



Evolution of e-Business

Course prepared for:

6th topic: Evolution of e-Business

Pertemuan 11

Source:

- **TAWFIK JELASSI and ALBRECHT ENDERS, STRATEGIES for e-BUSINESS, Creating Value through Electronic and Mobile Commerce, *Concepts and Cases.*, 2004, Prentice Hall,**



Evolution of e-Business

Adapted from source: TAWFIK JELASSI and ALBRECHT ENDERS, STRATEGIES for e-BUSINESS, Creating Value through Electronic and Mobile Commerce, *Concepts and Cases*, 2004, Prentice Hall.

Business Model as Concept...

IS Vision

Adapted from source: TAWFIK JELASSI and ALBRECHT ENDERS, STRATEGIES for e-BUSINESS, Creating Value through Electronic and Mobile Commerce, *Concepts and Cases*, 2004, Prentice Hall,

e-Business: use of electronic means to conduct organization's business internally and/or externally (integrated between online & offline business activities).

Include (information sharing among employees, facilitate knowledge dissemination; support management reporting); ALSO (supporting aftersales service; collaborating with business partners; conducting joint research; developing a new product; formulating sales promotions);

Electronic Commerce or e-Commerce: subset of e-Business: facilitation of transactions and selling of products and service online (electronic trading of physical and digital goods ·

online marketing; online ordering; e-payment; online distribution;

Mobile e-Commerce: · e-Business (electronic Commerce (Mobile e-Commerce)).



Evolution of e-Business

Concept of STRATEGY ...

The Concept of STRATEGY

Strategy is concerned with long-term direction of the firm.

Strategy deals with the overall plan for deploying the resources that a firm possesses.

Strategy : to make trade-offs, to choose between different directions and different ways of developing resources.

Strategy is about achieving unique positioning vis-a-vis competitors.

The central goal of strategy is to achieve sustainable competitive advantage over rivals and thereby to ensure lasting profitability.

3 different levels of strategy.

Corporate-level strategy (deals with: "how to implement the business unit strategy with regards resources, processes and people (in e-business: optimal website design, HW & SW requirements, and the management of logistics process) include BPR and to all of concern with overall purpose and scope of the firm;

Business Level Strategy (BLS) concerns primarily with how to compete within individual market. BLS deals with issues such as industry analysis, market positioning and value creation for customers (also define desired scale and scope of operations).

Operational Strategy concerns to lead Function Area for each Business Unit within BLS in the corporation.

Corporate Strategy [and Business Level Strategy focus on Managing {Primary Focus Area of Cases on Corporation (and for each Business Unit A/B/C each leads on operational strategy on Function A/B/C).

Formulating Long-term strategy has become more difficult due to the continuously changing business environment



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Concept of STRATEGY ...

IS Vision

The Concept of VALUE CREATION

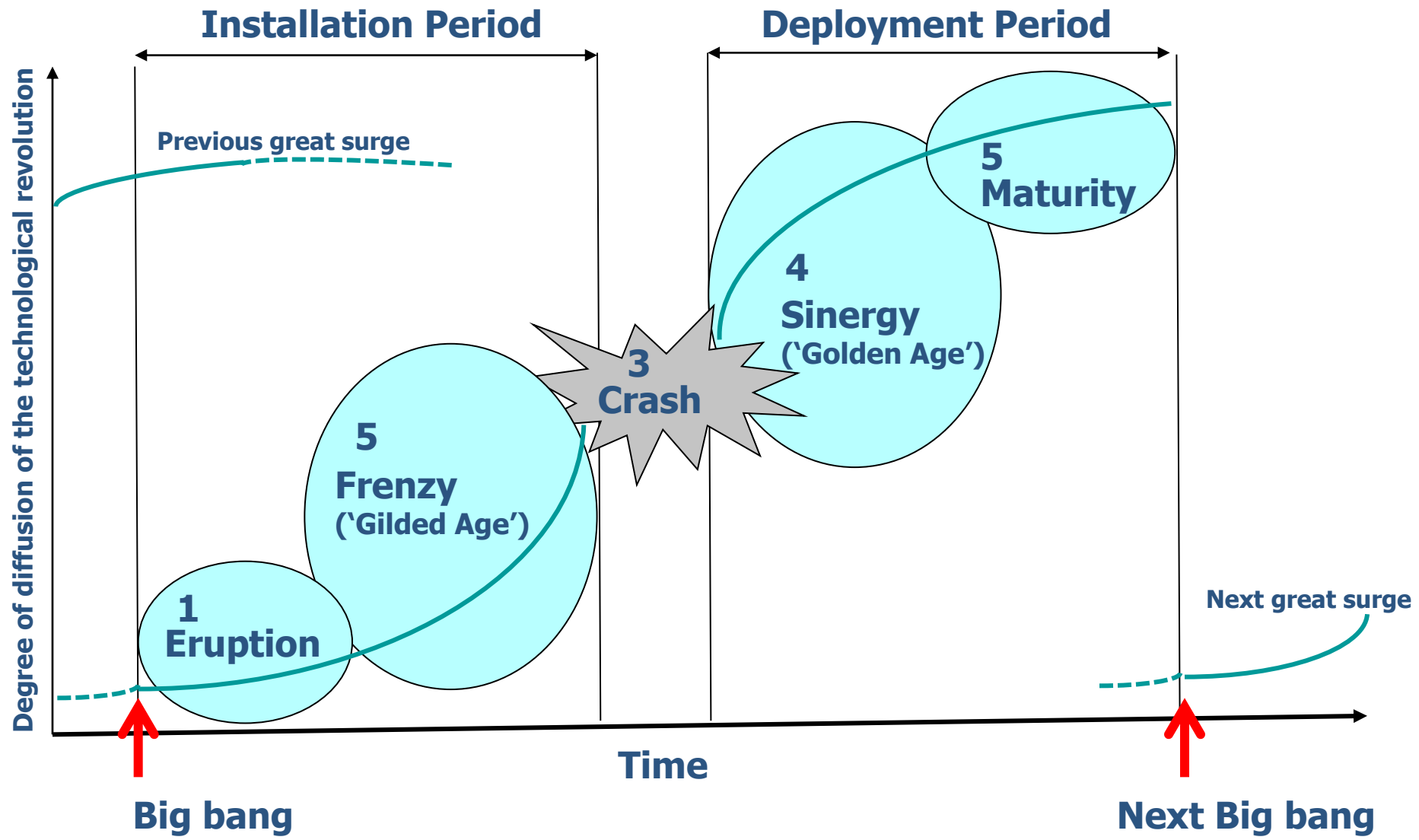
The ability of a firm to create value of its customers is a prerequisite condition for achieving sustainable profitability.

In the context of e-Business strategies, the concept of value creation deserves special attention because many Internet start-ups that ended up in bankruptcy at the end of the Internet boom years did not pay enough attention to this issue.

Nowadays, in a harder and more turbulent business environment, it is imperative that **strategies focus on what value to create and for whom.**

Evolution of (Technology) e-Business in simple word

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Carlota Perez () defines Technology revolutions in 2 consecutives periods:

1. Installation Periods: consists of an Irruption stage and Frenzy ('gilded age') stage.
 2. Deployment periods: consists of a synergy ('golden age') stage and a Maturity Stage.
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Irruption (1):

Irruption stage takes place right after a new technology introduced to the market. Revolutionary of a new technology called "Big Bang".

Frenzy (2):

Frenzy stage also called "gilded age" characterized by a sense of exploration and exuberance as "emterpreneurs, engineers and investors alike try to find the best opportunities created by technological bigbang irruption.

Crash (3).

The gilded age is followed by a crash, when the leading players in the economy realize that the excessive investments will never be able to fulfil the high expectations. As a result, investors lose confidence and pull their funds out of the new technology.

Synergy (4).

Following the crash, the time of quick and easy profits has passed.

Now, investors prefer to put their money into the 'real' economy, and the successful firms are not the nimble start-ups but instead established incumbents.

While, during the frenzy stage, there were many start-ups competing within an industry, the crash led to a shake-out where most of these ventures went out of business.

During the synergy stage, few large companies start to dominate the markets and leverage their financial strength to generate economies of scale and scope.

Now, the emphasis is no longer on technological innovation but instead on how to make technology easy to use, reliable, secure and cost-efficient.

In order for the synergy stage to take hold, governmental agencies need to introduce regulations to remedy the fallacies that caused the previous frenzy and the ensuing crash and, by doing so, to regain investors' confidence.

Maturity (5):

The maturity stage is characterized by market saturation and mature technologies.

Growth opportunities in new and untapped markets are becoming scarcer, and there are fewer innovations resulting from the new technology.

During this stage, companies concentrate on increasing efficiency and reducing costs, for instance through mergers and acquisitions. In today's mature automobile industry, for example, large global manufacturers such as Daimler Benz and Chrysler, and Renault and Nissan, have merged or established strategic partnerships in order to generate scale effects and expand market reach.

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Lakukan eksplorasi dan temukan peta evolusi dalam konsep & konteks eBusiness ??