

What is an Extranet?

- Ç An extranet is a private network that uses Internet protocols and the public telecommunication system to securely share part of a business's information or operations with suppliers, vendors, partners, customers, or other businesses.
- Ç An extranet can be viewed as part of a company's Intranet that is extended to users outside the company.
- Ç The same benefits that Web technologies have brought to corporate Intranets are now starting to accelerate business between businesses.

ore on Extranets

- Ç Extranets can be used to exchange large volumes of data, share product catalogues, share news with trading partners, collaborate with other companies on joint development efforts, jointly develop and share training programs with other companies, provide or access applications between companies, and much more.
- Ç It may sound like a technology for geeks only. But many people use extranets every day without realizing it--to track packaged goods, order products from their suppliers or access customer assistance from other companies.

More on Extranets

- Ç Log on to the FedEx site to check the status of that package you sent this morning, for example, and you've just used an extranet in one of its simplest forms.
- Ç An extranet is a mechanism based on Internet and Web technology for communicating both privately and selectively with your customers and business partners.

Differences between an Extranet, an Intranet and the Internet?

- Ç First there was the Internet, which is available for everyone to use. Then businesses got smart and started developing their own intranets that used the same friendly Web interface but put up firewalls so that only employees could see the information on the site. Finally, the extranet was created.
- Ç It finds itself somewhere in betweenò there's still a firewall, but you allow only selected outsiders, such as business partners and customers, inside.

Why would you use Extranets?

- Ç When done correctly, extranets provide a safe way to allow transactional business-to-business activities and can save your company some serious time and money.
- Ç The automotive industry uses extranets to cut down on its redundant ordering processes and keep suppliers up to date on parts and design changes, allowing quicker response times to suppliers' problems and questions.
- Ç Suppliers can receive proposals, submit bids, provide documents, even collect payments through an extranet site.
- Ç An extranet has restricted (password-protected) access, so it may be connected directly to each party's internal systems.

Does Every Company Need one?

- Ç Many view extranets as the next era in Web development.
- Ç While other business-to-business communications, such as electronic data interchange (EDI), are out there, an extranet is more user-friendly because of its Web interface and allows for less regimented and more ad-hoc inquiries.
- Ç Before a company can make an attempt at harnessing the capabilities and profits gained from using an extranet, a fully functioning intranet has to be in place.
- Ç In time, companies may be forced to use an extranet with their suppliers and customers.
- Ç Even now, some large corporations say they will not do business with companies that won't be connected to a secure extranet in the coming years.

Disadvantages of Extranets

- Ç The benefits of extranets, such as reduced time to market and cost of doing business, and faster access to partner information, may be outweighed by the costs— security, Web servers and development, legacy systems integration, ongoing support and maintenance.
- Ç Extranets require a large amount of IS time and energy, much more than what it takes to get an intranet or Web site up and running, which may place it at the bottom of the IS group's to-do list.