UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF PHYSICAL SCIENCES

DEPARTMENT OF PURE AND INDUSTRIAL CHEMISTRY

TOPIC

A SUMMARY OF CHAPTER NINE AND TEN: E-BUSINESS AND MANAGING TRANSACTION FROM START-UP TO GROWTH BY ODIGBO, G.O AND AZUBUIKE ACHIKE.

AN ASSIGNMENT

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BY

AKPU PATRICK CHIDIEBERE

REG. NO: 2014/195742

LECTURER: DR. (MRS) A.B.C. EZIBE

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TECHNIQUES OF THE NETWORK ECONOMY

- E-business is a business transaction that takes place via digital process over a network.
- E-business help us to increase the accuracy and efficiency of conducting business.
- In E-Business, its driving force is network economy, here, individuals' wishes drive the activities of the total demand – network through push versus a pull strategy.
- Selling products online/internet is much more determined or dependent on specific customers demand.
- The essence of network economic is the position of the customer.
- To do e-business, one must have even to internet
- E-business is not limited to any set of individual or customers, of a something that is variable to access by anybody who wishes to transact through this median
- One can own e-business through different devices cite, computers, faxes, mobile phones, and other handheld devices, irrespective of one's geographical locations.

E-business & its impact

i. The commercial exchange of goods, services, information and idea between two or more parties enabled by an electronic medium
ii. A collapse of time and space between business parties
iii. The transaction to the new world; the network economy, having impact on how business as are organized and deal with their customers and partners,
iv. Creating a web enabled enterprises.

Changes Enabled by a technology push

Converging channels

- It involves coming together of several new technology channels together to form a simple channel (medium) called internet.
- Common effects of this channel (internet) is determined by the way we do business through social media like fax, data, voice and video, this are done though an infrastructure termed internet protocol which carries several types of content like, text, sound, images & figures; etc. Another effect is carried out by educational content from geographical distant schools and universities brings learning materials and opportunities closer to those that were previously excluded.

Diverging channels

e-business is an external – oriented processes while E-commence is an internal processes like production, inventory management, product development, risk management, finances, strategy development, knowledge, mangagement and human resources.

Basic E-business

1. The parties (actors) you are dealing with
   - Customers
   - Suppliers
   - Competitors
   - Government
2. The resources you have at your disposal:

- Investment funds: setting – up
- Technology infrastructure
- Organization and personnel
- Strategy and policy: applying your resources
- Rules and regulations: setting boundaries

3. The business functions to be performed

i. Delivery: fulfillment and customers trust
ii. Providing information
iii. Procurement
iv. Management
v. Operation
vi. Acquisition & sales
vii. Promotions

The essence of E-Business

It is the set of rules and requirements for information systems to fulfill through e-business.

Critical success factors for E-Business in the developing world

Success of an e-business depends on at least the fallowing factors.

1. It fulfills a need of a group of uses
2. The users have sufficient means (financial resources) to make the services.
3. The necessary requirement and infrastructure is adequate in relation to the physical and geographical environment and accessible for a sufficient number of users.
4. The target group has sufficient know-how to make use of the sevice.

E-Business process cycle

E-business process cycle involves, understanding of e-business, the relationships involved in the operations, and a growth model underlying e-business development; then implementation of e-business strategy and describes an approach to handle all interlinked issues (starting from a business perspective all the way to technology infrastructure, including security and governance) to develop a successful e-business.

It is not a time frame project but a continuous process of development and renewal.

There are five stage of e-business cycle

i. Awareness (vision)
ii. Ambition (scope)
iii. Concept (roadmap)
iv. Realization (on the road)
v. Exploitation

E-commence

E-commerce is also known as an electronic commerce which involves buying and selling of goods & services or the internet through www. (World Wide Web).

Unlike the online – e – business, e – commerce includes retail shopping (e – tailing), banking, stocks & bounds trading, auctions, real estate transactions, airline booking, morie rental etc.

E-commerce includes everything you can imagine in the real world today.

E-commerce is divided into;

i. E- tailing or virtual store fronts on web sites
ii. The gathering and use of demographic data through web contacts
iii. Electronic Data interchange (EDI), the business – to – business exchange of data.
iv. E-mail and fan and their use as media for reaching prospects and established customers.
v. The security of business transactions
vi. Business – to – business buying and selling.

Tools used for running successful e-commerce websites are built into the hosting servers. These tools includes; shopping carts, inventory and sales logs and its ability to accept a variety of payment options including secure credit card transactions.

Electronic trading

Electronic trading is also known as e-trading which is a method of trading security(s), foreign currency, and exchange traded derivatives electronically. It's runs through information. NASDAQ, New York Stock Exchange (NYSE) Area Nigeria Stock and Globex are examples of electronic market places.

Electronics trading in Nigeria is managed by the Security(s) and Exchange Commission.

There're two broad categories of trading in the financial markets:

i. Business to business (B2B) trading
ii. Business to customer (B2C) trading.

E-readiness

- It is a measure of readiness, willingness or preparedness of a country, nation or economy to obtain benefits that arise from information and Communication Technologies (KIS)
- It measure e-commerce and e-government
- It is represented in form of indices so as to rate countries area of ICTS. This ratings goes by recording the number of telephone lines per 100 people, or the percentage of GDP spent on IT infrastructure.

- E-readiness makes business fasten and better.

For government to boom ICT in all areas of the society, they requires;

i. Raising public awareness of the role of ICT in development and providing training in ICT skills.
ii. Providing affordable and quality access to the internet and other technologies
iii. Promoting ICT among small and medium – sized enterprises
iv. Putting in place a legal frame-work for online transactions;
v. Ensuring that governments use ICT and Encourage local business to do the same.
vi. Supporting open content and open technology of approaches, such as free and open source software.
vii. Measuring and monitoring the current use of ICT and its economic and social impact.

E-readiness in Nigeria and poor developing areas are due to;

i. Lack of awareness of e-business.
ii. E- commerce
iii. E – Trading issues etc.

Ways of creating ICT environment includes;

i. Target the business in the supply industry with trading partners in industrialized countries where there is an adequate ICT infrastructure and payment services. These business have the highest potential for reaping the benefits of e-business
ii. Based or the business objectives and the technical specifications, build a scalable e-business commerce infrastructure that should be shared by multiple independent business and integrate this infrastructure into existing ICT infrastructure developing countries.
iii. Address ICT policy and regulatory issues to provide the infrastructure frame work for the deployment e-business solutions and facilitate the transition into the digital economy.

Nigeria also launched the following e-business initiative programs in 2004;

a. NeGST: National e-government strategy Ltd.
b. NITDA: National information technology Development Agency
c. Federal ministry of sciences & technology

- From 2004 onward, Nigeria has been recorded fast grown in network economy.

Catalysts for the e-commerce revaluation

- Through online order by distributions
- Through online shopping of items like phones, airtimes & books.
- Through e – payment banking system
- Standizing the effort of e – commerce along with global – trends.

Managing transition

From start – up to growth

- Transition in business is simply means the process in which a business undergoes a change and passes from one form or stage to another.
- A business can transit based on its stages of growth
- There are three major forms of business organization; simple proprietorship partnership & and he corporation
- All the above major forms of business organizations have their limitations and rules holding them.
- Every business expansively begins with a sole proprietorship form of entrepreneurship.
- Business expansion or growth is brought about by acquisition, merger, and internal expansion.
- Life cycle of an industry or firm is depicted as an S-shaped cure which involves forestage;

a. Experimentation period
b. Exploitation stage/period
c. Maturity period
d. Decline stage

- Transit in business usually occur as a result of the following;

i. Retirement or death of company or industry owner.
ii. As a result of business expansion.

- Every business is needed to have a transition plan so that the ownership can be transferred to a successor once the owner dies.
- There are ten elements for successive planning by the European federation of accountant

i. A statement of the distribution of ownership
ii. The identity of the new leader or leaders
iii. How the new leaders are to be trained for their roles
iv. A definition of the rules of other key members of the business during the transition.
v. Mechanics for the purchase or sale of states
vi. Taxation and legal considerations
vii. Financial considerations
viii. A procedures for monitoring the process and dealing with disputes and problems
ix. A time table

Transit in family business

It is a firm of any size owned and regulated by the roles set by the family. Every member of the family have even to the business.

- One major concern of this form of business is certainty
- Certain business can be transferred to a family members for effective succession. According to Hisrich & Peters (2002), they develop ten succession plan needed to be consider which include;

i. The role of the owner in the transition stage: will he or she continue to work full time, or retire!
ii. Family Dynamics: Are some family members unable to work together?
iii. Income for working family members and share holders
iv. The current business environment during the transition

v. Treatment of loyal employees
vi. Tan consequences

- Selecting a business successor is an informant preliminary activity in business transition.
- There're three categories of factors that plays a vital role in effective business transitions.

i. Preparation level of business heirs
ii. Relationships among family and business members &
iii. Planning and control activities

Transfer to non-family members

This form is not easy because the successes may fined it difficult to fined person who has complete ideas & styles of the business.

Transit for growth

- Business growth may be eternally or internally
- Internal business growth is achieved by outlining down cost, increasing sales revenue thereby increasing profit
- Transition few growth is also achieved by;
  - Acquisition
  - Merger

- Personal discipline is also termed self-discipline

- It is self-directive without being told
- Personnel discipline is a thing of good entrepreneur
- Starting a new enterprise is a difficult entrepreneurial act and it involves emoting products or successes; creation of new delivery system for empty products or services; creating a new location for an emoting business etc.

- The ability of the entrepreneur to stick to the right code of conduct or behavior in spite of his personal desires largely depends on his traits, altitudes and habits.

❖ Trait is usually accounted by peoples genetic endowment

- There are five personality traits and they include
  - Extraversion;
  - Openness to experience
  - Agreeableness
  - Conscientiousness and emotional stability

❖ Altitude are not permanent features

- In Entrepreneurship, altitude is seen as achievement, self-esteem, personal control and innovation
- Personal control as one of the entrepreneurial altitudes is sub direct into
  a. Career altitudes &
  b. Mental altitude

- Planning in transition situation

It is a management function which involves setting goals and deciding how to best achieve them.

- With complete management plan, it help the organization to get direction.
- Planning may be strategic, operational or tactical
- Planning has no end in organization, hence the organization may develop long & short term plans to cover different aspects of the business resulting in financial plans, productions plans, sales plans, home resources plans, marketing plans etc.
- All the above are usually integrated in a book termed business plans.
- Business plan involves all the internal and external factors involves in starting a business

- For a business to survive in a completive environment, solid or sound business plan is needed.
- Strategic plan is a three to five years plan that an organization has to adopt an shown below

i. Business mission
ii. Situation analyses
iii. Internal environment analysis
iv. External environment analysis
v. Goal formulation
vi. Formulation of programmes to meet goals
vii. Implementation
viii. Feedback and control