

**NAME:** DIARA ROSELINE CHIDIMMA

**DEPARTMENT:** COMPUTER SCIENCE

**REG NO:** 2014/193733

**COURSE CODE:** CED 342

## **E-BUSINESS**

### **SUMMARY OF E-BUSINESS AND MANAGING TRANSITION**

E-business is any business that takes place via digital processes which is an enabling technology that allows business entities to increase the accuracy and efficiency of conducting business. In e-business, selling products through the Internet is much more dependent on specific consumer demand (IICD, 2003). Many potential customers may not be in one geographical vicinity- they can be located anywhere, therefore, an e-business not only addresses the needs of local customers but also places an additional demands on the e-business thereby providing opportunities to access broader market. Organisations become part of a greater network where they communicate with different actors in a much flexible and transparent way than before due to improved interfacing mechanisms, the same digital information can be accessed from different devices (computers, faxes, mobile phones and other handheld devices) which makes it increasingly simple to obtain information, to order a product or simply to do a task, irrespective of one's geographic location.

Electronic business (also known as e-business) has taken over the sphere of the economy in term of provision of goods and services, making the world a global village. In E-business, the consumer stake and customer demand is what drive the network economy, it is a flexible system that enable one from any geographical location to actively participate in any form of business.

The various form of the network economy which include the E-business, E-commerce and E-Trading, the E-business is all about any form of business transaction which maybe in abstract form or real form, E-commerce is the exchange of goods and their payment which is facilitated by electronic transaction and lastly E-trading which involve selling of financial instrument such as bonds, stock etc.

The network economy of which E-business is part of rapidly increasing all over the world however the impact is only felt in developed nation that are electronically equipped with the modern day state of the art technology of which all transaction are perform or conducted electronically.

Developing economy has suffered immensely from inadequate ICT infrastructure all of which has affected the electronic readiness and has pushed far behind ICT application in business.

### **Technique of the network Economy**

- **E-Business:** Any form of business transaction that takes place via a digital platform over a network. It spans more than just selling Goods online, it is also which a technological environment that increases the accuracy, effectiveness and efficiency of conducting business.

The driving force behind E-business is the *network economy*, in network economy the consumer position is central to all, it is the individual demand that drive the network. This can be describe as a push versus pull strategy.

In a supply driven economy individual/consumer can be push by the retailer towards a particular Goods or product while in a pull economy, it is demand that drive certain products, as consumers can decide on where on the internet to go and pull only those product that they need. It is not only limited to goods only but service and all these are achieve over the network through the availability of the internet in one's location. Information can be accessed from different devices such as Computer, mobile, phones etc. The availability of al the listed device makes it possible to order for a product through the internet, This put developed countries where internet service is available in a special position, but limiting that of the underdeveloped countries that lack ICT infrastructure/internet service.

### **IMPACT OF E-BUSINESS**

They are listed below:

- It has aid in the commercial exchange of goods, service and information and/or between two or more parties.

- It has increased the efficiency, reduce the time and space between business partners.
- It has created a new sphere where businesses are organized and the dealing with customer and partner.
- Creation of web-technology enables enterprise that elevates organization.

### **Basics if E-business**

E-business in the context of an organization is all about any business of whatever nature. Certain nature of E-business includes the following:

1. The parties you are dealing with:
  - i. Customers
  - ii. Suppliers
  - iii. Competitors
  - iv. Government
2. The resource you have at your disposal:
  - i. Investment funds
  - ii. Technology infrastructure
  - iii. Organization and personnel
  - iv. Strategy and policy
  - v. Rules and regulation: setting boundaries
3. The business function to be perform:
  - i. Delivery if goods and services
  - ii. Providing information
  - iii. Acquisition and Sales
  - iv. Promotion
  - v. Procurement
  - vi. Product or service development
  - vii. Management
  - viii. Operations

### **ESSENCE OF E-BUSINESS**

The core idea for any business enterprise is to set rules and requirement to fulfill the needs of information system with the use of technology, technology does not only follow business requirement but also create other business possibilities.

E-business tells business how it can be successful, yield high return in an efficient and smarter way and also device method on how a business of any sort can be place at the heart of the market through efficient utilization ICT Infrastructure.

## **CRITICAL SUCCESS FACTORS FOR E-BUSINESS IN THE DEVELOPING WORLD**

- i. It fulfills the needs of a group of users
- ii. The user enjoys sufficient financial resource to make use of the service.
- iii. Necessary equipment is adequate in relation to the geographical environment for a sufficient number of users.
- iv. The target group of personnel has a technical know-how on how to use the service.

## **E-BUSINESS PROCESS CYCLE**

The purpose of the process cycle was to clearly communicate to the clients the ever changing internet marketing environment. The approaches use involves underlining the growth model of E-business development, implementation of e-business strategy and describing an approach to handling all interlink issue. This model is use to progress from one stage in growth to another.

There are five stages in E-business process cycle:

- i. **Awareness:** this involve setting out how the organization is going to be in the future, having a clear vision for the organization and an organization with a well-define vision achieve great success in the future.
- ii. **Ambition:** The general goal of stating in terms, what kind of goods/products will be sold to whom is suing the internet as a channel. An organization must identify what role it wants to play in the network economy.
- iii. **Concept:** it is a road map that can help describe the Growth Model, it concept, objective, th process and the output must be stated.
- iv. **Realization:** This is the actual implementation of the various changes in the e-business phase.
- v. **Exploitation:** In this stage once the implementation has taken place, the changes should absorbed into the business.

## **E-COMMERCE**

E-commerce is the buying and selling of Goods and services on the World Wide Web through the use of the internet, it often use interchangeably with e-business.

E-commerce includes retail shopping, banking, real estate transaction, airline booking etc. even a hair saloon business can benefit from e-commerce.

E-commerce is divided into:

- i. E-tailing or virtual storefront on web: - A place for direct retail shopping with 24hours availability, the ability to interact and provide custom information and ordering.
- ii. Gathering and use of demographic data through the use of web: - Making of research over the internet as pertaining to the product/business in Question.
- iii. Electronic data interchange:- Exchanging of business using an understood data format
- iv. E-mail and Fax as a media for communication with various prospect customers:- Business can be conducted via internet , e-mail by sending message via spamming.
- v. Business –to-business buying and selling:- Due to the 24-hour-a-day availability of internet, it makes buying and selling of goods and services easier.
- vi. Security of business:- Security over the web is highly secure through authentication of users, encryption of message sent over the internet and ensuring privacy and effectiveness of business transaction across the web.

The popularity if E-commerce is growing Globally considering the hassle of moving from store to store in search of a particular Goods but at the comfort of your home of office you can source for the particular Goods of your choice through the internet, ordering goods through the internet and having it delivered at your doorstep.

Inasmuch as e-commerce is a great platform for business transaction and exchange of goods and services caution should be taken on choosing the right web platform to trade which are operating on secure layer.

## **ELECTRONIC TRADING**

Electronic trading (A.K.A E-trading) is a method of trading that include trading of securities such as stock and bonds, foreign currency and exchange trading. It uses information technology to bring buyers and sellers together. Example of E-trading market includes New York Stock Exchange (NYSE), Nigeria Stock Exchange (NSE). It is more reliable than the older form of trading.

There are two types of trading in the financial markets, they include:

- a. Business-to-Business trading (B2B): Here large investment Bank and stock brokers trade directly with one another.
- b. Business-to-Consumer trading (B2C): it is in form of retail; individuals and institutional clients buy and sell from brokers who act as middlemen between the clients and B2B markets.

Before the advent e-trading, exchange trading would normally occur in the floor of exchange where trade get to identified with the firm they belong to, they gesticulate to one another by a process known as “outcry”.

The increase of e-trading has some important implication:

- a. Reduce cost of transactions: By automation, the cost of business process is reduce/brought down as much as possible so that increase trading volume does not lead to increase cost.
- b. Greater Liquidity: With electronic system, it becomes easier for companies to trade with different other companies no matter where they are which increase the efficiency of the market.
- c. Greater Competition: while e-trading has not reduced the cost of entry into the financial institution, it has reduced barrier and introduce a globalization style-competition. I.e. a trader can trade bonds on any stock exchange market by a single click without passing through a broker on the exchange floor.
- d. Increased Transparency: It means that market is transparent in that a trader can easily get the price of securities when the information if flowing through electronically.
- e. Tighter Spreads: It means the difference between the best buying and selling price being quoted.

## **PRACTICAL APPLICATION OF E-TECHNIQUES IN BUSINESS, COMMERCE AND TRADING**

E-Banking is one the successful area in e-commerce in Nigeria, virtually all bank in Nigeria offer online services to its customer, any bank that cannot offer online services to its customer is bound to lose them. Online Services offer by Banks include airtime recharge, deposit and withdrawal, paying for cinema ticket, online shopping and so on.

And also with the advent of ATM machine it has made it possible for customer of various bank to perform transaction on ATM of other bank with ease as compare to the formal method of queuing, services such as withdrawal, deposit are perform on the ATM. E-payment via this medium is achieved through the use of electronic card such as debit card, credit card to conduct e-payment transaction from anywhere within the country or abroad.

Virtual Terminal Network (VTN) is another simple and secure way to make online purchases, even through the use if GSM mobile phone money is transfer from the VTN account of a buyer to a seller.

Recipient can withdraw sales proceed to their bank account, Security features include five minutes recyclable 4 digit pin and an ability to lock an account if it is(account) is suspected to have been compromised.

**VTN's secure payment provides the following features:**

- i. Real time processing of payment online.
- ii. Secure, redundant, high speed connectivity to VTN irrespective of the bank.
- iii. Integration with existing web sites or P-to-P payments.
- iv. Persistent storage of customer payment history and data protection.
- v. Unequal fraud prevention mechanism.

In the up-to-date world of e-commerce it is very hard to progress in pursuit of profit without online payment storefront, it brings the customer closer to the seller with all ease in terms of payment and ordering of goods and services.

**E-READINESS**

Electronic Readiness as it is also called is the willingness or preparedness of a country to obtain benefit from ICT. This measure is use to gauge how ready a country is toward the use of electronic activities such as e-commerce and e-government. A country E-readiness is measured on terms of indices, country rated in terms of number of telephone lines per 100 people or the percentage of GDP spent on ICT infrastructure. It is also good to know

that the vast number of e-readiness have different methodologies and definition of e-readiness, hence finding of the studies is inconsistent with each other.

The growing evidence that enterprise are benefitting from e-business are enough proof to measure the rate of e-readiness in various countries around the world that are incorporating ICT. The gaps between develop countries, developing countries and the rest of the world are too wide, therefore government of various country around the notably of developing countries should introduce ICT policies in all sphere of the society to heightened the rate of e-readiness in the country.

Such government policies include:

- Raising public awareness of the role of ICT in development.
- Providing affordable and quality access to the internet and other technologies.
- Promoting ICT among small and medium scale enterprise.
- Putting in place a legal framework for online transactions.
- Ensuring that government use ICT and encourages businesses to do the same.
- Supporting open content and open technology approaches.
- Monitoring and measuring the current use of ICT.

### **Catalyst for the e-commerce Revolution**

The following suggestion can help quicken the development of e-techniques:

- By solidifying the supply chain infrastructure, distributors will be able to fulfill online orders.
- Standardization of products by manufacturer will help increase the quality as well as good attribute of product which will push consumer to feel comfortable purchasing goods online.
- Another factor is technology automation i.e. the use of sophisticated technology integration into the business by the manufacturer can help for better management of the flow of merchandise across the value chain.
- Standardizing payment system along with the global trend specifically with accepted instrument of payment such as Visa.



## **MANAGING TRANSITION: FROM START-UP TO GROWTH**

Transition in business is a process by which business undergoes series of changes from one stage to another; transition can be internally or externally with regards to the stages of growth. There are three major form of business which are sole proprietorship, partnership and corporation, sole proprietorship also called single proprietorship is owned by a single person who is liable to the business, partnership business form is owned by a number of individual who are all liable to the business and corporation there is no limit in the number of owners. Entrepreneur usually starts to nurture their business as a single proprietorship before expanding it and also growth of a business can be achieve through acquisition, merger and internal expansion.

In an industry or firm there is what is called life cycle which represented in s-shape form, it is made up of four stages which are:

- Experimentation period: Sales and profit grow with the introduction of new product or firm.
- Exploitation period: It is a period in which a firm enjoys high profit, the acceptance of new product and high sales.
- Maturity period: Growth if sale begins to slow down due to dependent upon to a large extent.
- Decline period: It is a period when the firm faces the appearance of substitute product, new technology and managerial outmoding.

At a point in life of any business transition is bound to occur either as a result of retirement, death of the owner or in a bid to expand the business venture; whether the business is family owned or not a succession plan or transition plan need to be put in place and it require many step and processes that need to be undergone, the following step are contained in any succession plan:

- A statement of the distribution of ownership.
- The identity of the new leader(s).
- How the new leader(s) are to be trained for their role(s).
- A definition of the roles of other key members of the firm during transition.
- Mechanics for the purchase and sales of stakes.
- Taxation and legal considerations.
- Retirement considerations.

- A procedure for monitoring process and dealing of disputes.
- A Timetable.

### **Transit in family Business**

A family business is majorly a partnership business involving members of the same family which could be the Father, Mother, Grandfather, uncle etc all who have a stake in the affair of running the business; and as such there may be a reason to transfer the business to another generation and the transition may occur in various mode such as:

1. Transfer to family members: The process of transferring a business to a family members is difficult and the task involve is leads to financial and emotional stress, for an entrepreneur to avoid this hassle there should be a form of family meeting to bring the family members together to discuss issues of interest of the family towards the business. If it is owned by the parents, it serve as a medium for the parents to ascertain the commitment of the children towards the business, family meeting is important especially in a situation where there is no obvious successor. For transition in a family to occur an effective succession plan need to be out in place which include:
  - i. The role of the owner in the transition stage.
  - ii. Family dynamics.
  - iii. Income for working family members and shareholders.
  - iv. Current business environment during the transition.
  - v. Treatment of loyal employees.
  - vi. Tax consequences.

Transition is enhance if the heir has received formal education and has working experience either in the parents company or other company; A good succession plan is necessary and should be prepare early enough before considering transferring.

2. Transfer to non-family members: The entrepreneur may decide to transfer the business to a competent employee or hire a manager to run the business if he still wants to retain ownership of the business. The success of this arrangement depend on the agreement between the owner (entrepreneur) and the employee towards sensitive issues; This occur when the successor is not ready or he's not competent to head the business.

3. Transit for growth: The business of an entrepreneur grow both internally and externally, internal growth is achieved through the normal course of business by cutting down, increasing sales thereby increasing profit; motivating employee, advertising products and services is another method of improving the growth of the business, but all this might not be enough for the growth of the business, therefore the entrepreneur may decide employ other method such as Acquisition of a new firm taking advantage of the distribution channel, production facility and experience personnel. Another notable method that can be employing by the entrepreneur is Merger although similar acquisition is where the entrepreneur merges its company with another company for the mutual benefit of both entrepreneur

### **Personal Discipline in Business**

Personal discipline or self discipline in business is the ability to do what is necessary without needing to be urge by somebody, it is a habit which the person has practice over a long period of time in his/her business. For an entrepreneur to be successful the willingness to accept some responsibility has to be exhibited, he must learn a great deal about himself if he intends to pursue goals which are compatible with what he most desire in life. Being an entrepreneur is a challenging lifestyle it require certain principle to follow because without self discipline he is bound to abuse his freedom.

One concern people have when they form a new business is whether they will be able to sustain the drive and the energy require to drive the business going but it will only take the positive self discipline of the entrepreneur for the business to strive successfully. The ability of the entrepreneur to stick to the right code of conduct or behavior in spite of his personal desire largely depends on his trait, attitudes and habits.

- **Traits:** Variance in people is accounted for by the genetic endowment so also is the variance in genetic traits attributed to whomever that becomes an entrepreneur, it contribute to the success of an entrepreneur. There are five personality trait:
  - i. Extraversion: This deal with the assertiveness, talkative and ambitious nature of a person.
  - ii. Openness to Experience: open to new ideas and devising new innovative method for development.
  - iii. Agreeableness: this is manifested is someone who has tolerance, cooperative, trusting, courteous and soft hearted of which cannot be

beneficial to the entrepreneur because he is always seeking for the best interest of others and not his.

- iv. Conscientiousness: This trait speak hard work, perseverance, dependability all o which enable the entrepreneur to be systematic and thoughtful.
  - v. Emotional stability: It's a trait exhibited by those who are starting new business which are usually accompanied by so much stress, hard work and high risk.
- Attitudes: Human attitude differ across individuals and they are a temporal feature exhibited by human. There are different kind of attitude:
    - a. Career attitudes: Attitude exhibited by an entrepreneur which gives him freedom in his area of business venture, to promote creativity and professional growth.
    - b. Mental attitudes: positive mental attitude helps an entrepreneur to focus on desired activities and events as well as potential result. In order to develop good mental attitude, entrepreneur are careful to involve in positive activities and associate with people of positive mindset.
    - c. Habits: I refer to what one do usually or regularly, discipline is all about building good habit which becomes part of the person. Building a good habit is difficult to master but acquired becomes an invaluable asset to the entrepreneur.

### **Planning in transition situation**

This is a management function that involves setting goals and achieving them, setting goals and developing them help organization to move in a focus direction. A strategic plan is a plan outlining the decision of resource allocation, action steps necessary to reach strategic goals.

Planning is a process that has no end in any organization. As a company evolves from a start-up to a mature state it continues to undergo series of planning to attain a certain goal, for an organization to survive and succeed in a competitive environment it adequate and proper planning.

A proper planning may include the following:

- Business mission.
- Situation analysis.

- Internal environmental analysis.
- Goal formulation.
- Strategy formulation.
- Implementation.
- Feedback and control.

### **Decision making in transition situation**

This entails making decision and choices or reaching conclusion or various business Endeavour, it involves identifying and choosing alternative solution that leads to a desired state, it begins with a problem and end with a solution.

To achieve a successful transition a structure needs to be put in place within the realm of the family, the three framework required for a transition are the family, the owners and the business. Every decision taken by the entrepreneur not only affect the business and the workers but it also affect the family members as a whole.

### **Managing business in transition situation**

Transferring to a successor in a family member induces a series of changes in both the family and the firm, it often leads to what is called generational drift which can produce fragmentation on the ownership of the family business when it is not control by succession policy. This may lead to break up in the family thereby making management of the firm a herculean task and complex.

For instance, more family members maybe involve in the firm with different role to play, it will increase in complexities, hence competence are required to manage the transition and ensure continuity of the family. The firm can employ a number of tools in the management of the family business transition, such example of tools include

- Form a holding company to strengthen family control to avert hostile take-over.
- Family protocols which can help regulate family-firm relationship.
- Family meeting tends to afford the business a forum to inform passive family members about strategic issue and seeking their opinion.
- Selecting of a family leader.

Managing the family business assets has to be considered in some case a member of the family may want to opt out of the business and there will be a need for resource to resolve the issue of breaking out.

## **Stress and Pressure, and Various Resource Constraints Associated with Transition Stage of Business Growth.**

### **Stress Definition**

Stress can be seen as a person adaptive response to a stimulus that places excessive psychological or physical demands on that person, it may be positive or negative, positive when one get a promotion in office it is called eustress, negative when one get a bad news which can also be called distress. Stress can either motivate or stimulate.

### **Resource Constraints and business transition**

Gap In the business may take various form such as lack of information, input and physical assets. For a business to grow cash flow and working capital are very important, hence the firm will need outside financing. At this stage the firm will thrive to revive the firm and increase its growth.

Also, working under stress gives rise to a number of consequences which may be positive or negative, for instance, positive stress may induce more energy, motivation while negative stress induce low self esteem and disrupt working performance.

An entrepreneur can apply the following strategy in managing and coping with stress in business:

- i. Exercise: frequent exercising reduces the chances of heart attack.
- ii. Relaxation: going on vacation, visiting the movies/cinema with family is another method of managing stress.
- iii. Time management: making list of work to attend to, dividing the work among your employee also help manage your time effectively.
- iv. Role management: The manager/Entrepreneur should know his role and dispense other role to his worker.

In conclusion, the development of e-technique can be quickened with the following suggestions: First, as the retail industry gets organised in Nigeria, the overall supply chain infrastructure will see a significant improvement. Second, organized retailers will push for standardization across manufacturers and fulfilment partners. The third factor that will play a significant role in facilitating this growth is technology automation across the value chain. The number four factor will be a conscious effort to standardize our accepted payment system along with global trends- specifically, universally accepted instruments such as Visa and MasterCard should be adopted as a secure means of online

payment. A more structural solution is the expansion of the communication infrastructure in such a way that everybody has access to the Internet.