

The Current State of E-Business

Defining E-Commerce

What everyone knows:

- “the buying and selling of goods and services on the World Wide Web” (whatis.com)
- “sites created for the purpose of selling goods and services over the Internet, regardless of whether the actual sale takes place on the Internet or via fax, phone or another means provided by the website” (Janice Anne Rohn, Siebel Systems, Inc.)

Defining E-Commerce

Looking for generalization

A dictionary definition:

1. Social intercourse: interchange of ideas opinions and sentiments
2. The exchange or buying and selling of commodities on a large scale involving transportation from place to place

Categories of E-Business:

- Business to Business (B2B)
 - Electronic purchase order submission
 - Just in time inventory control agreements
- Business to Consumer (B2C)
 - Provision of product information online
 - System for product ordering online
 - Updates, help, and product documentation
- Peer to Peer (P2P)
 - On-line auctions
 - Job announcements

Evolution of E-Businesses:

- E-Businesses emerge in several ways
 - the expansion of electronic management systems to embrace the supply chain
 - The expansion of internal information systems

to public systems of increasing sophistication

- The resale of either of the above
- The development of new channel opportunities
- The development of new products optimized for new channels

Business to Business Support

- SAP, Baan, Oracle and others provide the basic structure within which organizations gain better control of their data
- RosettaNet, Oasis-open, and CommerceNet provide the infrastructure for exchange
- CommerceOne, Ariba, i2, and other provide the capability to build marketplaces
- Anticipated growth is expansion to SMEs

Business to Consumer (B2C)

- Organizations sell a product or service directly to the consumer
 - Complete electronic transactions – software
 - Transaction less product delivery – books
 - Informational shopping – cars
- Spurred by and dependent upon the existence of web protocol

Peer to Peer (P2P)

- On-line auctions (Ebay averages 1.7 million visitors per day)
 - Timed auctions
 - Reverse auctions
- Collaborative information exchanges
 - Chat rooms
 - News groups

Certification and Authentication

- Encryption
 - DES, single key encryption
 - RSA, dual key encryption
 - SSL (https is automated SSL)
- Authentication
 - Knowledge – Passwords

- Possession – Smartcards
- Being – Biometrics (iris, retina, thermal image)
- Certificates and Certificate Authorities

Preliminary Conclusion

- E-Business is the next step in the evolution of business management using technology
- E-Businesses strive to:
 - Manage large operations with attention to detail both temporally and functionally
 - Reach new customers via e-channels
 - Develop new bit based product forms
 - Develop new communication based services

The State of E-Business

- E-Business is maturing
 - The revolution is turning to evolution
 - The cost to benefit ratio is decreasing (SMEs)
- The network has achieved critical mass
 - Proctor and Gamble rule
 - The S-curve of technology adoption
- Models are emerging
 - Best practices, branding, and monetarizing

Final Comment

- If you are looking to invest –
 - look to the guaranteed winners – infrastructure and services to businesses (Fed Ex and AOL)
- If you are in business –
 - understand that e-business is as much or more about logistics than it is about web sites
- If you are a netpreneur –
 - pay attention to opportunities related to the secondary and tertiary effects (reuniting families)