm exam 2 (15%)
  - Assignments (15%)
  - Presentation (10%)
  - Lab Work (15%)

The purpose of this course

▶ Examines the key characteristics of the new business environment, e-Business

▶ Explores some new strategies and business models that have been developed as responses to changes in the business environment,

▶ Highlights the critical role of the Internet and related technologies in the process.

▶ introduces a series of organizational innovations that have been developed to translate new strategies and business models into manageable activities and processes, and to improve the efficiency, effectiveness and responsiveness of the organization through innovative application of ICTs.

Outline

- What is E-Business

- What is New in the New Business Environment

- Strategic Innovations for E-Business

- Organizational Transformation through the internet and related technologies

- Emerging Issues and Areas

What is E-Business?

▶ E-Business is not just about dot.com or Internet-only companies; or selling and buying via electronic channels

▶ it is concerned with using the Internet and related technologies to integrate and redesign an organization's internal activities, processes and external relations, and create new ways of working that are significantly different from, and very often far superior to, what was possible or conceivable

What is new in the New Business Environment?

- There are at least two fundamental changes in the business environment

1. The nature of the economy has changed, as measured by
   - the informational elements of our products, services and production processes
   - and by the proportion of the workforce whose primary activities are informational rather than physical (information or knowledge workers)

2. The Revolution of Information and Communication Technologies (ICT)
   - Provide an affordable powerful tool
   - Users were able to deal with information in ways not even possible only a few years ago.

What is new in the New Business Environment?

- The combination of these two intertwined processes is extremely powerful

- on the one hand, the most important resource in the economy has changed from land, materials, capital and money to 'information' .

- On the other hand we have at our fingertips increasingly more powerful yet affordable tools and techniques to deal with the most important resource of the economy (i.e. information).

- This combination redefines many basic assumptions about our economy and organizations, creating new rules for all to follow.

- Most importantly it means that today, organizations large and small can, should and indeed must do things differently in order to survive and thrive in the new economy.

Strategic Innovation for E-Business

▶ The rapid development of the Internet and related technologies, combined with the changing nature of the economy, has enabled many organizations to explore new strategies and business models profoundly different from existing ones.

▶ In fact, some recent studies are challenging the basic assumptions of many widely used strategic frameworks, because some of the implicit, underlying assumptions and starting points of these frameworks may no longer be valid in today's new business environment.

Strategic Innovation for E-Business

▶ Such new strategies are increasingly <u>reflected in the business models</u> of various organizations in a wide range of industries.

▶ These new strategies and business models are increasingly reflected in <u>new organizational designs</u> and emerging forms of organizations.

▶ from a <u>process perspective</u>, organizational changes have been from continuous, incremental improvements to radical revolutionary business process re-engineering.

Organizational Transformation through the internet and related technologies

Take structure, for example: a study of confidential compensation data from 300 large American companies gathered between 1986 and 1999 clear that

- the organizational hierarchy has been flattened.

- The number of people reporting directly to the CEO has increased steadily,

- the managerial levels between the CEO and the lowest-level managers have decreased by more than 25 per cent.

- lower-level managers are taking on more responsibilities.

- A critical reason for flattened hierarchy is that 'technology has put information at everyone's fingertips

- the new business environment requires organizations to adopt new organizational designs in order to achieve new fit (or alignment) between organization and its environment.

Emerging Issues and Areas

▶ The rapid development of the Internet and e-Business also raises a series of other issues, including

▶ online security and privacy, individual and organizational identities in cyber space and their similarities, differences and relationships with the identities in the physical world.

▶ There are also regulatory and legal issues, ethical issues, as well as many other issues related to online marketing - such as e-mail spamming and e-mail 'bombing' (flooding an e-mail address with junk mails), hacking and viruses

The Structure of this book

▶ The next chapter will examine what e-business.

▶ Following that, the book will be organized into three main sections to discuss changes in

▶ Part 1: the new e-Business environment;

▶ Part 2: emerging strategies and business models for the network economy;

▶ Part 3: organizational innovations through information systems.