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King Fahd University of Petroleum & Minerals
College of Computer Science & Engineering
Department of Computer Engineering

Short Course on

**E-Business:
Strategies, Processes and Technologies**

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Introduction

- “ **Major Industry Trends**
- “ **E-Business Drivers and Responses**
- “ **What is eBusiness?**
- “ **E-Business Networks**
- “ **E-Government**
- “ **E-Marketplaces**
- “ **E-Business issues and Success Factors**
- “ **E-Readiness**
- “ **E-Business: the Case of Saudi Arabia**

Value of an Organization

Tangible Assets

- É Buildings
- É Equipment
- É Furniture
- É Cash

Intangible Assets

- É Skills & competencies
- É Motivation of employees
- É Databases
- É Information technologies
- É Efficient & responsive processes
- É Customer loyalty & relationships

Value of tangible assets

1982: 62%

1992: 38%

2000: 10-15%

Source: Brookings Institute



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Major Industry trends

- “ **Consumer trends**
- “ **Service/process trends**
- “ **Organizational trends**
- “ **Enterprise technology trends**



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Consumer Trends

- “ **Speed of service**
- “ **Self-service**
- “ **Integrated solutions, not piecemeal products**



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Service/Process Trends

- “ **Convergence of sales & service: customization and integration**
- “ **Ease of use: make service consistent and reliable**
- “ **Flexible fulfillment and convenient service delivery: streamline your supply chain**

Organizational Trends

- “ **Contract manufacturing: becoming brand intensive, not capital intensive**
- “ **Retain the core, outsource the rest: Business process outsourcing**
- “ **Increasing process transparency and visibility**
- “ **Continuous innovation and employee retention**

Enterprise Technology Trends

- “ **Enterprise applications: Connect the corporation**
- “ **Infrastructure convergence: Increasing melding of voice, data and video**
- “ **Multichannel integration: computer telephony integration and voice recognition**
- “ **Wireless applications enter the mainstream**
- “ **Leveraging legacy investment: The rise of middleware for systems integration**

Business Drivers of the New Economy

- É Global financial interdependence**
- É Deregulation**
- É Unrestricted capital flows**
- É Digitization**
- É Global communication and transportation**
- É New geopolitical realities**

Key Business Challenges

- É **Agility and Speed**
- É **Focus on core competencies and processes**
- É **Customer centrality**
- É **Mass customization**
- É **Flexible IT architecture**
- É **Interoperability of infrastructure and applications portfolios**

NEW Business Models and Structures

- É Aggregators
- É Portals
- É Info-mediaries
- É E-tailers
- É Hybrids
- É Virtually integrated
- É Mega-mergers

**Transformation:
From Product to Information**

Business is About Business

**Business
Driving IT**



E-Business

**IT Driving
Business**



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Benefits of eBusiness

É **Global reach**

É **Reduced cost**

É **Convenience**

É **Higher productivity and efficiency**




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E-Business

E-Business is about enabling organizations to cohesively bring together their processes and Internet technologies for cost effectiveness, efficiency and better relationships between partners.



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E-Business

E-Business is the electronic connection of business operations to customers, suppliers, employees and other partners. It includes, but not limited to, product marketing, order entry, inventory tracking, order fulfillment and after-sales support.



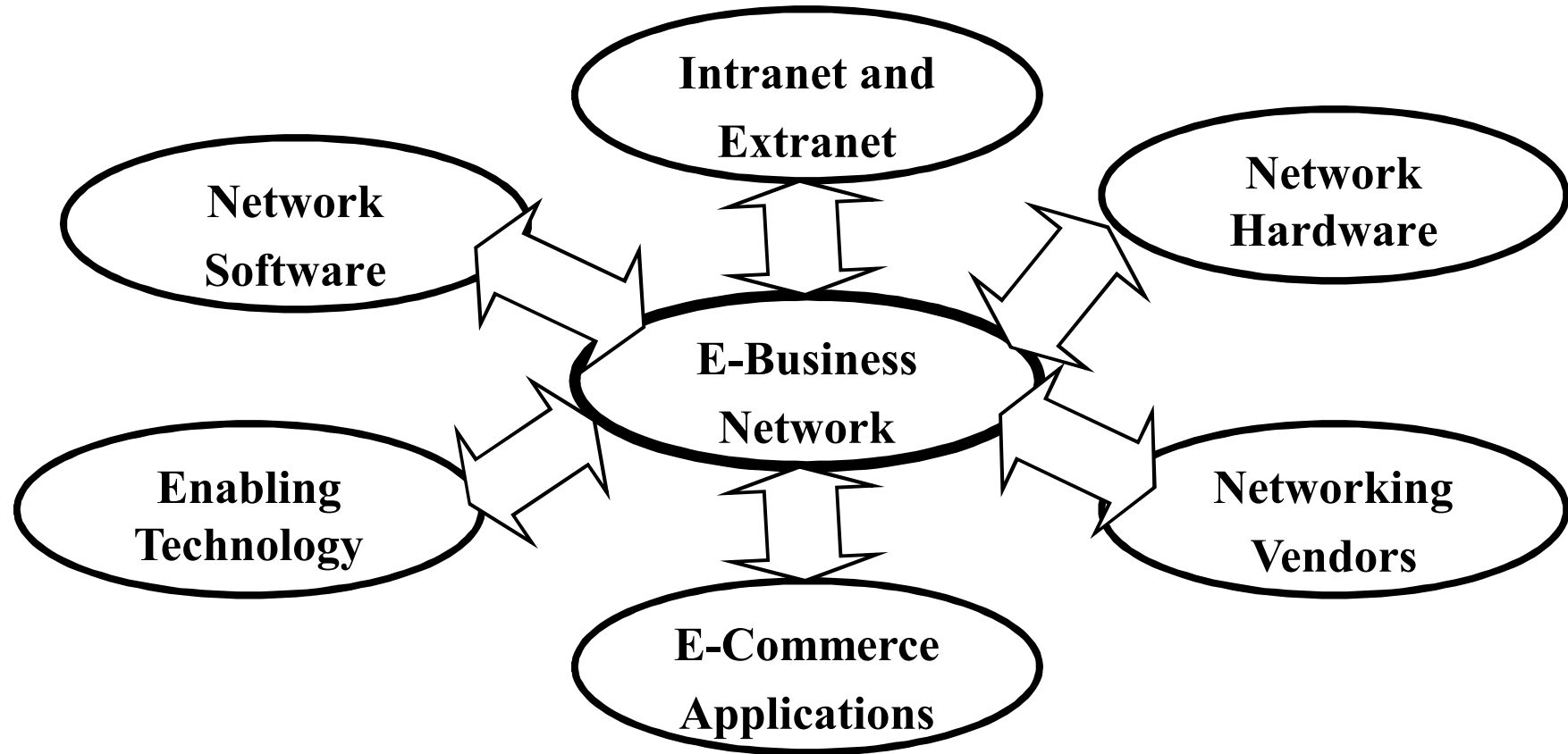
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E-Commerce

E-Commerce has a narrower definition and only involves buying and selling goods and services over the Internet. It is normally limited to catalogs, order entry, authorization and delivery confirmation.

E-Business Network



ss: Technologies and Skills

É Web technologies

É Database technologies

É Integration technologies

É Networking technologies

É Security technologies

É CIW Tracks:

ó Designer

ó Developer

ó Administrator



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Important in an E-Business Network?

- É **Functionality**
- É **Reliability**
- É **Security**
- É **Speed**
- É **Scalability**
- É **Access Control**



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E-Business Network

Matter to a User?

- É **To share knowledge and reap productivity gains by finding information faster**
- É **To communicate faster with clients and suppliers**
- É **To provide options for teleworking**
- É **To implement web services**
- É **To enable teams to work collaboratively irrespective of geography**
- É **To better automate business procedures**

E-Business Network Matter to an Enterprise?

- É To create fundamental changes in business processes
- É To enable fast responses and agile maneuvering
- É To negotiate more effectively with suppliers
- É To create competitive advantage
- É To provide instant access to global markets
- É To lower costs
- É To enable the convergence of voice, data and video
- É To use the e-business as a key to business operations



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using on These

E-BUSINESS ISSUES

- É **Building customer loyalty**
- É **Achieving market leadership**
- É **Streamlining business processes**
- É **Creating new products/services**
- É **Ascertaining compliance**
- É **Reaching new markets**



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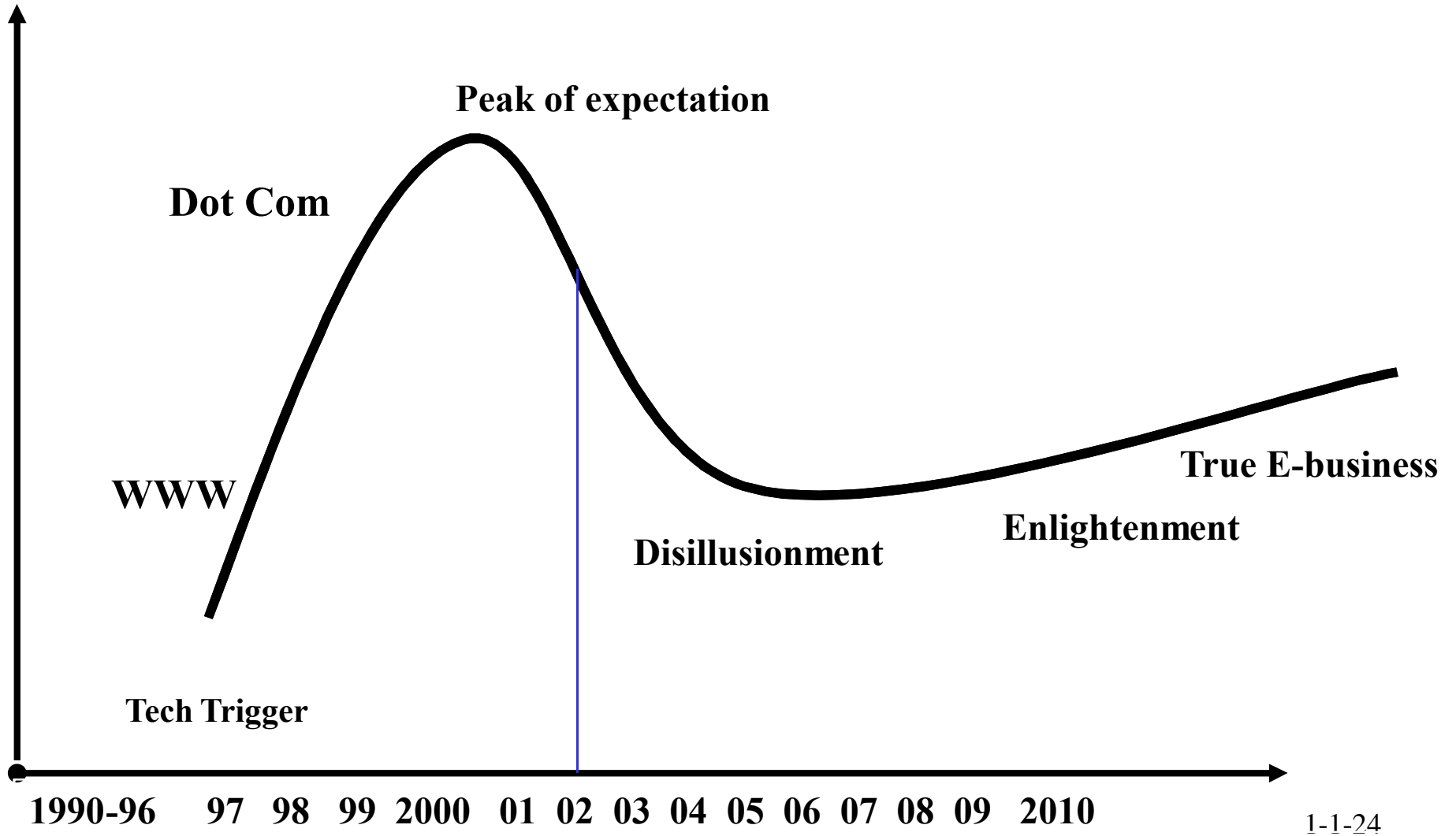
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Best Practices

- É **Personalize relations**
- É **Maintain visitor privacy**
- É **Make your site easy to use**
- É **Manage visitor perceptions**
- É **Maintain site consistency**
- É **Manage business knowledge**
- É **Response quickly**

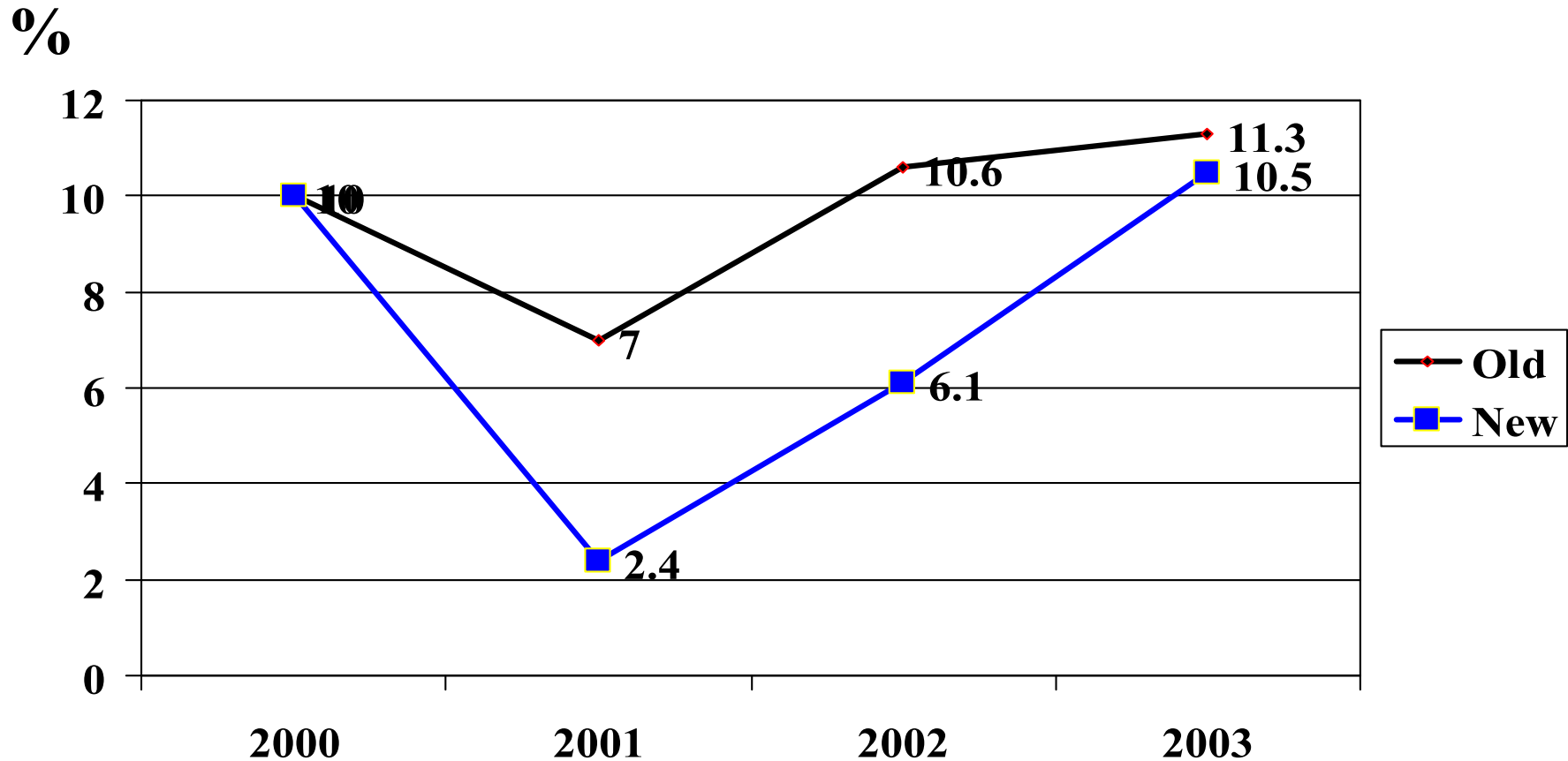
E-Business Hype Cycle

Visibility



Source: Gartner Group

Wide IT Spending Growth (New Scenario)



Source: IDC, October 18, 2001¹¹⁻²⁵

Global E-Readiness

It describes the extent to which a country's business environment is conducive to Internet-based commercial opportunities

É EIU E-Readiness Assessment Model 2001

- ó Connectivity (30%)**
- ó Business Environment (20%)**
- ó E-Commerce Adoption (20%)**
- ó Legal Environment (15%)**
- ó Supporting E-Services (10%)**
- ó Social and Cultural Environment (5%)**

Countries by E-readiness Ranking

	Business contenders	E-business followers	E-business laggards
<p>US (8.73) Australia UK Canada Norway Sweden Singapore Finland Denmark Netherlands Switzerland Germany Hong Kong (7.45)</p>	<p>Ireland (7.28) France Austria Taiwan Japan Belgium New Zealand South Korea Italy Israel Spain Portugal (6.21)</p>	<p>Greece Czech Republic Hungary Chile Poland Argentina Slovakia Malaysia Mexico South Africa Brazil Turkey Colombia Philippines Egypt (3.88) Peru Russia Sri Lanka Saudi Arabia (3.80) India Thailand Venezuela</p>	<p>Bulgaria (3.38) China Ecuador Iran Romania Ukraine Algeria Indonesia Nigeria Kazakhstan Vietnam Azerbaijan Pakistan (2.66)</p>

Subscribers in the Arab Region

Rank	Country	Subscribers	Users per	Users	Population
1	UAE	220,000	3	660,000	24.44
2	Bahrain	35,000	3	105,000	16.67
3	Qatar	25,000	3	75,000	10.27
4	Kuwait	55,000	3	165,000	8.25
5	Lebanon	75,000	3.5	262,500	6.56
6	Jordan	35,000	6*	210,000	4.57
7	Palestine	12,000	5	60,000	3.53
8	Oman	28,000	3	84,000	3.36
9	Tunisia	70,000	4	280,000	2.89
10	Saudi Arabia	190,000	3	570,000	2.59
11	Egypt	70,000	8**	560,000	0.82
12	Morocco	55,000	4	220,000	0.73
13	Algeria	45,000	4	180,000	0.6
14	Libya	4,000	5	20,000	0.4
15	Syria	8,000	4	32,000	0.18
16	Yemen	3,500	4	14,000	0.08
17	Sudan	7,000	4	28,000	0.08
18	Iraq	500	25***	12,500	0.06
	Total	938,000		3,538,000	1.29

Source: Ajeeb.Com

Business: The case of Saudi Arabia

Strengths

- ÉLargest Arab economy
- ÉFree market mindset
- ÉLarge trading community
- ÉGood teledensity
- ÉHi growth in PC penetration
- ÉModern infrastructure

Weaknesses

- ÉLack of local IT professionals
- ÉHigh Internet access cost
- ÉHigh implementation cost
- ÉLack of legal environment
- ÉArabization of content
- ÉTelcom operator monopoly

Opportunities

- ÉRegional economic integration
- ÉReduction in overhead costs
- ÉExpanding markets
- ÉTrade barriers coming down

Threats

- ÉRegional initiatives
- ÉWTO (if not prepared)
- ÉCultural backlashes
- ÉInternet (if not...)

Conclusions

- ✓ **E-Business is about business.**
- ✓ **IT deployment decisions are business/investment decisions.**
- ✓ **IT investments make well-managed companies better, and poorly-managed companies worse.**