

E-Business The Transition



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Overview



- Develop a plan
- Prepare users
- Migrate legacy systems
- Develop high profile targets of opportunity
 - E-procurement
 - Customer service
- Move to Enterprise Resource Planning
 - Selection
 - Implementation
- Move to E-business

Develop a Plan

- Develop a clear goal statement
 - Efficiency
 - New channels
 - Value chain – supply and demand
- Establish a strategy
 - Top down
 - Bottom up
 - Continuous improvement

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Questions to answer

- Customers
 - Who are they? – segmented analysis
 - How are their expectations changing?
- Technology
 - How can technology help me reach prime customers?
 - What technology changes are on the horizon?
- Competition
 - Who are my real competitors?
 - What are they doing with technology?
 - What business model are they using?

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Prepare Users

- First steps
 - Email and browser facility
 - Search engine and portals awareness
 - Certificates, signatures, and directories
- Skills in more advanced software
 - Mail, calendaring, and collaborative authoring
 - E-forms that target human time critical processes – HR, expense reports, etc.

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Prepare the Systems

- Expand online information sources. Target volatile materials and work to eliminate hard copy
 - Policy manuals
 - Procedure manuals
 - Benefits information
 - Sales Information
- Shadow selected data stores to the web
 - Catalog
 - Inventory
 - Production schedules

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First Steps – Pre ERP

- Become an active E-Buyer
 - Office supplies, furniture, computer equipment
 - Reduce order to delivery time
 - Reduce expensive inventories
 - Manage by exception
- Customer Relations Management(1)
 - General customer services -- information
 - Sales force access to selected information
 - Major customer access to selected information

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Goals of ERP Systems

- Replace old systems
- Gain greater control of systems
- Integrate global operations
- Improve strategic decision making
- Allow better customer management
- Allow better supply chain management

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Focus of ERP Systems

- Internal Focus
 - Manufacturing
 - Logistics
 - Financials
 - HR/Payroll
- External Focus
 - Supply Chain Planning
 - Supply Chain Execution
 - Demand Chain Planning
 - Demand Chain Execution

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ERP Installation Options

- ERP software can be purchased or built
- Most organizations choose Commercial Off The Shelf (COTS) systems because
 - It cheaper
 - Packages incorporate best industry practices
- ERP software can be deployed slowly or rapidly
 - Rapid deployment requires pre-simplification of business processes for success
 - Rapid deployment still requires planning and assessment

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Next Steps – Post ERP

- **Additional Process Reengineering**
 - Planning
 - Employee relations
 - Production
- **Supply Chain/Vendor Management**
 - Procurement
 - Production
- **Customer Relations Management(2)**
 - Competitive intelligence – news, services
 - Catalog and order management
 - Demand chain integration

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Transforming Steps

- **Reverse markets and auctions**
 - Customer driven processes
 - Data mining of transactions
- **E-Channels and E-Markets**
 - Bit oriented auxiliary businesses
 - Expanded consumer bases
- **Reengineer expensive mission critical processes**
 - Preparation of planning documents and reports
 - Collaboration and information sharing

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E-business Development Issues

- Performance, reliability, and scalability
- Software development/selection
- Security and standards

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Performance, Reliability & Scalability

- E-Business sites require real time response
 - Databases must be query optimized
- E-Business sites need to operate 24 x 7 x 365
 - fault tolerance and backups are required
 - online transaction processing error recovery (roll back)
- E-Business sites have to be built to handle peak loads and expected growth
 - Anticipation of peak loads
 - Anticipation of new uses

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Development Languages

- ERP environments
 - Movement toward component technologies
 - Dynamic configuration options
 - Extension to the value chain
- Internet/Web environments
 - Data base compatibility
 - Language consistency
 - XML capability

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Web Suites

- Microsoft
 - Visual Basic, Visual C++
 - VBscript
 - ASP, ODBC/SQL,
 - OCX and Microsoft Transaction Server
- Java
 - Javascript and Applets
 - Servlets and JSP, JDBC/SQL
 - Enterprise Java Beans and CTM
- XML

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Software development Recommendations

- The case for Java
 - Robust OOPL
 - Single development language (staff training)
- The role of XML
 - Single document/data description language
 - Universally understood markup (all browsers)
 - Rapidly evolving companion standards for linking, transformation, query, and presentation
 - An extensible method for defining both data and document types (allows encapsulation of EDI to SME)

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Security and Standards

- All web enabled applications need to insure appropriate security for data
 - Privacy of data behind the firewall
 - Authentication of access to data
- Standards
 - XML will likely be the base standard for data description
 - SOAP will likely be the base standard for message transfer
 - LDAP will likely be the standard for directory information

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