

# EBUSINESS FUNDAMENTALS

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PLANNING FOR ECOMMERCE



# TOPICS COVERED:

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- Identifying eCommerce objectives
- Measuring benefits
- Managing costs
- Strategies for developing eCommerce sites
- Managing the eCommerce implementation
- Post implementation audit

# IDENTIFYING OBJECTIVES

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- eCommerce objectives could include:
  - Increasing sales in existing markets
  - Opening new markets
  - Serving existing customers better
  - Identifying new vendors
  - Working more efficiently with existing vendors
  - Objectives will vary with the size of organisation

# MEASURING THE BENEFITS OF ECOMMERCE

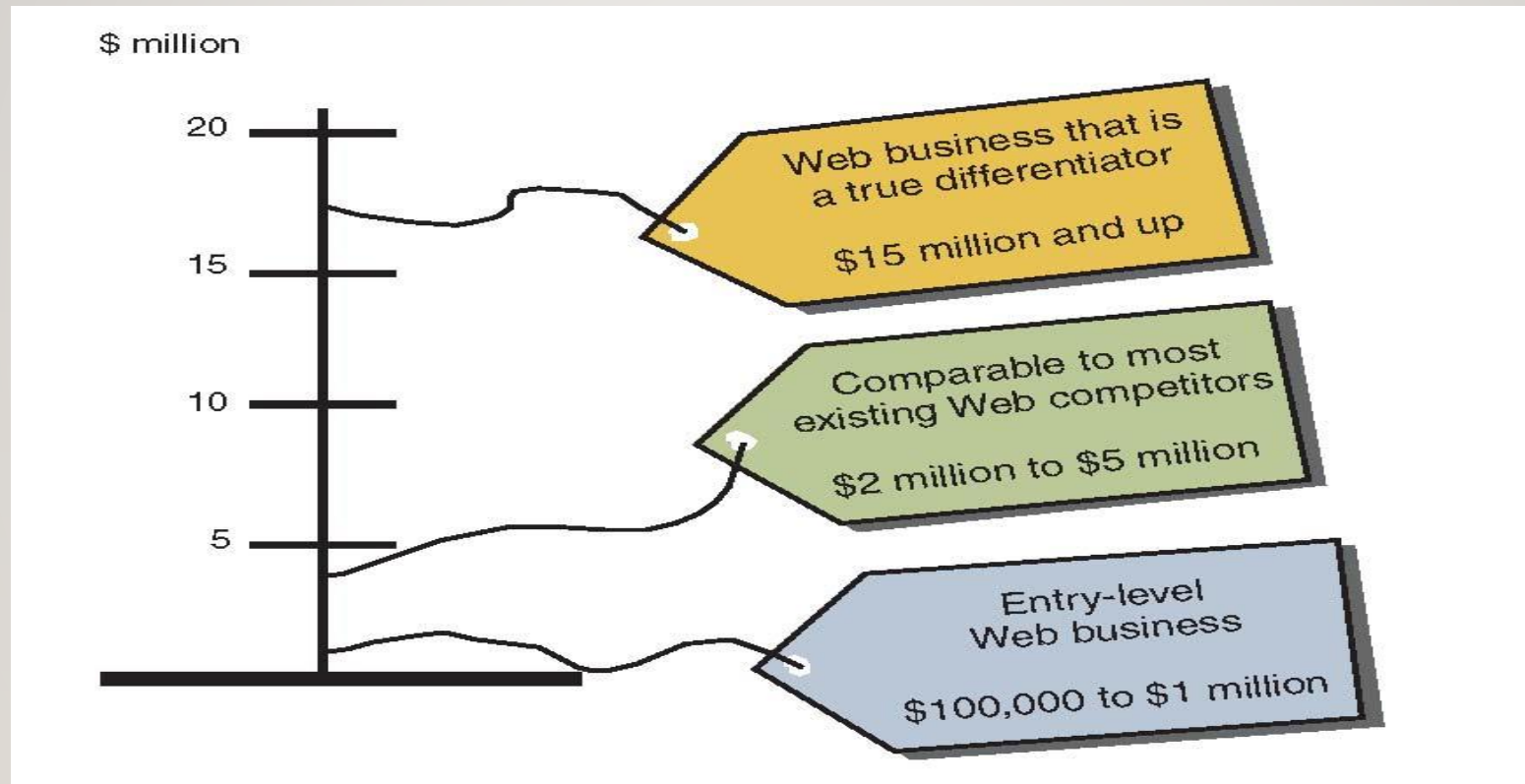
<b>eCommerce Initiatives</b>	<b>Common Measurements of Benefits</b>
<i>Build brands</i>	<i>Surveys or opinion polls that measure brand awareness</i>
<i>Enhance existing marketing programmes</i>	<i>Change in per-unit sales volume</i>
<i>Improve customer service</i>	<i>Customer satisfaction surveys, quantity of customer complaints</i>
<i>Improve supply chain operation</i>	<i>Cost, quality and on-time delivery of materials or services purchased</i>
<i>Hold auctions</i>	<i>Quantity of auctions, bidders, sellers, item sold, registered participants</i>
<i>Provide portals and virtual communities</i>	<i>Number of visitors, number of return visits per visitor and duration of average visit</i>

# MANAGING COSTS

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- eCommerce project costs can be difficult to estimate and control:
  - Total cost of ownership
  - Change management
  - Opportunity costs
  - Website costs

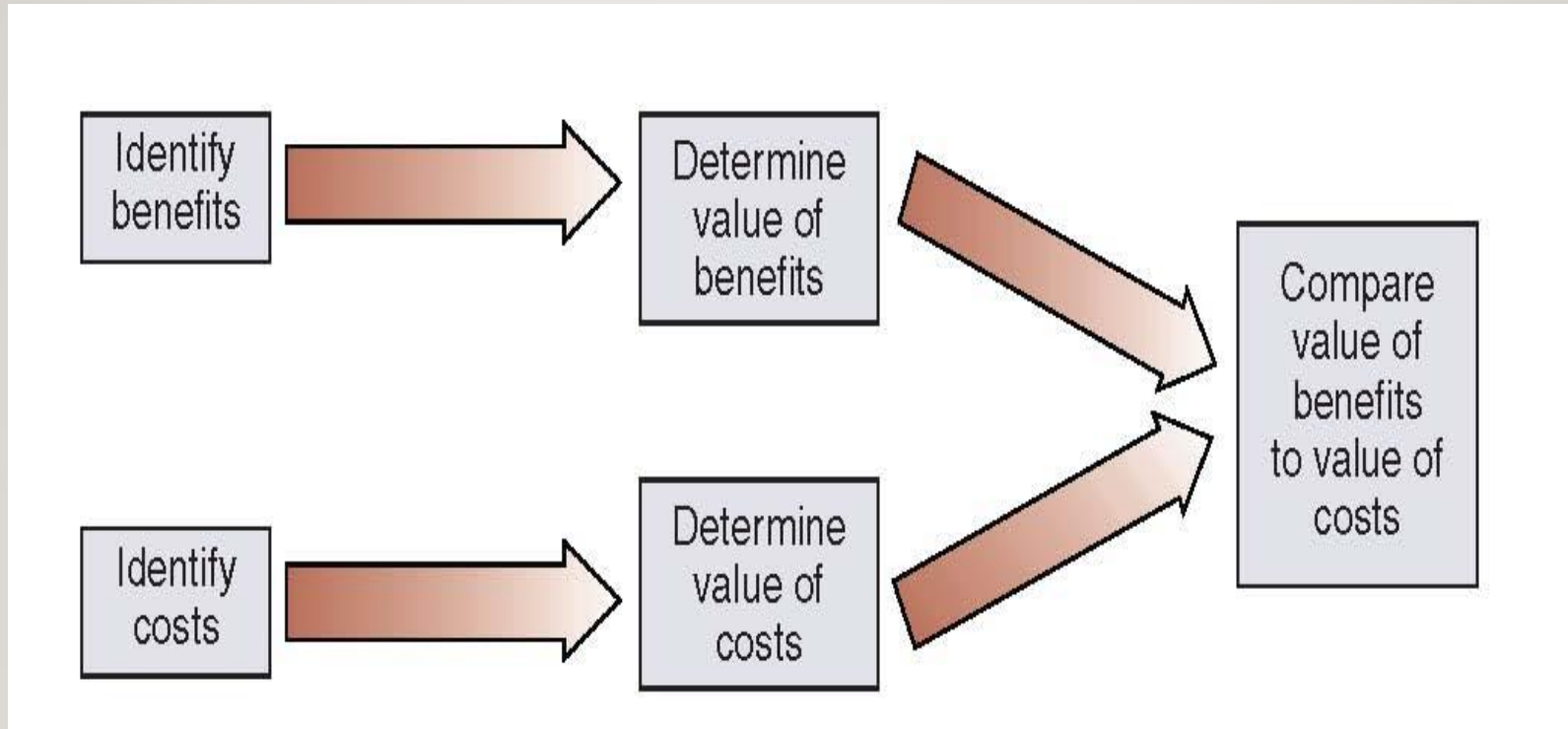
# STARTING A WEB BUSINESS



Schneider, G. (2007) *Electronic Commerce* 7th Ed, p.542

# COST/BENEFIT EVALUATION

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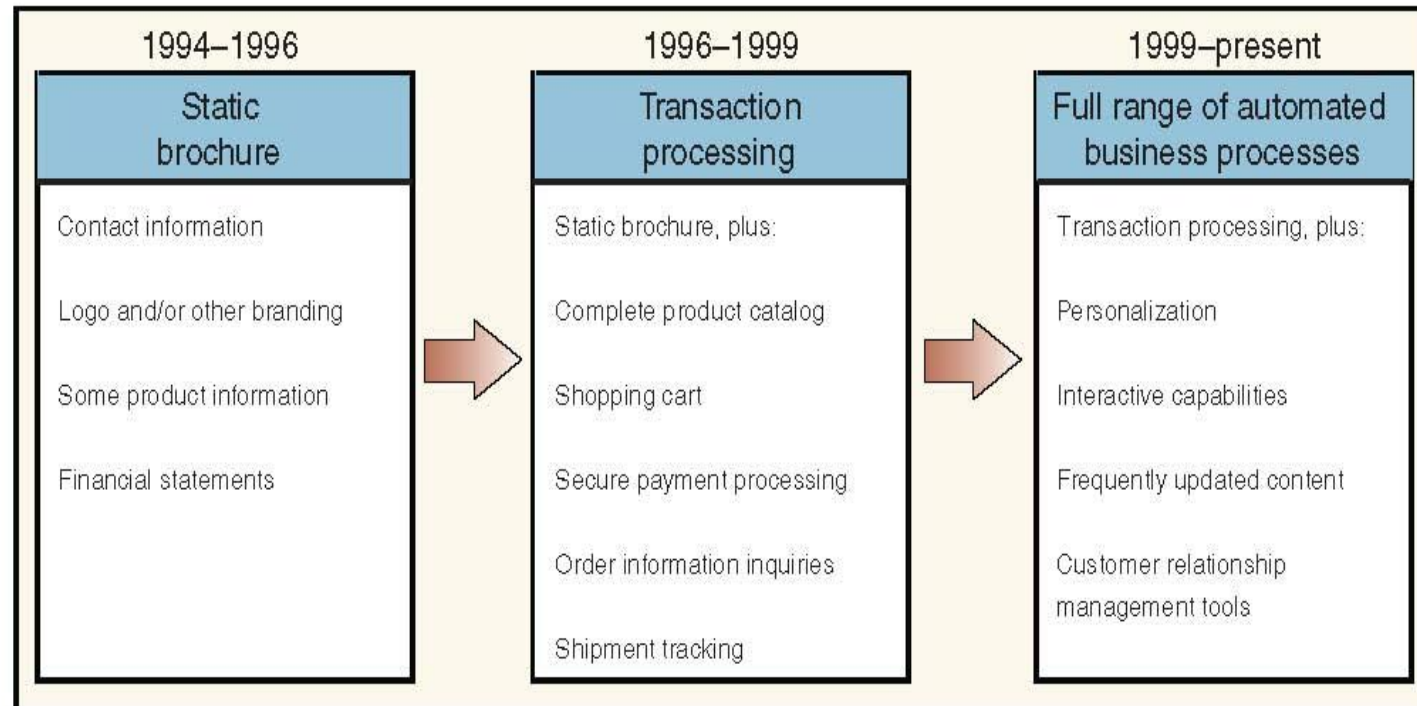


# STRATEGIES FOR DEVELOPING ECOMMERCE WEBSITES

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- Addressing increased complexity of website functionality
- Internal development vs. outsourcing
- Selecting a hosting service
- New methods for partial outsourcing

# INCREASING COMPLEXITY OF WEBSITE FUNCTIONS



# THE INTERNAL TEAM

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- Create an internal team responsible for the project
- Measure the achievements of the internal team
- Recognise the value of the intellectual capital in employees' knowledge
- Internal team should decide which parts of the project to outsource

# OUTSOURCING OPTIONS

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- Early outsourcing
  - Outsource initial site design and development
  - Internal team then assume responsibility for site
- Late outsourcing
  - Internal team design and implement the site
  - Once stable, the maintenance of site is outsourced
- Partial outsourcing
  - Specific portions of the project are outsourced

# SELECTING A HOSTING SERVICE

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- Key factors to evaluate:
  - Functionality
  - Reliability
  - Bandwidth and server scalability
  - Security
  - Back-up and disaster recovery
  - Cost

# PARTIAL OUTSOURCING STRATEGY

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- Incubator
  - Offers start up company an office and support services
  - In return, receives ownership interest in the company
- Fast venturing
  - Existing company is venture sponsor, seeking to launch new eCommerce initiative
  - Joins equity partners and operational partners who provide expertise to develop new eCommerce initiative

# ECOMMERCE PROJECT MANAGEMENT

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- Framework of formal techniques for planning and controlling activities in a project
- Intention is to deliver on schedule, on budget and to agreed quality
- Project management software can be used to manage resources and schedules
- Can help manage activities of external consultants and outsourced providers
- eCommerce projects tend to be short, typically less than six months

# STAFFING FOR ECOMMERCE

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- Business managers
- Project managers
- Account managers
- Application specialists
- Web programmers
- Web graphic designers
- Content creators and editors
- Customer service representatives
- Network operators
- Systems and database administrators

# POST-IMPLEMENTATION AUDIT

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- Formal review of a project after it is up and running
- Opportunity to compare achieved objectives against the planned-for objectives
- Should result in a comprehensive report
- Information gathered can be used to assist in future projects

# SUMMARY

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- Any eCommerce project should commence by clearly identifying the planned objectives
- Project costs can be difficult to estimate and control
- Need to consider role of internal team and the tasks to be outsourced
- An eCommerce project requires a wide range of skills
- A post-implementation audit will provide valuable lessons that can be applied to future projects