EMERGING IMPACT OF E-COMMERCE IN BUSINESS ENVIRONMENT

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1. E-Commerce - Global View:
   Internet Usage Statistics - The Big Picture
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   ![Internet Users by World Region Graph]

2. Role of E-Business on business environment:
   Andrew Grove, the chairman of Intel, recently stated, “In five years, there won’t be any Internet companies because they will all be Internet companies.....Otherwise they will die”. Andy, known for his accurate predictions on technology advancements, is not alone this time. Most technology and management guru’s and Industry watchers agree with him.
Mankind has for long been using technological advances for business advantages. There have however been few technology breakthroughs in recent times that have had such a prolific impact on businesses and lives of people as the Internet and the Web. Perhaps the most significant invention after the computers, the rate of adoption for Internet has beaten wildest of the estimates. Only a small percentage of businesses (approximately 10%) are at present undecided about getting on to the Internet bandwagon. For most others, either the adoption is initiated, or the question is of 'when' and not 'whether'. In this article we address several issues of E-Business readiness. We shall take a close look at what E-Business and E-Commerce are all about, and the impact of 'e' on businesses. We shall also look at the development stages for a business to become an E-Business, evaluate what it takes to 'get there', and what the risks involved are.

E-Business is the powerful business environment created when all the key business processes of a traditional corporate get re-engineered and transformed through the use of Internet technologies. The critical business systems of such an organization would be directly connected to the customers, employees, suppliers and business partners. Intranet, Extranet and E-Commerce form the backbone of systems at such an organization. Groupware, collaborative applications and workflow tie them all together. E-Business helps organizations become the Interactive Enterprise.
Organizations that move to the E-Business model get their Return on Investment through:

* Higher business efficiency
* Enhanced employee productivity
* Larger customer base
* Increased customer satisfaction
* Decreased costs
* Stronger brandin

E-Commerce is an important, but not a mandatory component of E-Business. It deals with the activities of buying and selling. While not all E-Businesses would be involved in E-Commerce, for organizations selling directly to consumers, E-Commerce is vital. It has changed the way many companies conduct businesses and has introduced a new category of virtual online businesses. The traditional procurement and fulfillment processes have undergone dramatic changes. The 'access anytime' and 'finalize now' concepts have also enhanced the customer expectations of response times from businesses.

Business-to-Business (B2B) and Business-to-Consumer (B2C) are the two models of E-Commerce. It is however the B2B scenerio that is going to dominate with over 80% of business coming from that segment within the next 2 years. Forrester estimates the B2B E-Commerce generate over US $842 billion in revenue by 2002. While immense efforts have been going on in this direction, the
ultimate success of E-Business for organizations is dependent on their state of readiness for this transformation.

Doing business on the web is not just about setting up a site with pretty pictures and an online catalog. Some of the issues an organization on the path of becoming 'E-Business ready' would need to address, relate to one or more of the following:

- Organizational Culture
- Policies and Processes
- Enhanced customer and business partner expectations
- Security
- Technology level
- Infrastructure
- Backend support systems
- Administration and management

Contrary to common belief, E-Business readiness for a corporate is not just a technology issue. It can be a major cultural issue. To deliver desired results, E-Business requires a complete buy-in from all the constituents involved — the employees, customers, suppliers and e-business partners.

Internet and the World Wide Web have been instruments of a cultural change. 'Openness', 'sharing', 'collaborative working' and 'knowledge management' are mantra's of the Internet culture. These usually lead to a less formal culture that at times tends to break down the traditional organizational structure. In the traditional
businesses and organizations, the personnel responsible for various functions ('providers') are also typically the custodians of the related data and information. Their customers, internal or external, need to approach them to have an access to this data. In most situations, the information needed is a very standard one, where the custodian of the information does not require doing any value addition. The internet culture requires this information to be available to the customer without having to interact with its custodian. Both operate with the common pool of data and information, helping them always remain in sync. This saves time and results in a higher productivity for both the customer and the provider. The added benefit of 'access anytime' results in a high level of customer satisfaction. In these situations, unless handled with care, the 'provider' might feel loss of a perceived power.

Setting up an Intranet is a good way to inculcate the culture of 'sharing' within an organization. The second stage is to extend
this culture with the external customers, vendors and business partners. Allowing them access directly into the organization's order entry systems to place orders, production systems to check the order status, purchase systems to pick up supply orders and into the accounts payable and receivable systems, to check liabilities and receivables, brings in an unprecedented transparency and consequent efficiency in the business processes. Extranets, implemented with the requisite security and access mechanisms, make this possible. Intranets and Extranets usually have the progression of moving from Publish to Interact and finally to Transact mode. Successful, secure Intranets, where all the participants and players of a business process can meet, share and transact in cyberspace, makes the possibility of operating as a virtual organization a reality. Another important 'people' issue involved with the setting up of Extranets and E-Commerce is the substantial impact on the businesses of 'middle-men' and agents. With the corporation having the ability to reach the end customer directly and perhaps more conveniently, the middle-men and the agents need to do major changes in their business models to survive. Providing value added services and expert advice is one of the ways for these people to remain in business. Many of them are known to set up their own sites, where they bring together the services and products of competitors, provide expert advice and help the end customer choose what suits his requirements the most.
Whatever be the corporate culture, having clearly stated policies and well thought out, meaningful processes are a pre-requisite to the success of an E-Business. These policies and processes help in the management of cultural issues. These policies need to address the issue of Intranet/Extranet/Internet ‘Usage’. It must define what constitutes a business related usage, define the acceptable ‘non-business’ related usage and also what is prohibited.

‘Openness’ comes with its own set of issues. While an information might be known to a group of people, the organizational processes need to clearly define the primary and secondary responsibilities for people involved. ‘Collaboration’ and work flow also requires people to be more responsive to each other and to the organization. Well identified rules and escalation processes are necessary for the success of an E-Business.

The ‘anytime access’ that web provides to a customer, also keeps increasing the customer expectation levels in several dimensions. The Web Customer expects responses in web-time. This
may require an organization to completely restructure in order to become customer care oriented. This means higher agility, reduced fulfillment times and dependable support systems. Organizations often require to re-engineer most of their processes on the way to becoming E-Businesses.

While the culture of E-Business is generally very open, business needs often dictate a high level of security. For an E-Business organization therefore, the open Internet culture must coexist with the corporate requirement for secure information. This calls for defining the security & user privilege policies and their technological implementation. A fundamental requirement of E-Commerce is the secure payment processing and the transaction security. Hackers and those indulging in industrial espionage abound on the net and sites need to be constantly protected against them. While all E-Commerce transactions are encrypted, organizational processes and systems must be geared up to log all system accesses and transactions and also be able to track any unauthorized access or attempts to break through the security net. While technology plays a key role in ensuring E-Commerce security, the technical measures alone do not move all risks. The organizational usage and access policies and their enforcement, system security checks, technology penetration tests and keeping track of laws regulating international E-Commerce transactions are all key elements that an E-Business organization has to be geared up to handle.
Technology is of-course the E-Business enabler. It impacts and permeates through almost everything that needs to be done for ensuring a successful E-Business. While E-Business solution are strategy centric, they are technology intensive. Organizations do have now available a set of technologies to choose from. The choice of technology is important and needs to be done with care. Factors influencing this choice could be the existent infrastructure with the organization, business objectives, tools to be used and the skill set availability, amongst others. Technology impacts not just the choice of development platform, it also is key in matters of security, access & usage control and the overall enterprise wide system architecture design. Investments in to the training of IT staff in the chosen technologies pay high dividends.

E-Businesses require powerful and resilient infrastructure. Having powerful machines, with adequate redundancy and backup arrangements, high bandwidth network connections and a near 100% uptime for systems need to be guaranteed for the implementation of E-Business systems. Organizations might need to either host their systems with a third party (may be an ISP), or make investments to ensure this infrastructure and also in recruitment of skilled manpower to support these systems round the clock.

While E-Commerce in its simplest form does involve online catalog-based purchasing, the information and features provided by present day systems are very comprehensive and complex.
Moreover, a sophisticated front-end E-Commerce system critically requires equally efficient backend systems for support. The web customer demands transparency, shortened response times and reliable fulfillment commitments. Efficient customer care requires robust bookkeeping and other enterprise wide systems available and integrated with the E-Commerce front-end applications. Absence of these would otherwise cause the customer lose trust and patience.

E-Businesses need to remain current and robust. The data and information placed on the web, which is open for access to all those authorized, needs to be accurate and current. E-Businesses need to define several new roles in the organization to do this. The web information framework encompasses four primary roles – Administrators, Authors, Publishers and Creative managers. Authors are responsible for creating the content that goes to the web. The self-service customer requires a ‘Creatives’ manager to work on the user interface and navigation aspects. The publisher is responsible for putting the author’s content on the web. They are responsible for managing, coordinating and communicating the information content. Administrators are responsible for the technical management of the web site and its different category of users.

Initial in-depth planning facilitates all these processes. For successful E-Businesses, the four key success factors are:

* Buy-in (by employees, customers, vendors and the business partners)
* Policies and Processes setting up
* Adequate Training and
* Appropriate Tools

E-Business and E-Commerce enabling of organizations requires a range of skills and experience, as well as flexibility and willingness to continually learn new skills and adopt new technologies. With the ‘Web-time’ decreasing rapidly, and the time to market being of essence, seeking professional help is usually highly recommended. It takes a set of three skills to make an organization E-Business enabled:
* Strategy Consulting
* Creative Design and
* Technology Implementation

The requirement of these inter-disciplinary skills make the task of moving organizations to becoming E-Businesses complex. Till recently, organizations were having to work with different vendors to get support on all these fronts. While they would work with typical consulting companies to evolve their web strategies, they would require working with media companies and Creative Agencies for branding and creative designs. A System Integrator would typically do the technology implementation. Today’s help providers do not have the full set of skills to aid clients in the adoption of next generation of E-Commerce strategies.

It is precisely these interdisciplinary skills that a new breed of E-Business help providers, termed by Forrester as ‘Transactive
Content Integrators’ (TCI), strive to bring to their customers. Forrester defines a Transactive Content Integrator as:

A provider that seamlessly delivers business/marketing strategy, user experience, creative design, and technical integration for eCommerce.

Forrester predicts the TCI to reshape and dominate the help market in the times to come.

3. **Role of E-Marketing on business environment:**

   For the purpose of this paper, the following definitions apply:

   * 'E-Business' refers broadly to the use of information technologies to conduct all aspects of business including information not directly related to the buying and selling of goods
   * 'E-Marketing' refers to the use of various ICTs as vehicles for marketing practices, as well as the creation of a new form of electronic product. E-Marketing can involve management of physical distribution of goods using technology architecture, but is more commonly associated with information distribution, and is regarded as a marketing tool.

   Thus the rise of E-Business is deemed to be the precursor to e-marketing practices and the development of e-marketing theory.

**E-Marketing Theory and Practice:**

Rowley has identified that in E-Communication, the “channel restricts the format for communication” (Rowley, 2001: 203).
She suggests that the various applications of the internet, including the world wide web (hereafter ‘WWW’), email and newsgroup-oriented communication channels, affect the manner in which information can be delivered to the consumer. While she is advocating a review of internet oriented marketing practices, the same dictum is true for any iteration of information provision: the limitations on the information medium will ultimately affect the nature of the product. In traditional broadcast media, marketing communications have been limited by the nature of the program or advertisement, in terms of the audience of the program, the timeslot, program length restrictions and aesthetic qualities of the content. Further, local restrictions on programming content (including minimum percentages of locally produced content), censorship controls and other genre-oriented limitations compound the array of elements affecting the message finally delivered to the consumer. The implications for marketing in broadcast media have been that product information had to be tailored to take advantage of the strengths of the medium: the one-to-many information experience as well as the dynamism and degree of influence of audio and visual content. While the logic of this notion is clear to the majority of marketers, the same logic is not often applied to E-Marketing initiatives. Instead, the tendency among marketers has been to repackage old media marketing communication strategies and send them to the new audiences of digital media devices. This tendency to rehash old marketing strategies for digital media is partly
the fault of a continuing difference of opinion between information technologists and marketers. Technological optimists such as Negroponte (1995), Rheingold (2000), Locke et al (1999) and even Rushkoff (1999) have tended to profile new technologies in general, and the internet in particular, as a totally new forum where old rules of marketing communication and information exchange do not apply. Marketers have rejected this notion, arguing that while the internet and other new technologies may provide more immediate and more extensive access to consumers (or at least greater access to those who are connected to the internet), the same rules for marketing, promotion and consumer behaviour are still relevant (see Hanson 1999, Singson 2001). New technologies merely provide new channels for old marketing measures. But the reality of applying of marketing laws to new media technologies is probably somewhere between these two poles. In spite of the notion that old rules of marketing have application in new media channels, there is clearly a difference in operation of marketing conventions for digital media, and an extension of traditional rules is not just possible, but necessary. Ashcroft and Hoey go so far as to say that “online marketing creates a double marketing mix” (2001: 69). Not merely is the practice of marketing online a channel for informing consumers about a product, but it becomes a product itself, and so the other three Ps of marketing also apply as much to the online presence as to the core product of any businesses.
The Rise of Distribution:

Of the 4 Ps, it is distribution that has attained the greatest prominence in the field of E-Marketing research. While the reasons for this may appear obvious on a superficial level – channels for distribution were to be assisted/replaced by electronic channels – the importance of distribution operates on a series of levels. By understanding the range of implications that e-marketing and electronic channel management opportunities pose for distribution and the supply chain, broad marketing distribution issues and research needs can be more clearly observed.

Through a process of disintermediation, distribution and channel management is designed to become more efficient and more targeted through the adoption of e-marketing strategies. Earlier marketers had identified the advent of electronic intermediaries and had understood the implications for physical intermediaries, but the phenomenon of disintermediation emerged predominantly from the work of new economy theorists such as Tapscott (1996) in the late 1990s. The idea that new technologies would facilitate less complex information exchanges was widely accepted, and the elimination of middle-men in business exchanges was adopted as a cost-cutting measure for businesses on a large scale. Channels for distribution of goods in the digital environment generally moved from the more complex, two- and three-level channel systems to zero- and one-level channels.
However, this rationalisation of business channels has invoked a new period of intermediation. Overby and Min note that the phenomena of disintermediation and the reconstruction of the supply chain (through replacing physical intermediaries with electronic intermediaries), have provided the capacity for identification of a new business structure through managed supply chain (2000: 399). The introduction of technological solutions to supply chain management have been premised on the dual benefits of cost-cutting and customisation, but it is the latter which has stemmed the flow of disintermediation in e-marketing distribution. As E-Businesses have cut out the middle-man in the supply chain, they have created a need in niche markets and special interest areas for tailored solutions to specific distribution flows. Herein lies the advent of E-Marketing intermediaries, often described in technological literature as 'infomediaries'.

*Figure 1 Possible levels of complexity of distribution channels.*

*Adapted from Kotler et al. (1994), p. 380*
But once these infomediaries replace traditional physical intermediaries, it is often difficult for organisations to assess the value addition to the supply chain they represent. Tetteh and Burn (2001) note that this lack of defined frameworks for analysis of all aspects of the supply chain, strategic planning and channel management is characteristic of the new economy. Technological solutions to distribution processes may have rationalised the number of physical intermediary channels through which goods and services are delivered to a consumer base, but speed of communication access does not necessarily equate with a value addition to the supply chain. In their research, Jansson and Sol (2000) noted that managers needed to adopt new methods of evaluating the value of electronic intermediaries. They note that while technologies threaten the physical intermediaries of traditional business, and while they are a potential source of competitive advantage for organisations, electronic intermediaries can introduce new complexities to the supply chain that could actually detract from or damage the relationships developed by the physical intermediaries they replace. As a result, there is a growing need for evaluation models for electronic distribution techniques.

Distribution has thus exchanged its profile from being the target of electronic intermediaries to a focus of ongoing research and development. But this is more than a mere recognition of the value of physical transportation of goods, or customer relationship management of traditional theory. Distribution research must now encompass
evaluation of the intangible benefits of multiple electronic distribution channels and consistency of supply chain behaviour and communication.

**E-Marketing Intermediary Channels:**

Kotler’s Possible levels of complexity of distribution channels (Kotler *et al*, 1994: 380) is inadequate when describing the transferral of goods through the dual agency of direct sales facilitated by an E-Marketing intermediary.

![E-Marketing Distribution Pattern](image)

**Figure 2 E-Marketing Distribution Pattern**

Rather than being a direct zero-level or one-level distribution channel, the e-marketing distribution mechanism is a communication channel which facilitates distribution, particularly where the goods being distributed can be converted into digital format and delivered to the consumer directly. The manufacturer is the E-Marketer in this respect, sending the goods (whether they be physical or intangible) through a variety of communication vehicles. While the above diagram is simple, the manner in which distribution takes place is extremely complex. For example, a manufacturer of an information product such as news print, can now access a consumer base through multiple communication channels, encompassing traditional as well as digital vehicles.
Figure 3 Variety of vehicles for product distribution in a digital environment

The same model can be observed in distribution of tangible goods. Product placement in media events has initiated a similar trend of cross-media vehicle marketing practices. For example, a manufacturer of women’s clothing can now combine the use of E-Marketing channel management strategies with more traditional distribution strategies (concerned with transportation of physical goods) to satisfy the information and experimental needs of the consumer as well as deliver goods on time.

The E-Marketing process means that the demand end of the supply chain is significantly enhanced, amounting to more than the combined efforts of the Manufacturer to Wholesaler roles in older theories. Because of the variety of media vehicles accessed and employed by the e-marketer, this form of distribution necessitates recognition as an aberration from traditional distribution channels, and a characteristic of electronically mediated marketing and transferral of goods.
Rebirth of Intermediation: Conclusions:

The central tenet of E-Marketing is information. Automated processes of distribution may have removed the people and traditional Retailers and Wholesalers of Kotler's distribution channels, but the role of those institutions has survived and even been extended in the new economy. Disintermediation of physical distribution elements in the supply chain has brought about the advent of a new form of electronic intermediary, acting as the source of information about products as well as the coordinator of marketing messages and the means through which delivery and reception of goods is realised. And for marketers developing channel management solutions to e-marketing activities, the role of these electronic intermediaries, or 'infomediaries', cannot be underestimated. As the range of communication and digital distribution vehicles multiply, it is the role of the electronic intermediary to ensure that the supposed benefits of the new economy can be realised.

The rise in E-Marketing and the rebirth of intermediaries has posed a challenge for marketers to provide appropriate metrics to ensure that the digitally reborn intermediaries are adding value to the supply chain. Further research on effective marketing communications via infomediaries is necessary to determine the best means of meeting this challenge.
4. Role of E-Banking on Business Environment:

Among banks and bank regulators and supervisors, there seems to be agreement that E-Banking activities should be supervised as with traditional banking activities, but with greater attention on risk management procedures, greater focus on processes and mechanisms and with greater co-ordination and co-operation among the banking supervisors as opposed to giving emphasis on actual portfolios and accounts. The supervisory processes for E-Banking therefore needs to be sufficiently dynamic to supervise financial entities in the virtual community that operates across multiple localities, thus requiring more co-operation between bank supervisors, and also with the banking industry. With the development of the Internet and other cutting edge technology, this has become vital with the prospects that E-Banking operations may emanate from a location outside the local jurisdiction, and introduced by non-licensed entities. In this connection, the role of the home and host country supervisors would need to be enhanced and clearly defined.

In this regard, the formation of the Electronic Banking Group by the BIS (Basel Committee on Banking Supervision) in late 1999 is indeed an important step in the right direction to promote and enhance international co-operation and exchange of information among supervisors regarding E-Banking risks and supervisory issues. The white papers of this group would also facilitate the adoption of a more similar approach by bank supervisors across countries, thus facilitating the need to address cross border issues.
The trend for new entrants and existing banks to set up stand-alone banks or Internet-only banks requires our legal framework to be modernised to make them more realistic and consistent with the realities of the market. However, in moving forward, we need to proceed cautiously, facilitating innovation while ensuring prudent behaviour. While recognising E-Banking transactions are more cost competitive compared to branch operations or even phone transactions, and that E-Bank may be easy to set up, one needs to be mindful of the high start-up costs for an E-Bank and the need to ensure security and safety of the system. Furthermore, these operations also require huge initial capital outlay as well as the need to provide adequate incentives to consumers in terms of attractive rates. This may result in negative or marginal returns in the short term. Recent reports in fact indicate that online banking has yet to live up to its expectations. Since their establishment, pure Internet banks only accounted for 0.02% of $9.6 billion in FDIC-insured deposits by year-end 1999. Nonetheless, customers have benefited as the new entrants have “forced” the existing players to be more competitive and efficient. To gain market share, the new entrants have resulted in keener competition by offering attractive deposit rates and new services, resulting in shifts in demand from the conventional providers of financial services to these new entrants. It is recognised that these developments also provide an increased range of products to a wider spectrum of consumers and businesses. While these activities may
now be small in magnitude, if the trend persists in the financial market, it will require regulators to consider the implications on liquidity management, and the extent of coverage of the central bank's financial safety net for the deposits of Internet-only banks. Essentially, dealing with the implications of the rapid pace of development of E-Banking requires supervisory agility, resources and changes to the existing rules and regulations. Central banks all over the world must therefore prepare themselves for the transition into this new business era.

The new technology has essentially resulted in the convergence of products and services, blurring the lines between banks and non-financial institutions and bringing significant changes to the global financial markets. Businesses are increasingly using automated electronic networks to select, execute and process transactions. Technological progress has also made possible changes in market structure and business chains that have paved the way for further efficiency gains. During the transition period as conventional financial institutions adapt to this changing environment, we may see some disintermediation in the traditional banking functions and facilities, particularly in the retail payment area. Therefore, financial institutions need to innovate and build the necessary capacities and alliances to respond to these changes and to reintermediate and remain relevant.

A further issue that needs to be addressed is the numerous issues and risks, which Internet presents. Appropriate monitoring system and policies need to be put in place to deal with this. Essential in this
process is the dissemination of accurate information to ensure the economic well-being of a financial system and its stability.

Security issues are another major source of concern in E-Banking that needs to be addressed in an effective manner. Banks must examine their risks and the need for operating system security to maintain the integrity and reliability of their web servers, while allowing real-time, on-line electronic commerce, essential to Internet-based financial services. As security systems are continuously evolving with improving functionality, banks have to continuously progress and invest the new technology. Thus, in monitoring and managing the security threat, it is important for banks to have in place a strategic and proactive approach to information security and maintaining sufficient staff with information security expertise. Thus, it is extremely important for the regulators to address the broader issue of consumer protection and transparency framework, and the ability of the consumers to make informed decisions and take well-calculated actions.

Finally, the Internet has enabled new forms of payment modes, such as digital money, person-to-person payments and barter trading through trade units instead of currencies. Some firms have already adopted the new E-Commerce technologies, and others are increasingly realising the importance of making E-Commerce an integral part of their businesses. However, it remains uncertain as to how quickly these technologies will change the business landscape.
However, one thing is certain, E-Commerce will speed up the process of globalisation and will expose the weaknesses in today’s marketing tools and commerce activities.

5. **Role of E-Learning on business environment:**

With the evolving development of the information-based economy and the increasing need for high-performance employees, intellectual capital is becoming the most critical resource in the corporation. This means that those companies that do the best job of empowering their workers through education and training are most likely to enjoy the highest levels of economic success.

The chief learning officer (CLO) leads the initiative to transform the corporation into a learning organization. The CLO must not only balance all the roles he plays in relation to the issues he serves, but he must also find the right mixture and presentation of outsourced, educational tools to achieve his ends. This article takes a look at the roles, issues and learning tools that the CLO utilizes to create and grow a learning organization that is vital and competitive, and therefore able to serve its markets, customers, employees and community well.

"The CLO needs to look at the gauges and decide which ones need tweaking at what time," said Rick O’Coin, head of the Learning Resource Network and director of IT education for Unum Provident Insurance. "If the environment is competitive, we need to look at learning as a benefit. I have to look at the radar screen and
decide what topics management needs because we're really here to support them."

**Change Agent:**

In today's business world, companies that are better able to manage constant change, internalize it and translate it back into customer value will be more successful. The CLO's role is to be a force for change, but change without threat.

"Change agentry might be the alternative way of defining the CLO's role," said Rick Daly, executive vice president and CLO of AmeriCredit Corp. "The CLO has to be someone who is willing to say what he sees and then help you figure out what you want to do about it."

Daly is taking change management a step further. For the next 12 to 18 months, AmeriCredit’s executive team is reformatting the organization to "get everybody involved in everybody else's business." Daly explained, "We're thinking that if we don't know the business model as well as we ought to, we can't contribute to the next series of strategic business discussions. So, I may find myself learning finance. Our treasurer, who excels at finance, may find himself in a discussion on how to move the leadership competency model forward."

**Alloy to Managers:**

Another role that the CLO must add is that of alloy and consultant. She can be that extra sounding board that can be so useful
to an individual manager. The CLO needs to be plugged into the culture of an organization and can also be the non-official, non-managerial set of ears and eyes who acts as a coach. It's also very important that the CEO and the CLO see eye-to-eye about the purpose and execution of the CLO position.

Daly started his AmeriCredit CLO duties quietly, by talking with trainers, managers and executives about the company road map and where they were trying to go. He added process improvement components, started an E-Learning organization, added people skills and brought in a learning management system. Focusing on making the function of learning real in the organization, he then put everyone in the company into a database of learning styles and began efforts to make learning a part of the everyday language. His first effort to normalize the idea of learning in the corporation was to get a pattern going that "learning could occur in a variety of different formats."

O'Coin's Technical Advisory Board allows him to become an ally to the departments and managers who need help. "We identify a lot of the issues of resistance to something new before I recommend it to the senior executive team. So instead of putting together requisitions and then finding out where difficulties are, we get that resistance at the meeting. The board discussion provides early identification of problems and politics and keeps us from stepping on any land mines."
Nurturer of the Learning Culture:

To nurture the idea of learning in a business organization, the CLO must consider the hot buttons or WIIFM (what’s in it for me?) motivators, the kind of learning processes the organization practices (how do we make sure that the field gets the information at the same time as R&D?) and the tools and technologies that are easiest for his organization’s culture to accept.

Daly believes that AmeriCredit is still defining the culture of learning, but that the company is in a period of transition. He talks about engaging his entire 5,300-person organization in the company’s new initiatives and admits, “A whole bunch of learning triggers need to be pulled to get people engaged, or they’ll sit in the room for hours and tune out. We need to get them to start thinking about how our new initiatives are relevant and important for them. E-Learning comes in a lot here. Blended [initiatives] come in a lot here. Most of the stuff we’re launching—like organizational development concepts and knowledge theory—come in here. We’re also using discovery learning and gaming to make it engaging and interesting for them. And in the classroom, we’re going to do lots of practice, so that at least the conceptual stuff is in people’s heads enough to start engaging them in an experiential way.”

Financial Manager:

Though the CLO must make the evolution of the organization one of his top priorities, he also has to know how the
company makes money and how he can directly aid in that effort. If he has to make recommendations about technology purchases, he must exercise the same level of financial due diligence expected of the CIO or CFO.

One of the only ways the CLO is going to be successful with the money issue is to quantify the nonquantifiable things like lost productivity and what a five-minute increase in a department’s ability to use a software product equals in dollars saved.

Bryan Bergsteinsson, group vice president of the University of Toyota, sees his division as a resource and a consumer of resources. As one of 15 officers of Toyota’s North American corporation, Bergsteinsson says that he, too, has to battle for adequate resources to ensure that the educational organization remains vital. Bergsteinsson also believes in running the University of Toyota as a profit center. Because the University of Toyota not only serves Toyota’s US Motor Sales and financial sales division, but also provides marketing and training support to Lexus and Toyota franchise dealers around the country, he recovers some of the dollars spent through developing marketing and training initiatives, through marketing-based materials for his financial services arm and by providing basic marketing help to global distributors.

O’Coin also feels the budget pressure, and a priority this year is making critically sure that his department is aligned with Unum Provident’s business needs. He is trying to stretch the budget to cover
more ground by moving some initiatives that had been outsourced—such as classroom training to insourced (or online) status.

Due to budget constraints over the past two years, everyone who needed to take foundation-level IT training at Unum Provident had to take it online. Those who have taken the Web-based courses have found that it’s better than they expected. An additional surprise, according to O’Coin, is that instead of just taking one course online, Unum Provident’s IT workers take other IT courses via their online subscription.

**Gatherer of Best Practices:**

It’s important to be able to take the knowledge system tools and business processes developed or refined by a manager or set of managers and store them for use (or as elements for recombination) for the organization as a whole.

O’Coin’s best practices resource is a peer network. “It started off more than 10 years ago as the Hartford area trainer’s executive board and is made up of (those who were) head of training at NE Utilities, Aetna, Travellers Hartford, Steam Boiler, Phoenix Mass Mutual, a whole group of companies,” he said. “We’d get together quarterly and talk about challenges that could be considered chief-learning-officer challenges, though no one was called that in those days. Now, we use each other’s experience all the time. You always take a risk when you bring in someone new or try something new. The more you can do to figure out the track record beforehand, the better off you are.”
Daly believes that AmeriCredit is building new best practices, as well as capturing the best of what has helped it to succeed in the past. He also said, "You can never take anything just the same way. You have to look and see how a process will be most useful for a new initiative and then weak it for each person in that new setting.

**Using Outsourced Tools:**

Before approaching the daunting task of assessing all the learning tools in the marketplace to find the best ones to help the organization accomplish its goals, the CLO should consider the learners and what she hopes to accomplish through the training.

"What with all these technology advances, many organizations see tools first and implementation second," said Bob Mosher, executive director of education for Element K. "You have to know what your objectives are in order to find the right balance and mix. All these outsourced tools that we use for training are means to ends, not ends to means."

The CLO, Mosher noted, can be a facilitator to select the best new tools for learners and a guide to help learners understand how to thrive in the new learning environment.

O’Coin is a fan of E-Learning because it’s relatively inexpensive, generally accurate and consistent over time and distance. "We have had what I think is phenomenal success with E-Learning on the IT side. I believe IDC’s industry stats say 30 percent of the people who start an E-Learning program finish it. We’re getting 50 percent."
Unum Provident buys IT E-Learning on a subscription basis, so once an employee has an ID, theoretically he has access to approximately 250 online courses.”

O’Coin believes that even if workers don’t complete an online course, there is still value. They may be able to take away those parts that are relevant for their jobs or at least know where to find that information online if it becomes a need.

Daly said E-Learning accounts for about 25 percent of AmeriCredit learning, but it’s on its way to 100 percent. However, he believes the classroom is still important. “It’s important to stare into the learner’s eyes and get immediate feedback. We’re doing a CRM initiative right now, which is a huge change for the people in our call centers. We’re trying to do both classroom and E-Learning, but E-Learning is not mature enough yet to do away with classroom learning.”

**Blended Models:**

Though the amount of Toyota’s E-Learning is growing relative to the classroom, Toyota is aggressively developing more blended-learning modules.

Blended situations (where tools are mixed to complement each other) depend on a highly self-motivated, independently driven learner base. For blended solutions to succeed, organizations first must do considerable analysis of their goals and their learners. Often, an organization does not have the skills or the infrastructure in place
to support learners who are new to sustaining the interest to learn outside a classroom setting.

"For most corporate training, you put people into a classroom for three to five days and smash as much information into their heads as possible," O'Coin said. "Then you send them away hoping they'll remember what it was three months from now. With blended learning, you can get them in a classroom, give them what they need for the first three to five months on the job, then give them an E-Learning program a little farther down the road. By breaking it up like that, you get a lot better retention."

**Focusing on Learning Styles:**

How does the CLO account for learning styles when evaluating outsourced learning tools?

AmeriCredit has a learning styles database. "We have about 3,600 of our 5,300 workers in our database at the moment," Daly said. "Before a traditional in-classroom trainer comes in to teach, when people sign up through the LMS, they get a questionnaire asking them about motivation, about what are they giving up to take the course."

Daly explained that the facilitator then gets a report on those who are taking the course and, based on a learning model that combines the learner's attitudes with behavior models, one can map any course and any facilitator to the learner's profile. With this kind of tool, a trainer can offer analytic minds some E-Learning prior to
the course and design some in-class games to make the material more relevant to action-oriented learners.

Learning styles are not an overriding factor for Unum Provident. “We can’t afford to give people training programs in three different modes. If we can adapt to learning styles, that’s great,” O’Coin said. “There are some E-Learning programs that have you take a little test up front to determine your style. Then they give you the version of the course that fits your style. If vendors are going to do that for me, that’s wonderful, but we can’t do that in the classroom. We can only deliver one way, though we try to consider all styles when we develop the course ourselves.”

Learning Management Systems:

Ideally, a knowledge management system would work in tandem with an LMS. It would hold all the internally and externally developed learning objects and posses the capability to recombine any of these objects with additional new information to produce other just-in-time learning objects that were needed for a new use.

“E-Learning plays a large role in our intranet, which is called ToyotaVision, or TV,” said Bergsteinsson. “Our associates can log on for hundreds of courses. We are also in the process of putting in an LCMS (learning content management system) for training in which one can drag and click to develop a new E-Learning package specific to his needs. Though most of our learning objects, especially those dealing with technology, are off-the-shelf, with this new LCMS capability, we’ll be able to develop more of our own materials.”
Daly said that AmeriCredit is just beginning to start looking at knowledge management. “You have to put a whole lot of baseline stuff in first, not only on the tech side but also on the conceptual side,” he explained. “It’s hard to teach people to run before they can crawl. So the sequence is get organized, lay in a bunch of basics, add organizational development process improvement, organize the E-Learning function and have it offering some really good stuff, add change management, address people’s learning styles and preferences, then start doing basic research on knowledge management and rapidly move the whole organization to performance consulting.”

**Mentoring Expertise:**

Daly sees mentoring as a very focused kind of training. He believes that if someone in a company is good at a particular task, she should provide mentoring for that particular task, and that’s all. He also said that if you are asking a more senior worker to mentor a junior worker and that involves time outside of work, the senior worker should be paid for his time.

Bergsteinsson said, “We’ve done some of that but not in a formal way. I think the best form of mentoring is just part of the culture. The best mentoring relationships are born on their own and not forced on the culture. Mentoring relationships work best informally.”

Prior to joining Boston University’s TrainingTrack, Steve Lynch worked in corporate/adult education for more than 20 years,
including as director of end-user training with IBM's Catapult Software Training subsidiary and as the chief learning officer of UK-based KMS.

6. Role of E-Advertising in Business Environment:

Past history has shown that it's not necessarily the companies with the snazziest websites that do well, or even the companies with the most money. The 'small guys' — that is, Internet home businesses typically run by 1 or 2 people — may not make the news like the big 'dot-coms', but there are many who quietly and steadily continue to turn a profit, even while big companies report huge losses or go out of business entirely. So what's the secret? Here are a few tips from small but successful 'entrepreneurs' on how to build a thriving online business:

1. Find a niche with a demand:

Select a specific market to which you can offer unique products or services. You can't be everything to everyone, and trying to offer a giant selection of goods to a huge and generalized market is the route to frustration, disappointment, and even failure. We can't all be Wal-Marts! As a small business, focus on a promising niche market and work hard to offer them the products and services they want.

2. Care about the quality of your product or service:

Sell only what you would be proud to sell to your family and friends, and insist upon consistently high quality. This will help to encourage referrals and repeat business — both powerful ways to keep the profits rolling.
3. **Be smart and frugal:**

Avoid unnecessary expenses, and be particularly vigilant when you're first getting started. One of the nice things about doing business online is that it's possible to begin earning an income while operating on a shoestring budget. Try to minimize expenses. Once your business is pulling in profits, you can reinvest part of it back into marketing and expansion.

4. **Focus on marketing strategies that return the most profit for your dollar:**

One of the biggest myths beginners face is that people will flock to your site once it's built. However, there are literally billions of web pages available, and every business has to find ways to attract their target audience to their little corner of the web. Track the success of each of your marketing campaigns. Drop those that don't work, and focus on those that yield the best results.

5. **Provide the best customer service that you can:**

Fast, helpful replies to inquiries and requests for assistance help to create and keep happy customers. This is particularly true of the Internet, where people have come to expect 'instant' responses. Genuinely helpful answers also help to ensure customers feel as if they're *people*, and not just another generic, faceless entity in cyberspace. Treat customers as you would like to be treated.
6. **Build your business slowly but surely:**

Instead of attempting to build your business into an overnight success, strive for gradual but steady expansion. Small businesses operating on tight budgets generally cannot afford to throw a pile of money into a marketing campaign that’s ‘hit-and-miss’. Instead, they find out what works, then build upon their successes.

7. **Create multiple streams of income:**

Your business can continue its growth by branching out to offer a variety of products or services. For example, an online business may earn income from sales of its own primary product or service, sales of website or newsletter advertising, and commissions from affiliate programs. Start with one income stream and gradually add to it when you have the resources to do so.

Multiple streams of income will also help to ‘buffer’ your business against income fluctuations. While one product or service may experience a downturn in sales, the others may not. Similarly, if it turns out that one income stream disappears (for example, an affiliate program shuts down), then you can fall back on your other products and services.

8. **Work together:**

Use the Internet to find like-minded entrepreneurs. Develop mutually beneficial working relationships with carefully selected businesses. This will provide you with the opportunity to cross-promote your products and services, as well as give and share advice.
A strong support network can help to build your own business as well as the complementary businesses with whom you choose to partner.

9. Keep educating yourself:

What works online today may not work quite as well tomorrow. Invest in continuing your marketing education and put what you learn to good use. You don’t want your business to simply ‘survive’ online; you want it to thrive!

10. Enjoy what you do:

If you don’t, then business will only be a chore, not a pleasure. Being passionate about what you do will give you that extra energy and desire to build a business that continues to offer your customers quality products and services — while earning a profit.

7. Role of E-Shopping on Business Environment:

1. Rapid increase in internet penetration:

With the penetration of broadband services expected to increase manifolds, faster speed and availability of more and more services on internet are going to drive the internet penetration at an amazing rate. In addition to this, availability of internet through mobile phones is going to increase the numbers of internet users significantly. Increase in availability of content in regional languages is another aspect that will drive the penetration level. To expect a 130-150 million internet users with around 100 million active users by 2015 would be a conservative estimate.
2. **Easy payment:**

One of the major roadblocks to growth of e-shopping is the payment mechanism. First, the credit card penetration is low. Second, apprehensions about security are high. Both of these can be adequately solved in coming years with emergence of mobile phone as a credit card. ICICI Bank has already testing a similar concept. The day may not be far when to pay through a mobile phone, you will just have to punch a few numbers and send a SMS. Better still, soon you may find mobile phones capable of scanning the bar code of your bill and transmitting the data to your bank for clearing payment.

3. **Always-on mobile connectivity:**

Majority of internet connections as of now are not wireless resulting in making them immobile. With increased use of wireless connectivity in coming years through presence of wi-fi in offices, airports, cafés, even entire city turning wi-fi, and access to anywhere-anytime internet through mobile phones, internet is bound to become quite mobile. So for accessing internet you may not have to visit your office or home. You might need just your mobile phone or just your laptop connected to the wi-fi surrounding you. This, in all probability, will make time and location irrelevant.

4. **World class back end operations:**

Current macro level supply chain in India is full of process inefficiencies resulting in massive economic waste. Organized retail is primarily driven by highly efficient backend operations and logistics.
Heavy investments by players in organized retail in streamlining backend operations and bringing in process efficiencies will nevertheless enhance macro level supply chain and backend operations. But the real beneficiary of all these may not be organized retail but e-tail. It may be similar to the case of the internet bubble burst of 2001 – companies that invested heavily in under-sea cables going bankrupt and new companies buying these under-sea cable infrastructures at a cheap rate to make world flat in next 4 years! This irony may get repeated in e-tailing as well – backend infrastructure built by brick and mortar retail chains and benefits of these accruing to e-tailing companies. It is a possibility!

5. **Speed of delivery:**

Way back in 1998, when E-Commerce just started in India, the delivery time was routinely around 25-30 days depending on the item bought. In 2006, this delivery time has shrunk to around 2-3 days. And my guess is that by 2015, the delivery time may further shrink to 2-3 hours with increased focus on streamlining backend operations, better technology, enhancement of process efficiencies, and better partnership with suppliers and logistics agencies. The day this 2-3 hours delivery target is achieved, that day would be the day of reckoning for E-Shopping in India.

6. **One stop E-Shop:**

One of shopper’s delights is the availability of various products and services under one umbrella. Retail chains have in past flourished
by offering a number of products and services under one roof. The success of Walmart may not only be in the “everyday low prices”, equally likely is the “everything is here” factor. But still, the retail chains due to their physical nature have some constraints on making everything available under one roof. The virtual world is different. Here you don’t need to own everything at a place physically. Here you have to claim virtually that you deal in everything but you need not have possession of everything. It’s all about backend operations – hubs, suppliers, logistics. So with the paucity of time griping the consumers more acutely in near future and forcing her to find avenues to buy maximum of her needs at one place at her own convenience, e-tailing may be the ultimate winner.

8. Role of E-Mail on business Environment:

Business E-Mails can be a good choice for both large and small companies - most companies already have a profile on the internet, but especially smaller companies are struggling to get visitors, and have serious problems reaching people interested in their field of business. Start a E-Mail and use various ping services to reach out to millions of readers all over the world!

9. You know your field of business the best:

To run a company you will have to know what you’re doing - you know your field of business, maybe even be a “guru” on the topic - why wouldn’t you share your knowledge? Why wouldn’t you also be known as the “guru”?
* **Reach more people:**

You might already have a news-section on your website, but who is reading it, besides your existing customers? With a E-Mail it is easier to reach new readers!

* **Let your employees compete**

Give each employee a user on the E-Mail, and let them E-Mail about your companies business field too. While they compete on getting most comments, they write better and better content, in your companies best interest.

* **Learn while doing:**

Along with the competing employees, let them read each others E-Mail posts, and let them share their tips and tricks - it’s one of the best ways to share inspiration sources, ideas and knowledge. Also, when you write a post, some research might be needed, a research your employee wouldn’t do, if he wasn’t to write a E-Mail post.

* **Coverage:**

Use the E-Mail as a tool of communication, not only to your existing customers, but also the rest of the world. Use the E-Mail to give small hints about new products, create a hype, start rumours etc. Make the press interested! More and more E-Mails are being quoted in newspapers and magazines - E-Mails are being more accepted as a way of communicating, than they ever have before.
* Will the idea work?

Are you planning on making your product range bigger or change it's direction? E-Mail about it, and wait for people to join the debate - will your plans hold?

* Customer relationship:

When you get a new customer you always want to do your best to keep that customer - get a “personal relationship”. A E-Mail is the perfect choice for interacting with existing and new customers, let them join the debate and give their say about your current product range - what's good and what's bad.

* Get the best employees:

If your E-Mail will be one of the heavy boys on the internet, within your field of business, you will experience that more people, and often more qualified people, will request a job in your company. It’s “human nature” - people always want to play with the heavy boys.

* Host your E-Mail on your main website:

You probably already have a E-Mail on company.com - let the E-Mail be company.com/E-Mail. The more people that reads your E-Mail and starts linking to it, the better search engine placements you will get. Not only for your E-Mail, but also for your main website.

* Google loves E-Mailgers:

It's well known that Google loves E-Mails - E-Mails won't need to be many days old before they are indexed, and often their search engine placements increase rapidly. Also many guides for search engine optimisation is written for specific E-Mail software - use it!
9. **It (Www) Vs E-commerce:**

A number of markets are sprouting in the Business-to-consumer category. Such markets include shopping malls, single-vendor retail stores and electronic software delivery. Each has different technical needs. For example, a shopping mall sells a multitude of vendors' products and may need to track payments made to various vendors and transactions performed by consumers. A software distribution site offers download capabilities, user registration capabilities, mirrored servers that provide the software, and some form of technical support.

10. **Future Scope:**

The future scope is bright and wide. The day is not far away when the magical World of internet will capture the whole world. There is a great anxiety among people to know the magic of internet and internet is being used in various fields. Education, recreation, occupation, medicine, finding employment, getting touch with latest national and international views.

E-Commerce has great need in the business area in the present age E-Commerce is the means of development. E-Commerce possesses broad and wide scope in itself. By merely business we can change our style of living and also life. Everybody knows well the importance of E-Commerce and its uses.