

# Business versus electronic business

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## ABSTRACT

The management of a business in the digital economy is based on a management process called digital management. Business in the digital economy integrates information technologies and communications within its activities and may be partially or totally electronic. Management of the business is carried out using information systems that support for the substantiation and decisions. Business electronic involve a complete change in how the customer is viewed in relation to the organization; requirements "e-customer" are larger and increasingly sophisticated, and the organization must be able to offer services of a quality that in the largest communities of a multinational partners and customers.

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Yet what is different businesses through electronic traditional business?

- business value: May not stay exclusively in its tangible assets, physical, size or number of employees but its intangible assets such as brand names, company image, quality relationships with customers, the capability to carry out an

interesting experience of interaction with them, and to provide value-added services (online payment products purchased, the convergence of several apparently distinct services in a complex product, aggregate, etc.);

- flexibility: if business is seen through personalization, adapting production to demand, a shift towards niche applications, creating business processes specific to each type of client;

- Interactive response capability, shortening terms of transactions: involves collaboration between producer and consumer through IT & C, most often through software agents that can provide answers 24 hours from 24 without human intervention. Organizations can choose when and how they wish to fulfill their tasks on the Internet without simultaneously involved in the same moment in time, and business partners;

- orientation processes: relying on IT & C support of the whole informational activities, allowing the dismantling of electronic business boundaries imposed by rigid organizational structure and management of a full uniform and processes necessary business activity;

- integration: the organization can no longer be viewed in isolation, without considering the market it is part, its suppliers and business partners. Business is not conducted in May by taking into account the availability and capabilities own organization, but those of all its partners;

- the danger of marginalization - the digital divide: in the digital world economy is created major competitive differences between digital organizations and those that still have not managed to reach this point, digital

organizations will be faster, more competitive, closer to customers and suppliers.

Maybe in this moment, in which the Internet can still be exploited to the maximum for objective reasons related to the insufficient development of technological infrastructure and communications in certain regions, the most effective model would be that of a company that will operate both in the traditional manner and according to the vanguard model in which the Internet media and IT & C primordial place.

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In addition to services provided by the organization be taken into consideration and interactive services, value-added - such as those based on the use of the extranet. Some industries are favored in this regard to the status of e-business, namely those characterized by short production cycles, high-tech innovation and flexibility in adapting to changing demands in the market. Also telecommunications, finance and accounting, marketing, the companies advertising, which offers management of human resources are among the first subjects in their e-business.

E-business organizations put in a real dilemma. On the one hand the global market that e-business in November offers a promising business opportunities, new business itself and a competitive level equalization between small and large organizations corporations. On the other hand explosion of Internet technologies threaten the very existence of traditional organizations. They see it put in front of the necessity to evaluate his competency base - the so-called "core competencies" - marketing policies, procedures and internal standards, virtually all aspects of economic and functional. Major question is what must change in their work and if switching to e-business will bring the expected increase productivity; the responsibility of managers is to decide whether a shift to e-business is a necessity in the context of individual economic organization, if the products and services they offer can be supplied or sold online, and if their business partners have the capability to also move to e-business.

Let's not forget that e-business means primarily a connection to a market level, so you can not consider a business in terms of e-business if its partners do not have the ability or desire to turn this step.

Electronic Business may be characterized in three views: conceptual, organizational and practical.

In terms of conceptual, so that a business will be promoted to the status of e-business be taken into consideration the following aspects:

- customer orientation - personalizing the largest possible extent and offers products based on preferences, field of interest and typology clients; obtaining and maintaining an image complete 360 on their way in providing services during and quantity expected;

- targeting process - addressing information and operational activities of the organization's along process and not along rigid boundaries imposed by organizational structure (divisions, departments, territorial distributed locations, etc.);

- opening - a date with the transformation in "e"-business organization is opening a series of opportunities such as the possibility of integrating information and informatics business partners, with banking institutions, customs, government, in order to tax automation economic transactions;

- new forms of work, retraining staff - the deployment of most modern forms of work, based on intensive use of means IT & C (tele - work, tele - centers etc.). The staff is trained for the purpose of the use of computer, the transition from performing simple operations to complex works. This can be considered as staff move from the stage qualifying at education;

- Information security - the most since the property price of a business (whether electronic or traditional) is information, e-business require "a fundamentally different approach regarding security informatics. In the past the only people who accessed networks were certain employees and partners. These were people you knew and they had confidence. In e-business, do not know who accessed the information and I'll know if you can not trust them. So it is necessary a different set of principles, processes and technologies to ensure that networks remain protected".

In practical terms, e-business involves the following:

- the use of IT & C in a higher proportion for automating daily operations;
- ordering, simplifying and monitoring flows of information: one of the essential conditions that guarantee the operation of a business is simplicity electronic information flows. What this implies simplicity information flows?
  - first is the concept of a unique point of entry: each category of information (products, customers, orders, invoices, etc..) should have a single entry point (whether as part of an integrated applications or not). For example, if the organization has two systems, an ERP and CRM, which should be decided between the two will manage customer orders;
  - second is the separation of information flows: flows must be maintained at a level as easy as possible, where a stream to complicate the need to cover certain situations and Non-standard equipment, exceptional, it is desirable to create custom parallel flows, Instead complicated flow standard. An example of this is the feed supply within an organization. For domestic suppliers to operate on the basis of a certain working procedures for the external uses a different procedure, something more complex. It is the second favorite definition of information flows, one for one for the domestic and external, each with a stream responsible for well-defined, instead of a single stream generic, ramification;
  - responsibility of managing flows for each defined information flow will define a responsible, regardless of the number of departments or locations that feed it cross. The feed must be approved of those the best known business process represented by the flow;
  - monitoring flows of information: the automation process involves a part of the implementation of information systems in business functionalities necessary, but also establish a mechanism for tracking how they are developed. The most common model is the monitoring by logging sites (historical), which allow memorize system of "all" of each process in hand. Where appropriate, it is essential that the logs to memorize in particular processes which constitute interface points with external systems or applications for import / export data between different systems;
  - in terms of costs, simplify and location information flows are evident beneficial effects,

including in information licensing applications implemented within the organization.

Turning to characterize their practical terms, organizations e-business supposed to:

- scaling systems: equipment and systems must be designed so as to allow the increase of capacity operating systems a date with business development and diversification in terms of new territories, new products and services, new types of customers;
- The operational separation of the management: in an organization-type electronic business information systems design and information should have in mind the major differences between the executors and managers, among both OLTP and OLAP11.

Executors must have online access, quickly, reliably and safely at full functionality of information systems. For example, low-speed access to hardware and software resources responsible for the billing process may have a negative impact on itself company image. In terms of information executors operate only transactions, understanding here in particular documents and punctual operations. Operations they perform are usually short and repetitive. The information should provide a simple graphical interface.

On the other hand, top managers do not need access to the transaction area a system which they lead their business; most likely not even they are not familiar with all the details of business flows. Top managers should have access to those resources which allow them to achieve analyses and statistics, identify trends design, testing scenarios "what-if". Interaction with their system is usually long-term, require intense physical resources (in particular storage media). For readability analysis is recommended that the results presented reports to be brief, mostly in graphic form (pie-chart-ROMs, etc).. Between the two levels are operational managers or intermediaries with expertise in the transaction area and in the analysis. They must provide information synthetic top managers on the basis of analytical reports obtained directly from the transaction system.

Finally, in terms of organization, switching to e-business has resulted in the emergence of new functions (positions in the establishment), such as the administrator of applications, content manager of Web pages,

Web designer. Addressing e-business in terms of organization, the structure of electronic business will be detailed during the next chapters.

As you can see, the evidence presented above do not represent something other than a brief list of the main characteristics of a complex solution type ERP / SCM / CRM, which again leads us to the conclusion that the business of promoting e-business can be achieved by "mere" implementation of such solutions and implementation to be binding and accompanied by a process reengineering the entire organization.

One of the points of departure effective in promoting traditional organizations to e-business is, in the opinion of the author, development, implementation and maintenance of a Quality System (like ISO) correctly and completely, which describes in detail:

- organizational structure of the company: departmental structure, file for each post office in part
- procedure structure of the company, focused on flows and stock.

Textbook quality, instructions and procedures specified by it should be distributed to all staff. In measuring the procedures indicate the use of means IT & C (even only those primary, such as e-mail or electronic documents type scales) as a standard operation and communication company, we can consider the organization as an organization digital.

Defining any business model - not only electronic business - should take into consideration four basic elements:

1. products and services
2. infrastructure and network partners
3. capital relationships with clients
4. the financial aspects of the business.

Referring us to define electronic business models, the four elements must be considered in light of how they are influenced by IT & C.

IT & C improve products with information, ranging up to them digital completely. Using mass customization policy and methods offered by IT & C, electronic organizations can adapt his bid to complete the application, depending on the profile of each customer in hand. A second direction in which technology is influencing companies offer orientation November distribution channels for products and services. Publication catalogue of products and services on the Internet,

supplementing it with the necessary mechanisms, confirmation, payment orders, automatically lead to better market the company in question has influence.

The second element - the company's infrastructure - has in mind:

- configuration company in terms of the value chain which it builds and exploits. Using technology in this sense refers in particular to the use and implementation of solutions type ERP, CRM and SCM for functional integration of all activities within the company in a common platform business, in accordance with economic laws and practices of local governments;
- analysis of internal resources available to us - tangible (fixed assets, equipment manufacturing, etc.). Intangible (brand names, patents and licenses, quality relationships with clients.) And human resources.

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