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Emerging Technology in E-Business

E-Business

- **E-Business**

  E-Business, the practice of performing and coordinating business processes such as designing products, obtaining supplies, manufacturing, selling, fulfilling orders, and providing services through the extensive use of computer and communication technologies and computerized data

- **Work Systems**

  A system in which human participants perform business processes with the help of information and other resources to produce products and/or services for internal or external customers.

- **Information System**

  A work system whose business process is devoted to capturing, transmitting, storing, retrieving, manipulating and displaying information, thereby supporting other work systems

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- **System**

  A group of interactive components that operate together to accomplish a common objective.

- **Subsystem**

  It is a component within a system, even though it can be also be considered a system its it own.

- **Terms related to System**
  - Purpose / Objective
  - Boundary
  - Environment
  - Input
  - Output

E-Business

- **Business Process**

  A related group of steps or activities in which people use information and other resources to create value for internal and external customers

- **Subprocesses**

  Are parts of a process that are processes in their own right because they consist of well-defined steps related in time and place, have a beginning and end, and have inputs and outputs.

- **Value Add**

  It is the amount of value which a process creates for its internal or external customer.

E-Business

- **Functional Areas of Business**
  - Processes that cross functional areas.
    - Creating a new product, coordinating business plan
  - Processes related to a specific functional area
    - Manufacturing, Identifying customers, and paying taxes etc
  - Activities and sub-processes occurring
    - Communication, analyzing data, planning daily work etc…
- **The Value Chain**

  The set of processes a firm uses to create value for its customers.
- **Supply Chain**

  It is the transactions, coordination, and movement of goods between the firms supplier and the firm.
- **Customer Experience**

  It includes every aspect of the customer's involvement with the firm's product, i.e. determining requirements, acquiring the product, its usage, maintaining it, and its retirement.

The Trend Toward E-Business

- Above Concept Include the Value Chain, supply chain and customer experience help demonstrate that the trend toward e-business involves much more that having only a cool website.

- **E-Commerce**

  Using Internet and other communication technology for marketing, selling and serving products. It includes :
  - Informing a customer of a product's existence.
  - Providing in-depth information about the requirements
  - Performing the purchase transaction
  - Delivering the product electronically or coordination to make delivery.
  - Providing customer service electronically

- **Types of E-Commerce**
  - B2C
  - B2B
  - C2C
  - B2G
  - C2G

E-Commerce

- **E-Commerce Categories / Models**
  - E-Retailers
  - Clicks and bricks
  - Financial Services
  - E-Auction
  - E-Marketplace
  - Content Aggregator
  - Content Provider.
  - Web Hosting, Internet Service providers

Benefits to Organizations

1. It expands the market place to national and international markets with minimum capital outlay and easy and quick access to more customers, business partners worldwide.
2. It decreases the cost of creating, processing, distributing, storing, and retrieving paper-based information.
3. EC allows reduced inventories and overheads due to JIT techniques
4. EC reduces the time between payments and product/service delivery
5. Allows business process re-engineering resulting increase in productivity of sales people, knowledge of workers & administrators by 100% or even more
6. **Other benefits :**

   Improved image, improved customer service, new-found business partners, simplified processes, compressed cycle and delivery time, increased productivity , eliminating paper, expediting access to information , reduced transportation costs and increased flexibility.

Benefits to Consumers

1. Electronic commerce enables customers to carry out transactions anytime from anywhere and provides them with more choices.
2. It frequently provides customers with less expensive products and allows them to conduct quick comparisons.
3. Especially with digitized products, EC allows quick delivery.
4. Customers can receive relevant and detailed information in seconds, rather than days or weeks.
5. EC makes it possible to participate in virtual auctions.
6. It allows customers to interact with other customers in electronic communities and exchange ideas as well as compare experiences.
7. It also facilitates competition, which results in substantial discounts.

Technical Limitations

1. Lack of system security, reliability, standards and some communication protocols.
2. Insufficient bandwidths
3. Rapidly changing software development tools
4. Difficulty in integration of EC applications and legacy software and databases
5. Incompatibility of EC software with some hardware and operating systems
6. Vendors may need special web servers and infrastructure in addition to the network servers

Nontechnical Limitations

1. Cost and justification
2. Security and Privacy
3. Lack of trust and user resistance
4. Disturbance in power supply/load shedding
5. Other limiting Factors :

   Legal Issues, un-stability, less support services, may quality service/product providers /buyers not available on EC application, may result breakdown of human relations

Obstacles when applying Information Technology in the real World

- **Un-realistic Expectations and Techno-hype**
- **Difficulty Building and Modifying IT-Based Systems**
- **Difficulty in integrating IT-Based Systems**
- **<u>Organization inertia</u> and Problems of Change**

  "The tendency to continue doing things in the same way, and therefore to resist change"
  - **If change adds it will subtract as well**
  - **May raise more problems than it solves**
  - **Goods may times also bring bad as well.**
  - **May have unforeseeable effects.**
- **Genuine Difficulty anticipating what will happen**

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