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TITLE:

SUMMARY OF E-BUSINESS AND MANAGING TRANSITION FROM STARTUPS TO GROWTH

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CHAPTER NINE

E- BUSINESS

E-business is the commercial exchange of goods, services, information or ideas between two or more parties enabled by an electronic medium. It is any business transaction that takes place through digital process over a network.

The driving force behind e-business is the network economy. as opposed to the supply chain economy, in which the product has a central position and consumer choices are strongly determined by the product positioning in the network economy, the consumer position is central in which the individual wishes drive the activities of the total demand network. This is described as a push versus a pull strategy.

This technology push enabled changes which are: converging channels where many new technology channels are coming together into a single medium e.g. fax, data, voice and video are increasingly transmitted through the same infrastructure. Then diverging channels where the same digital information can be accessed from different devices.

BASIC OF E- BUSINESS

1. The parties you are dealing with, they include customers, suppliers, competitors and government.
2. The resources you have at your disposal; these are investment funds for setting up, technology infrastructure, organization and personnel, strategy and policies, rules and regulations.
3. The business function to be informed; they are fulfilment and customers trust, providing information acquisition and sales etc.

THE ESSENCE OF BUSINESS

Through e-business, business can be done in a smarter way. it creates a balance between business needs and technology possibilities. E-business can make business more efficient, effective in targeting and reaching markets.

CRITICAL SUCCESS FACTORS FOR E-BUSINESS IN THE DEVELOPING WORLD

1. It fulfils a need of a group of users
2. The user have sufficient means to make use of the service.
3. The necessary equipment and infrastructure is adequate in relation to the physical and geographical environment and accessible for a sufficient number of user.

E-BUSINESS PROCESS CYCLE

This is an approach to handle all interlinked issues in e-business. They are of five stages:

1. Awareness (vision): this involves giving an overall vision of the organization and the image of the future structure of the e-business
2. Ambition (scope): This can be stated in terms of the kind of product that will be sold, using the internet as a channel and the timeframe this must happen.
3. Concept(Roadmap): In this stage, the objective, the process and output as well as the content of the changes is stated
4. Realization (on the road): This is the actual implementation of the changes within the e-business phase.
5. Exploitation: Here, the change are absorbed by the business of organization once the implementation is made.

E-COMMERCE

E- Commerce is one of the aspects of network economy which involves the buying and selling of goods and service and the internet especially the World Wide Web. It is online commerce versus real-world commerce. E-commerce include retail shopping, banking, stocks and bonds trading, auctions, real estate transaction airline booking etc. E-commerce can be divided into:

1. E- Tailing or virtual storefront on websites with online catalogues, sometime gathered into a virtual mall. It is direct retail shopping, with its time availability, global reach, the ability to interact and provide custom information and ordering and multimedia prospects.

2. Market Research: This is policy of data collection known as profiling by Microsoft and proposed standard developed that allows internet users to decided who can have what personal information.
3. Electronic data interchanged (EDI): It is the exchange of business data using an understood data format among parties that know each other well and make arrangement for one-to-one connection usually dial-up.
4. Email, fax and internet telephony: It is the use of more limited electronic forms of communication called e-mail, fax etc, and use of telephone calls over the internet.
5. Business- to-business buying and selling: This is where companies sell product to other companies and thereby creating quick way to reach the right people in a company for more information.
6. The security of business transaction: This includes authenticating business transactors, controlling access to resources such as web pages for registered or selected users, encrypting communication and ensuring the privacy and effectiveness of transaction.

ELECTRONIC TRADING

It is one of the aspect of network economy which involves trading securities, foreign currency and exchange traded derivatives electronically. Its exchanges are regulated by the Securities and Exchange Commission.
There are two types of trading in financial markets:

1. Business to Business (B2B) trading, often conducted on exchanges where large investment banks and brokers trade directly with one another, with large amount of securities.
2. Business to Consumer(B2C) trading where retail and institutional client buy and sell from brokers or dealers who act as middle men between the client and the B2B markets.

   Important implication of increase of e-trading:

   1. Reduced cost of transaction.
   2. Greater liquidity.
   3. Greater competition.
   4. Increased transparency.
   5. Tighter spreads.

   Practical application of e-techniques in business, commerce and trading:

1. Electronic banking is one area of e-commerce that has proven successful in Nigeria: Online, Real time banking system have now become common place as customers are offered the flexibility of operating an account in any branch. It has also let customers conduct variety of banking activities in any location of a particular bank.
2. Most payment for institutional tuitions and examination fee are made online.
3. Tertiary institution courses are registered online.
4. Virtual terminal network (VTN) is very single and secure way to make online purchase even through the use of GSM mobile phone.

E- READINESS

It is a measure of the degree of readiness, willingness or preparedness of a country, nation or economy to obtain benefits that arise from information and communication technologies (ICT).

This measure is often used to gauge how ready a country is to partake in electronic activities such as e-commerce and e-government.

There is need to create strategy aimed at reducing the setup and operational cost for business and increasing the potentials for sustainability and creating an environment that will encourage the development of the ICT infrastructure in developing countries for the use of e-business through the following objectives:

1. Targeet the business in the supply industry with trading partners in industrialized countries where there is an adequate ICT infrastructure and payment service.
2. Reduce the requirements for participating in e-business by separating the trust, secure transaction from the network payment services.
3. Build a scalable e-business commerce infrastructure that would be share dby multiple independent business and integrate this infrastructure into exisying ICT infrastructure.

Catalyst for the e-commerce revolution,

1. Firstly, as the retail industry gets organized in Nigeria the overall supply chain in infrastructure will see a significant improvement.

2. Organizing a retailer will push for standardization across manufacturers and fulfilment partners.
3. Facilitating this growth in technology automation across the value chain.
4. Conscious effort to standardize payment system along with global trends.

CHAPTER 10

MANAGING TRANSITION FROM START UP TO GROWTH LEVEL

Transition in business may be defined as a process which a business undergoes a change and passes from one form or stage to another. Hence, a business can transit externally with regard to form or internally in its stages or growth.

At a point in life of many new ventures, transit must occur either for the reason of retirement or death of the owner or expansion of the business whether the business is family-owned or not, each case requires a succession or transition plan. A succession plan is a process in which leadership and eventually ownership is transferred to a successor.

TRANSIT IN FAMILY BUSINESS

A family business is a firm of any size in which the majority of direct or indirect decision making right is in the possession of the natural person who has acquired the share capital of the firm or in possession of their spouses, parents or children and at least one representative of the family is formally involved in the governance of the firm.

Many entrepreneurial ventures are established as a sole proprietorship or partnership family business. One major concern of this form of business is continuity.

Transit in family business may come in this forms:

1. Transfer to family members
2. Transfer to non-family members
3. Transit for growth

PERSONAL DISCIPLINE IN BUSINESS

Another term for personal discipline is self-discipline. This is the ability to do what is necessary or sensible without needing to be urged by somebody else. This involves the following:

1. Traits: This includes extraversion, openness to experience, agreeableness etc.
2. Attitudes: This includes career attitudes, mental attitudes.
3. Habits.