Chapter 2

E-BUSINESS

1. Introduction of E-Business
2. Objectives of E-Business
3. Scope of E-Business in business
4. Methods of E-Business
5. Importance of E-Business
6. Function E-Business
7. Role of MTNL, ESCOM, AIRTEL, SATYAM Internet Services in E-Business
8. Critical appraisal of its working
E-BUSINESS

1. Introduction of E-Business:

The term “E-Business” was coined by Lou Gerstner, CEO of IBM. Electronic Business methods enable companies to link their internal and external data processing systems more efficiently and flexibly, to work more closely with suppliers and partners, and to better satisfy the needs and expectations of their customers. Electronic Business, or “E-Business”, may be defined broadly as any business process that relies on an automated information system. Which is being done with Web-based technologies. E-Business involves business processes spanning the entire value chain electronic purchasing and supply chain management, processing orders electronically, handling customer service, and co-operating with business partners. Special technical standards for E-Business facilitate the exchange of data between companies. E-Business software solutions allow the integration of intra and inter firm business processes. E-Business can be conducted using the Web, the Internet, Intranets, Extranets, or some combination of these.

E-business is more than just having a web presence to facilitate buying and selling. Frank Jones, VP of IBM Corporation, provides this definition: “E-Business is exploiting the combined power of the internet and information technology to fundamentally transform key business strategies and processes”. E-Business is a complex subject, but can simply be defined as transacting business electronically.
These transactions typically occur in three modes: between the company and its buyers, between the company and the vendors it buys from, or transactions entirely internal to the company. Within these three modes, transactions occur in front office business functions such as marketing, sales, and customer service activities or, they can occur in back office business functions such as human resources, finance, engineering, manufacturing, inventory, and supply chain activities. Internal transactions facilitate the flow of information and data throughout the company by connecting departments and functions, which is called E-Business integration. An increasingly important fourth mode of E-Business transaction is between the company and the various levels of government. These transactions can be filing of tax or informational returns, distribution of notices, procurement activities, and requests for quotation.

E-Business terminology creates confusion for everyone, because it advances and evolves very quickly with new technology. How many of us know and recognize terms like b2b, b2c, m2b, b2g, g2b, g2c, wap, xtm1, crm, cro, asp, and disintermediation? To eliminate this frustration, the tool of online technology diction can be used as a tool. Several examples are incorporated in www.webopedia.com and www.techweb.com. However, these notations are commonly used as given

2. Objective of E-Business:

The goal of E-Business is to digitize transactions, which
are simply defined as exchanges of information. The number of
opportunities is limited only by one's creativity, cost, and good
business sense. The best advice is to determine the best opportunities
for payback and address them first. It is essential to make sure
whether the benefit will pay back or exceed the cost. The following is
a summarized list of functions and activities where E-Business
applications are becoming embedded into the typical business model.
A business where each of these business activities is completely
integrated with the others is very important. In order to form a
completely integrated E-Business, visualization of. In this context
following points are to be given consideration:

* After sales service; i.e. billing, demand planning, engineering,
  inventory planning, purchasing, receivables
* Business analytics; i.e. financial performance, marketing,
  workforce, production, enterprise management
* Consultant management
* Customer relationship management; i.e. account management,
  customer self-service, contact management and
  communications, promotions, surveys, quality, help desk, field
  service
* E-Procurement
* E-Store/-Exchange/product catalog; i.e. delivering b2b and b2c
  in E-Commerce,
* Finance; i.e. asset management, accounting, budgets, invoicing, payables and receivables, investments, government tax returns and payments, payroll administration.
* Grant and donation management.
* Human Resources Management; i.e. resource planning, benefits administration, reward programs, recruiting and hiring, workforce management, pension administration.
* Investor relations.
* Marketing and sales activities; i.e. products, technical information, sales support, product life cycle management, corporate resume, portfolio, customer lists, customer service
* Materials management
* Order management and customer fulfillment
* Project management
* Public relations.
* Strategic Partner collaboration
* E-product management, E-Supplier collaboration, inventory planning, order scheduling, production planning.

3. **Scope of E-Business in Business:**

E-business has a vast scope and can be of use in several context/ways.

**E-Business can be available to different kind of users:**

This may include all users of the internet, only the employees on the intranet. A specified targeted group of users of an extranet (like customers, partners etc.).
**Web Site Navigation Analysis:**

This analysis allows site managers to analyze visitor behavior in a multitude of ways.

**Conversion Funnels:**

This help to define and measure the effectiveness of any custom-defined process, such as the checkout process. Pinpoint and optimize areas with high drop-off or abandonment rates.

**Affinity Reporting:**

Affinity reports provide an easy way to understand trends and patterns among pages and site content areas. The page-affinity report, for example, reveals the pages that are viewed by the same visitors. It can even be used to detect the products that are often viewed by the same people.

**Event Sequence:**

Conduct advanced queries on navigational path data. Search criteria include page sequences, entry and exit points, and the referral source of the traffic. This functionality is used to assess site navigation scenarios.

**Robust E-Commerce Analysis:**

Robust E-Commerce Analysis provides powerful, real-time E-Commerce reporting to help E-Commerce managers improve merchandising and increase sales.
Merchandising:

Get detailed reports on the effectiveness of merchandising, including product conversions within all stages of the shopping process, product cross-sell opportunities, and merchandising analysis by category, brand, color and size. This helps to increase promotional expenditures on products with high conversion rates and identify which products best respond to various types of promotions.

Customer Lifetime Value:

Get the lifetime value of customers based upon their acquisition source, and increase our expenditures on sources that generate the best customers over lifetime.

Unique Customer Identifier:

Extract the unique customer IDs associated with any report or segment of customers and follow up with targeted marketing campaigns to further increase retention.

Powerful Campaign Analytics:

Track the performance of all your online marketing initiatives, including pay-per-click keyword buys, banner advertisement, E-Mails and affiliate programs. Campaign auto-sensing functionality enables one to measure all your marketing campaigns with little maintenance. One can also use a variety of cost models, such as cost-per-click and cost-per-acquisition, depending on the campaign.
Active Viewing Browser Plug-in:

This intuitive visualization feature enables to overlay key visitor and customer statistics right on top of ones Web site. This Microsoft Internet Explorer plug-in gives a unique perspective on how visitors interact with the design of the site. It provides detailed visual information on the performance of our pages, individual links, site forms and flash movies so that we can optimize our Web site towards the final goal of visitor conversion.

Internal Search Tracking:

Discover the most common internal search terms, including their effectiveness at converting visitors into buyers. FinE-tune our messaging, merchandising and promotions to better address our visitors’ needs, while increasing site conversion by understanding what our visitors are looking for.

Detailed Content Analysis:

Understand how visitors navigate through the site content, what pages they view most frequently, and much more. Web Site Story’s allows us to analyze your site content in a logical, hierarchical fashion that closely matches our business organization. For example, a sports site may wish to analyze their content based on different sporting activities.

Detailed Visitor Information:

访客 Examples include their geographic location, languages, site behavior and much more. Use this information to tailor in our site content to site visitors and increase conversion.
Active Segmentation:

The Active Segmentation module lets one combine any number of visitor session characteristics in order to create segments on the fly, directly from the user interface. A full reporting suite will then be provided by segment in order to help us increase site conversion. For example, one can create a segment of Japanese visitors who browsed a product but did not complete the session transaction. Members of segments that have been identified can then be targeted for direct one-to-one marketing, resulting in immediate return on our investment.

Cross-Channel Integration:

Cross-channel integration correlates. Web site behavior with offline sales conversions. Through technology integration with salesforce.com, you can close the loop between online promotions and sales conversions. For example, one can assess the quality of his leads generated from his keyword or E-Mail campaigns in order to better allocate on the online marketing budget.

Executive Dashboard:

Executive Dashboard provides the ability to include Key Performance Indicators (KPIs) within its interactive dashboards, providing users with the intelligence they need to make educated decisions that significantly impact the success of their site. Examples of KPIs include conversion rate, leads or transactions generated, shopping cart conversion rates and more.
Powerful Custom Reports:

The intuitive Report Builder. Plug-in allows me to easily import any statistic directly into Microsoft Excel. Use Report Builder’s robust capabilities to create custom reports that are relevant to in our business.

Legal Issues-Indian Scenario:

The most critical concern of the secure E-Business community is the need to control liability exposure and the assurance of enforceability of digital transactions. Important guidance is needed to assist parties engaged in E-Business to identify, design, and institute the business controls that would protect their interests and facilitate electronic trading. E-business is an ever-changing field, so it demands continuous oversight and proactive, creative innovation. Present government’s agenda is to transform India into global IT super power and to achieve this goal lots of work needed to be done. A combination of certain tools, including agreements, legal and business practices and policies, security technologies, along with support for and refinement of these tools through legal reform, is essential to the success of Electronic Business. The past decade has witnessed great progress in developing the legal and security infrastructure necessary for conducting secure E-Business. Careful planning and rigorous attention to these issues will contribute to a viable Electronic Business environment in the future. Security of electronic messages and records are not only a business requirement,
but also a legal necessity. The application of information security
technologies, combined with an ever-increasing commitment to legal
and business reforms, will result in increasingly more sophisticated
and comprehensive legal and business practices and, ultimately in
greater efficiency and benefit from electronic business.

Types of E-Business Application:

Electronic Business is any information system or
application that empowers business processes. Today this is mostly
done with web technologies.

E-Business includes:

Applications can be divided into three categories:

1) Internal business systems:

Customer relationship management is Enterprise resource
planning Employee information portals Knowledge management,
Workflow management, Document management systems. Human
resource management Process control Internal transaction processing

2) Enterprise communication and collaboration:

E-Mail Voice mail Discussion forums Chat systems
Collaborative work systems

3) Electronic commerce:

(Business-to-Business Electronic Commerce or Business-
to-consumer electronic commerce) Electronic funds transfer Supply
chain management E-marketing Online transaction processing.
4. (A) Methods of E-Business:

Organizations go online, they have to design which E-Business methods suit their business goals. Business method is defended as the organization of product, service and information flows, and the sources of revenues and benefits for suppliers and customers. The concept of E-Business Method is the same but used in the on-line presence. Currently, the most adopted E-business methods are as follows

* E-shops: Online shopping is the process consumers go through to purchase products or services over the Internet. An online shop, E-shop, internet shop, web shop or online store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping mall. It is an electronic commerce application used for Business-to-Business Electronic Commerce (B2B) or Business-to-consumer Electronic Commerce (B2C). Online shopping is popular mainly because of its speed and ease of use. Some issues of concern can include fluctuating exchange rates for foreign currencies, local and international laws and delivery methods.

* E-procurement: (Electronic Procurement) is the Business-to-Business purchase and sale of supplies and services through the Internet as well as other information and networking systems, such as Electronic Data Interchange (EDI) and Enterprise Resource Planning (ERP). An important part of many B2B sites, E-procurement is also sometimes referred to by other terms, such as supplier exchange.
Typically, E-Procurement Web sites allow qualified and registered users to look for buyers or sellers of goods and services. Depending on the approach, buyers or sellers may specify prices or invite bids. Transactions can be initiated and completed. Ongoing purchases may qualify customers for volume discounts or special offers. E-procurement software may make it possible to automate some buying and selling. Companies participating expected to be able to control parts inventories more effectively, reduce purchasing agent overhead, and improve manufacturing cycles. E-procurement is expected to be integrated with the trend toward computerized supply chain management.

There are six main types of E-Procurement:
* **Web-based ERP (Electronic Resource Planning):** Creating and approving purchasing requisitions, placing purchase orders and receiving goods and services by using a software system based on Internet technology.
* **E-MRO (Maintenance, Repair and Operating):** The same as web-based ERP except that the goods and services ordered are non-product related MRO supplies.
* **E-Sourcing:** Identifying new suppliers for a specific category of purchasing requirements using Internet technology.
* **E-Tendering:** Sending requests for information and prices to suppliers and receiving the responses of suppliers using Internet technology.
* **E-Reverse Auctioning**: Using Internet technology to buy goods and services from a number of known or unknown suppliers.

* **E-Informing**: Gathering and distributing purchasing information both from and to internal and external parties using Internet technology.

**Vocabulary for E-Procurement:**

* **RFI**: Request For Information.
* **RFP**: Request For Proposal.
* **RFQ**: Request For Quotation.
* **RFx**: The above three together.
* **eRFx**: Software For managing RFx projects.

**Virtual Communities**: A virtual community or online community is a group of people that may or may not primarily or initially communicate or interact via the Internet. Online communities have also become a supplemental form of communication between people who know each other in real life. The dawn of the “information age” found groups communicating electronically rather than face to face. A “Computer-Mediated Community” (CMC) uses social software to regulate the activities of participants. An online community such as one responsible for collaboratively producing open source software is sometimes called a development community. Significant socio-technical change has resulted from the proliferation of Internet-based social networks.
* **Collaboration Platforms:** An emerging category of computer software, **collaboration platforms** are unified electronic platforms that support synchronous and asynchronous communication through a variety of devices and channels. Collaboration platforms offer a set of software components and software services that enable individuals to find each other and the information they need and to be able to communicate and work together to achieve common business goals. The core elements of a collaboration platform today are messaging (email, calendaring, and contacts), team collaboration, and real-time collaboration (e.g., instant messaging and Web conferencing). Additional features will become standard in collaboration platforms during the next 12 to 18 months, like blog and wiki tools. Vendors that offer collaboration platforms include Advancing Insights (enterprise social software) IBM (Lotus Notes/Domino, Quick Place, Same time, and Workplace Collaboration Services), Microsoft (Outlook/Exchange, Share Point, Groove, Live Meeting, and Live Communications Server), Novell (GroupWise), Oracle (Oracle Collaboration Suite), and Sun Microsystems (Sun Java Enterprise System).

* **Value-Chain Service Providers:** The **virtual value chain**, created by John Sviokla and Jeffery Rayport, is a business model for the information services industry. This value chain begins with the content supplied by the provider, which is then distributed and supported by the information infrastructure, and then the context
provider supplies actual customer interaction. It differs from the physical value chain of manufacturing/sales of traditional companies. To illustrate the distinction between the two value chains consider the following: "when consumers use answering machines to leave a message, they are using an object that is both made and sold in the physical world, however when they buy electronic answering services from the phone company they are using the marketspace—a virtual realm where products and services are digital information and are delivered through information-based channels." (Rayport et al., 1996). There are many businesses that employ both value chains including banks which provide services to customers in the physical world at their branch offices and virtually online. The value chain is separated into two separate chains because both the marketplace (physical) and the market space (virtual) need to be managed in different ways to be effective and efficient (Samuelson 1981).

Value chains are also used to represent the components, or value activities, of any transaction that starts with a product or service and end with a customer. Because the growth of Internet access is redefining relationships among manufactures, suppliers, distributors, and customers, many companies are rethinking their
traditional value chains. Increasingly, a company’s value chains can be seen as value networks of multiple relationships needed to produce and sell their products and services. The process of rethinking and redefining value chains is enabling companies to develop new ways of conducting business in the new economy.

Figure: Value Network

Importance methods in use are given in the table

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C</td>
<td>Business-to-Consumer: Sells products or services directly to consumers.</td>
</tr>
<tr>
<td>B2B</td>
<td>Business-to-Business: Sells products or services to other businesses or brings multiply buyers and sellers together in a central market place.</td>
</tr>
<tr>
<td>B2G</td>
<td>Business-to-Government: Businesses selling to local, state, and federal agencies.</td>
</tr>
<tr>
<td>C2C</td>
<td>Consumer-to-Consumer: Consumer sells directly to other Consumers.</td>
</tr>
<tr>
<td>C2B</td>
<td>Consumer-to-Business: Consumer name own price, which businesses accept or decline.</td>
</tr>
</tbody>
</table>
(B) Method of E-Business

Data Mining Methods for E-Business abstract:

The research project is focused on the study the development and the implementation of the most appropriate data mining methodologies. E-Business application the main emphasis of the arising from man research will be on the methodological and the applied aspects involved in the analysis of data arising from main internet interactions (web-mining).

The methodological research of the group will be carried out by other interdisiplinary team, as is typical of the research in very recent areas such as data mining and web mining. The applied research will mainly involve there E-Business application. The design of the architecture and of the contents of E-Learning web-sites. The application of web-mining to customer relationship management and the evaluation of public services using Information Technology Tools (E-government). The research groups that participate in the project are well known at the national and international level for vertical competeneces on some of the six research areas of the project. Our aim is therefore to network such competeneces in an horizontal way, so to have cross fertilisation of research competeneces and achievement.

The main motivation of the research project is to build a complete research network. On the theme of web mining at the italian level.
At the international level, our reference model is the ACM (Association for Computing Machinery) research group on knowledge discovery in.

I. Principal investigator.

II. Research Objectives.

The aims of the proposed research can be grouped into six main areas, with many common aspects, such as the common need of developing adequate data mining tools.

The first research objective concerns the development of data mining methods for web usage mining. We intend to compare and develop association models to individuate the most likely navigation paths. In the current data mining literature, such methods mainly refer to association and sequence rules, and variants thereof. Such rules, although easy to interpret and implement (for instance, in the apriorialgorithm) are calculated locally, that is marginally, without taking into account multi variate dependenness between the variables in the database. Besides, there rules do not consider inferential aspects. The aim of the research will be the comparison (in terms of computational and statistical efficiency) between local association rules and global model, multivariate and endowed with a probability model, allowing an inferential analysis. The latter will be developed starting from statistical model known in the literature, such as graphical model bayesian network and markovchains. A further objective of the research will be the development of bayesian model for web usage
mining, and of markouchain monte Carto algorithm (MCMC) necessary to draw inferences such as model scores and model estimates.

The second objective of the research addresses issues of information.

II. First results.

III. Construction of statistical models for web usage mining with the data mining process. Stanolards available in the Literature as well in the base international practices.

I. Time-scale.

II. 24 months

III. National and international background.

The first research objective will concern the development of data mining methodologies for web usage mining. In this context, a very important open problem is the determination of the association structure - present among the many variables in the data base (logfile).

The available Literature on the Topic is mainly focused on association and sequence rules proposed by Agrawal et.al.(1995) with the corresponding search algorithm, the so called apriori-algorithm for a detailed review, see the monographs by baldi, Frasconi and Smyth (2003), Chakrabarti (2003), Kambar (2001), Land and Smyth (2001).

The recent activity of some researchers in the group has recently turned to the development of statistical models to detect, associations in large data bases. Such models have been based on
multivariate statistical models (graphical models expert systems and markov chains) and or on bayesian modelling aided by markov chain monte carlo methods for the approximation of the required inferences.

The most relevant results in this context have been obtained in Giudici 2001, 2003, Giudici and Green 1999, Gaudici and Castelo brokers, Giudici and Roverts. The suggested methods have been applied to risk management (Giudici 2001 and Giudici and Cornalba 2004) web usage mining (Castelo and Giudici 2001 and 2002) and market basket analysis (Castelo and Giudici 2001). The above results have been.

5. Importance of E-Business:

In order compete in the modern marketplace every business must take advantage of the possibilities available through the Internet. A professional designed website demonstrates a real commitment to delivering newer, faster and easier ways for customers to do business with you. In addition it is a more cost effective way of communicating with the global community. Establishing an online presence can appear expensive, but the potential cost savings and opportunities provide the opportunity to revise the way you do business.

Some potential benefits are:

**Increased Sales:**

* A website can be accessed 24 hours a day, 7 days a week
* Transactions and communications can be completed online
* Provide product details and
* Electronic marketing and advertising.

**Reduced Costs**
* Introduce online transactions
* Automate customer service
* Produce online publications and
* Market electronically.

**Enhanced Customer service**
* Allow customers to see order detail.
* Provide after-sales information.
* Provide accounts data online.

**Maximise marketing effectiveness**
* RE-enforce the brand.
* Produce an online company brochure.
* Publish an online company newsletter.
* Publish case studies and testimonials and
* Publish industry articles.

**Improve trading relationships**
* Put inventory online.
* Manage remote manufacturing online.
* Develop an online distribution process and
* Introduce electronic procurement.

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Improve communication
* Provide electronic messaging.
* Provide internal access to the Internet and
* Provide online quality and training systems.

6. Functions of E-Business:
The importance ways the E-business function are as follows-

1. Accounts/Billing

Accounts and billing information can be made available over the internet to customers and suppliers and orders and payments generated electronically. Financial processes become more streamlined; small business processing can be centralized and simplified. Paper processing will be reduced and in some cases eliminated.

2- Inventory Control:

Systems can be open ended so that both the supply and demand ends of the supply chain have a clear view of data. Information flows more freely, and collaborative forecasting supports automatic replenishment processes.

3- Procurement:

There are two views - E-procurement, a web-based system for internal purchasing and procurement and I-Procurement, a web-based system connected to the outside systems of vendors to automate procurement and payment. Processes are streamlined, the business has greater control over what it is purchasing and when and

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excess administration is eliminated. Bulk buying may also be made easier through E-Procurement systems.

4- HR (Human Resources):

Intranets will give people access to staff information and web-enabled HR applications reduce the amount of paperwork previously required to complete HR functions like reimbursements, expense account claims and travel validation processes can be automated and staff frustrations can be reduced.

5- MARKETING:

Marketing departments can be linked to the web-enabled systems of sales and supply areas, and with the systems of major partners and vendors. E-Business systems can link with those of mail houses and call centers so that when a call is received, interlinked information is sent out to the customer automatically, and notification fed back to the marketing department.

6- CRM (Customer Relationship Management):

Customers will provide and keep updated their own information if there is an E-Business mechanism - like a website - that acts as an entry point for that information. This is a significant advantage as many CRM systems fail to deliver due to the overheads required keeping the information in them up to date.
7. Role of MTNL, ESCOM, AIRTEL, SATYAM Internet Service in E-Business:

MTNL:

Vision for To-morrow:

1. Become a total solution provider company and to provide world class telecom services at affordable prices.
2. Become a global telecom company and to find a place in the fortune 500 companies.
3. Venture into other areas in India and abroad on the strength of our core competency.

MTNL provides - Internet Services:

1. Internet for all.
2. Global roaming.
3. Virtual Private Network.
4. Premium Internet Service.
5. E-Commerce enabling Services by setting up to payment Gateway and Certification Gateway.
6. Unified messaging.

Mobile Internet Service:

1. Internet Services via Mobile Phone with upto 4 mb bandwidth.
2. E-Commerce.
5. Value added services on GPRS and CDMA.
6. WI-FI.
IP based Voice Services:

IP Services in PSTN:
1. Call Waiting Internet Busy.
2. Call Competition Internet Busy.
   International Gateway Leasing Services.
   Internet Exchange Connectivity Services.
   Expansion of Managed Leased Line data Services.

ATM Services:
1. LAN Emulation.
2. ATM Bearer Service.
3. High Speed Video Conferencing.
4. Distance Learning and Telemedicine.
5. Bandwidth on demand.
6. Video on demand.

Customer Care Services:
1. New Telephone registration bill payment and other registration through internet retail outlets.
2. Smart card for payment.
3. Mediation Billing Customer Care in GSM Mobile.
4. Data Ware Housing.
5. Voice Mail Service.
6. Call Center.
7. Complaints enquiries through SMS.
ESCOM:
1. To use Internet Services.
2. To use Mobile Network Internet Services.
3. High Speed Motor Vehicles used.
4. To use Different Customer care Services.

AIRTEL:

Airtel's share holding partners are UK's Vodafone. Vodafone, the world's biggest mobile services operator and Singapore Telecom (Sing Tel) one of the world's top mobile service providers in the APAC. Airtel's services in the field of mobile has marketing place.

Airtel's aim is mentioned in the following lines -
"To provide more facilities to the customers by the mobile services at the lowest rate in favour of poor people." The activities in the field of mobile services are admirable and regardable.

In the field of business Airtel is minute looking. The company is fully aware and knows well the performances. In the present era commerce or Trade or business is the soul. Airtel role, in this connection, is praise worthy. For Airtel's remote management has keen-eye in the business activities for the fulfilment.

Carrier Services of Airtel:
1. Domestic Data.
2. Domestic Voice.
3. International Data.

Related Links:
1. Our Networks.
2. Technology Partners.
4. Partnering with us.
5. For enquiries.
6. Airtel advantage.

SATYAM:

Satyam's need driven deployment of domain and technology expertise brings to customers a range of solutions and products that enhance performance and competitiveness.

1. World Class Processes (SEICMM Level 5, ISO9001, 2000ESCM)
2. Global Presence (Operations in 55 countries across 6 continents)
3. Long Lasting Customer Relationships (Nearly 80% of repeat business)
4. Flexible engagement models (Right sourcing delivery model IDC's, GDC'S JUS)
5. Evolved Competency and Solution - based Services.
7. Experience in Serving Top-notch customers that include four of top 10 Fortune 500 Corporations.
8. Strong Domain knowledge.
9. Highly qualified 11 professionals.
10. State-of-the-art Infrastructure.
11. Offshore advantage.

9 (A) Critical appraisal of its working:

E-Business has opened doors of convenience, time-saving and effective merchandising and the sellers are finding tremendous advantages in doing E-business. They can increase sales and operations from local to worldwide, improve internal efficiency and productivity, enhance customer service, and increase communication with both suppliers and customers. Buyers are also enjoying greater access to market.

### E-Business Advantages

<table>
<thead>
<tr>
<th><strong>Sellers</strong></th>
<th><strong>Buyers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased sales opportunities.</td>
<td>Wider product availability.</td>
</tr>
<tr>
<td>Decreased transactions costs.</td>
<td>Customized and personalized information and buying options.</td>
</tr>
<tr>
<td>Operate 24 hours a day, 7 days a week from one virtual marketplace.</td>
<td>Shop 24 hours a day, 7 days a week.</td>
</tr>
<tr>
<td>Reach narrow market segments that may be widely distributed geographically.</td>
<td>Easy comparison shopping and one-stop shopping for business buyers.</td>
</tr>
<tr>
<td>Access to global markets.</td>
<td>Access to global markets.</td>
</tr>
<tr>
<td>Increased speed and accuracy of information exchange.</td>
<td>Quick delivery of digital products; quicker delivery of information.</td>
</tr>
<tr>
<td>Bring multiply buyers and sellers together in one virtual marketplace.</td>
<td>Participate in auctions, reverse auctions, knowledge exchanges.</td>
</tr>
</tbody>
</table>

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However, there are some disadvantages for both buyers and sellers in the new economy. These limitations are given below in the table:

**E-Business Disadvantages**

<table>
<thead>
<tr>
<th>Sellers</th>
<th>Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Rapidly changing technology.</td>
<td>➢ Concern over transaction security and privacy.</td>
</tr>
<tr>
<td>➢ Insufficient telecommunication capacity or bandwidth.</td>
<td>➢ Lack of trust when dealing with unfamiliar sellers.</td>
</tr>
<tr>
<td>➢ Difficulty integrating existing systems with E-business software.</td>
<td>➢ Desire to touch and feel products before purchase.</td>
</tr>
<tr>
<td>➢ Problems maintaining system security and reliability.</td>
<td>➢ Resistance to unfamiliar buying processes, paperless transactions and electronic money.</td>
</tr>
<tr>
<td>➢ Global market issues: language, political environment, currency conversions.</td>
<td></td>
</tr>
<tr>
<td>➢ Conflicted legal environment.</td>
<td></td>
</tr>
<tr>
<td>➢ Shortage of skilled technical employees.</td>
<td></td>
</tr>
</tbody>
</table>

**Difficulties:**

**Risk Management Issues:**

The adoption of E-Business process is not out of risks. Therefore an E-Business should manage its E-Business risks as a business issue, not just a technology issue. An E-Business must consider the direct financial impact of immediate loss of revenue, compensatory, payments, and future revenue loss from E-business risks such as:
Business interruptions caused by Web site defacement or denial of service attacks.

* Litigation and settlement costs over employees' inappropriate use of E-mail and the internet.

* Product or service claims against items advertised and sold via a Web site.

* Web-related copyright, trademark, and patent infringement lawsuits.

* Natural or weather-related disasters.

An E-Business should put in place an effective risk management program that includes:

* Network and Web-site security and intruder detection programs.

* Antivirus protection.

* Firewalls.

* Sound security policies and procedures.

* Employee education.

Another important component of a risk management program is the transfer of risk via insurance. Comparative analysis of the different kinds of insurance coverage an E-Business should be considered when developing an effective risk management program. It is a good idea for an E-Business management to consult with a commercial insurance broker that offers E-Risk management services, to help develop a risk management plan including insurance coverage.
Front–End E-Business Systems:

Front–End Systems are those processes with which a user interfaces, and over which a customer can exert some control. For an E-business, front-end systems are the Web site processes that customers use to view information and purchase products and services.

Back–End E-Business Systems:

Back–End Systems are those processes that are not directly accessed by customers. For an E-Business, as well as for traditional brick-end-mortar business, back-end systems include the Business’s ERP and CRM systems that handle the accounting and budgeting, manufacturing, marketing, inventory management, distribution, order-tracking, and customer support processes.

8. (B) Critical Appraisal Of Its Working:

Establishing a Centre:

It progress in E-Business is to be made, the next logical step is to devote a substantial amount of time to research. Therefore, we are in the process of establishing centre of excellence in electronic school of management at university Putra Malasiya. The centre is essential of the Malasiyan government, the business community, and society at large to harness the full potential of the emerging knowledge economy. The centre for electronic business will have the following strategic objectives.
The develop national excellence in E-Business and facilitate the development of the knowledge economy in Malaysia.

To enable Malaysia to position itself competitively in the emerging international knowledge economy through harnessing the full potential of E-Business.

to accelerate the development of strategic core competencies in E-Business.

To promote best practices in E-Business in public and private sector organization. The critical functions of the centre for electronic business at UPM are focused on several inter-linked riches for example, The centre is set up to act as a watch for the national E-Commerce master plan and the E-Economy blueprint.

Beyond these formal projects, center will also monitor. The progress of E-Business in general and make E-Policy recommendations to the Malaysian government, when firms become successful in E-Business, The center will provide a forum for dissemination of best practice and in that way show-case E-Business success stories in collaboration with industry.

Research in e-business:

Research will be an essential function of the centre for electronic business at UPM. The Long term research thrusts are the business economic social, cultural and technological implications of E-Business in the emerging knowledge economy.
The Target audiences are the Malasiyan government community interest groups and business particularly all business and the emerging group of cyberpreneurs. The outputs will be policy and strategy recommendations for industry. The centre is embarking on a major research program on-commerce to firm up the centre. Thoughts leader shop in the subject. The overall broad aim of this strategic program of research is.

The understand and assess the full potential of E-Business as a common platform for Malasiyan business and a springboard for the global marketplace, anticipate. Their various ramifications and recommend options for national and organizational strategies and programs for developing core competencies to exploit E-Commerce for interesting national competitive edge in the marketplace.

The research program will focus on the following:

1. The measurement of the current status of private and public sectors in Malasiyan E-Business.
2. Critical appraisal of existing and planned E-Commerce projects in the public and private sectors.
3. Identifying business areas as riches in which Malasiyan companies have national competitive advantages.
5. Potential impact on work culture processes and systems at organizational level strategies to address them, and
The centre for electronic business at UPM will conduct needed imperial research.

If you would like more information you may E-Mail meal-hanck Pcr Jaring my visit the UPM website at- http.www.upm.edu.my or write to meet Dr. Chun kwong Han, Director centre for electronic business, Malasiyan, graduate school of management, university Putra Malasiya.

**Importance of E-Business:**

E-Business is electronic business. The business may be small or big. This facility can be availed to collect maximum information available on internet. By participating in special mailing list and group discussions, the employes can get the latest information of their fields. Most of these are free of cost whereas the receipts of information from othr publication consume much time and money. Many business people demand for their commerce business, to know day to day activities of govt. contracts international developments and alike. The companies which utilize internet for business transaction save the expenses, increase profit and maintain cordial relations with customer. In comparison to companies personal. Trading is also benefited in a commercial manner to their recourses are limited.

In the present era E-Business has its own importance in the field of trade.

**There is a Lot More to E-business Than a Web-Site:**

Unfortunately, all too often companies think of their
corporate website and applications that communicate with customers and trading partners online as their E-Business strategy for the most part these sites are just extensions of their current model. The companies have given little or no thought to leveraging the internal to offer entirely new products and service, transfer process online or exploit new market. The website and the internal should be thought of as an enabling technology and not a strategy in and of itself.

The wave of the future:

The B2C bubble burst and now evidence seems to point to the fact that B2B has not taken off as earlier expected. But is this really a business failing of just a timing issue? Only the Truly have would fail to face upto the fact in the end most business transactions will be handled online. It is just a matter of when and how soon your business will get on board (or your competitions).

As more and more consumers begin and continue to buy online, it is evident that the problem have been with viable E-Business models not the concept. Selling products and services on line and foolish business models are to different issues and no reason to be lift behind as business begin to get it right.

The art of selling on the web:

Ten Marketing pitfalls:

If you want to make big internet marketing you need avoid some common mistakes. here's list of the Top ten pitfalls that catch out beginnerer marketers (and many established ones too).
Reasons your website might fail to attract enough customers:

Three simple steps you can avoid to get more people to find your web-site.

Back to the basis how to successfully start an online Business:

If you begin with a solid foundation you impress your chances of success with that in mind like to share some of those truths with you now in an effort to help you to get started on the right foot.

The art of Selling on the Web:

Selling on the web is as simple as leading your prospective customers through the following process:

Capture attention + gain trust + recommended + sell = Success.

Little Things that Mean a Lot:

I am looking for ways to be heard over the internet's noise and be remembered. Think subtle personal and realistic. It only takes small things. Things that impress big and cost little. These the things that count.

And the internet went Boom:

To be successful in the dot.com scheme. You must also add an equally important factor to right time, right place which is with the right tools and knowledge.
The importance of having your own domain name:

The article tells you why you need to have your own domain name in order to get right ranking is the search engines and to provide credibility with your customers.

Plan your website for profits:

Most business fail to plan online success knowing your purpose audience, and uniqueness are the first steps to developing a successful (Successful) website.

Does your small business really need a web-site:

Before you spend any money on a website ask your self these questions. The answer will help you understand first of you need a website and second, how a site can enhance your business.

Doing business on internet is called E-Commerce or trade. E-Searching about E-Banking, E-Searching about E-Banking, E-Shopping or any other service, etting at home or in office. All these activities are the parts of E-Commerce which commonly is known trading through electronics means.

Today E-Business has its own importance.

Marketing:

Marketing departs can be linked to the web enabled systems of sales and supply areas, and with the systems of major partners and vendors. E-business systems can link with those of mail houses and call centres so that when a call is received, interlinked information is sent out to the customer automatically, and notification fed back to the marketing department.
Inventory Control:

Systems can be open ended so that both the supply and demand ends of the supply chain have a clear view of data. Information flows more freely, and collaborative forecasting supports automatic replenishment process. More about supply chain management.

Procurement:

There are two views e-procurement, a web-based system for internal purchasing and procurement and i-procurement, a web-based system connected to the outside systems of vendors to automate procure and payment. Processes are streamlined the business has greater control over what it is purchasing and when and excess administration is eliminated bulk buying may also be made easier through e-procurement system.

HR:

Internets will give people access to staff information and web-enabled HR applications reduce the amount of paper work previously required to complete HR functions like reimbursement. Extensive account claims and travel validation processes can be automated staff frustrations can be reduced find out about e-recruitment here.

There are 6 key areas of business processes that organisation can look to e-enable in the coming months and years.

Accounts/Billing:

Financial processes become more streamlined, small
business processing can be centralised and simplified. Paper processing will be reduced and in some cases eliminated. Accounts and billing information can be made available over the internet to customers and suppliers and orders and payments generated electronically. More about ERP.