

# Some Promising Strategies to Improving E-Business Outcome

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**Abstract**—The electronic business practice shows that improvement of e-business outcome can be achieved in different ways and that companies apply different e-business strategies. In the paper several of these strategies are briefly described examined, since they appear to be the most promising ones. The strategies analyzed are: total solution provider, customer self-service, customer life cycle management, one-to-one customer interaction, demand-driven forecasting and replenishment, innovation and collaborative design, supplier and partner self-service, employee self-service, and community empowerment strategy.

**Key Words**—e-business strategy, enterprise transformation, self-service, Web service.

## I. INTRODUCTION

E-BUSINESS can indeed transform an enterprise, reducing costs, increasing productivity, and boosting growth. But, each enterprise must choose its own transformational strategy to address its particular challenges, open up new opportunities, and achieve business goals [1]. The electronic business practice analysis shows that improvement of e-business outcome can be achieved in different ways.

Of course, not all strategies are equally promising and we have found some of them being more helpful to businesses than others. Although each of the promising transformational strategies has its own objectives and benefits, ultimately each supports the unification and extension of an enterprise's applications, information, and business processes across the Web, to effectively serve its employees, partners, and customers in a personalized and collaborative manner.

The common benefits of those strategies are:

- *Cutting total cost* because they are unifying Web sites, streamlining business processes, and reducing sales and service costs.
- *Boosting productivity*, enabling businesses to integrate their processes, share knowledge across the enterprise, and support multiple channels and touch points available to their customers.
- *Bringing new growth* by retaining actual customers and attracting new ones, expanding market share, and increasing revenue from existing customers.

We have identified nine most promising strategies to improving electronic business outcome.

## II. THE MOST PROMISING TRANSITIONAL STRATEGY OPTIONS

In our opinion, the most promising transitional e-business strategy options are as follows:

- *Total solution provider*, seamlessly bundling products from different sources to present customers the convenience of a complete solution from a single touch point.
- *Customer self-service*, leveraging the Internet to provide a fast and easy way for customers to get information and services, and interact with the business, anytime and anywhere.
- *Customer life cycle management*, cultivating customer relationships throughout the customer life cycle to maximize a customer lifetime value to the business.
- *One-to-one customer interaction*, presenting a single face to the customer no matter which part of the company he or she is interacting with, for better service, greater customer loyalty, and a more complete understanding of customer wishes, needs, and preferences.
- *Demand-driven forecasting and replenishment*, correlating real-time information on customer behavior and consumption patterns with sales and supply information to reduce inventory carrying costs and customer waiting periods.
- *Innovation and collaborative design*, assimilating partner capabilities and sharing customer and product knowledge throughout the extended enterprise to continuously enhance products for increased sales and improved profits.
- *Supplier and partner self-service*, improving supplier and partner access to the enterprise's systems to streamline common activities for greater profit and higher customer service levels.
- *Employee self-service*, enabling employees to take care of routine business using Web-based applications for simpler, faster and more accurate service that does not involve the use of expensive personnel.

- *Community empowerment*, facilitating relationships between the business, its partners, and customers for better communication and collaboration, added value, and increased brand presence.

Although some companies adopt all nine strategies and see them at work simultaneously, not all of the nine strategies are applicable to every company right away. Limited resources and organizational attention spans force most enterprises to prioritize and undertake only few of these initiatives at a time. However, many of the strategies are complementary, particularly those that deal with business customer and consumer relationships.

### III. THE E-BUSINESS STRATEGIES: AN OVERVIEW, ANALYSIS AND REQUIREMENTS

#### A. Total Solution Provider

The objective of a total solution provider is to seamlessly bundle products – and sometimes services – to present customers a complete solution. Most frequently, this strategy involves collaboration with partners, whether or not these partners are visible and reachable to the customer.

The total solution provider strategy is appropriate for industries that provide products and services that, from the end-user's point of view, are best sold together as solutions to identified problems [2].

Because total solution provider brings together products and services into targeted solution packages, it frees customers from having to arrange separate purchases and then integrate them into a suitable solution. The net result is increased customer satisfaction, as customers get a complete solution from a single touch point.

The strategy focuses on helping a business coordinate efficiently with multiple suppliers and partners in order to simplify and improve the process of putting together a solution. Sometimes this can mean empowering subsidiaries or business units to focus on vertical integration so that they can “own” the value chain for specific industries. For providers, it makes delivering the solution to the customer much more efficient, and typically also increases the size of their overall sale.

This strategy requires software that:

- Makes it easy to get information on or access to after-market products and services.
- Facilitates closer relationships with application service providers (ASPs) [3].
- Supports access to e-exchanges.
- Promotes cross-selling.
- Gathers and reports on customer and end-user feedback that contributes to future improvements to solution packages.

#### B. Customer Self-Service

Although customer self-service strategies vary significantly from one business to the another, they all share one simple

objective – to leverage the Internet to provide fast and easy ways for customers to interact with the enterprise [4].

A customer self-service strategy is important for virtually every company. It is particularly vital for companies with complex and strongly specialized products that require them to work closely with end customers. Businesses with multiple product lines are also strong candidates for customer self-service strategies, because such strategies create after-market and cross-selling opportunities.

This strategy reduces service costs, such as the cost of running call centers, by making information and services available online to customers, immediately, on 24/7 basis, perhaps as Web services. As a result, it empowers customers to address their issues whenever they want, and enables the business to scale service more smoothly than is possible when customer service is provided entirely by humans, i.e. employees.

A customer self-service strategy requires software that:

- Offers customers current and up-to-date information on their accounts online through profile based entitlements.
- Provides the ability to interact with that information through collaboration capabilities.
- Enables customers to search readily for additional information by offering contextual personalization.
- Supports configuration of a customized solution online.
- Allows customers to request system-generated alerts when certain events occur.
- Enables self-directed purchasing and exchanges through express transactions enabled by “one-to-one” functionality.

#### C. Customer Life Cycle Management

The objective of a customer life cycle management strategy is to cultivate customer relationships throughout the customer life cycle – i.e., before sale, during sale, after sale, and whenever the customer might be considering another purchase.

Customer life cycle management is especially important to companies that sell services or products with services embedded [5]. For any company that works closely with customers over an extended period of time, life cycle management strategies are essential.

A customer life management strategy enables a business to offer customers more tailored solutions – ones that reflect customers' evolving needs. By gathering extensive information on customers, their behavior, wishes, needs, and preferences, businesses increase their ability to anticipate and deliver what customers expect, and ensure that they are targeting the right product to the right customer at the right time. As a result, this strategy can improve profits, customer retention, and customer satisfaction, increasing the lifetime value and profitability of a customer to the selling organization.

In order to implement such a strategy, a business needs software systems that help it:

- Personalize customer interactions with advice appropriate for their stage in the life cycle.
- Recognize customer behavior patterns.

- Consistently offer customers what they most need at the moment.
- Offer mass customization.
- Practice continual product innovation through customer collaboration.
- Build customer loyalty at every stage and in overall life cycle.
- Offer customers personalized Internet-based customer care through multiple channels for their convenience.
- Target customers with relevant value-added services based on Web service technology.

#### *D. One-to-One Customer Interaction*

The objective of a one-to-one strategy is to present a single face to the customer no matter which part of the enterprise he or she is interacting with. Whether the interaction takes place over the phone, on the Web, or at a “brick and mortar” store, the person or application that the customer is dealing with “knows” everything about the customer’s dealings with the company and is therefore better able to help.

One-to-one customer interaction strategies benefit almost every business, but especially those whose products are likely to be seen as commodities, making service differentiation critical [6]. Typically, these are businesses for which branding and trust are all-important, and which have traditionally relied on personal, face-to-face or one-to-one contacts and interactions.

This strategy provides customers more consistent and convenient service, which helps build and maintain brand and customer loyalty. Businesses that adopt this strategy leverage it to learn more about their customers in order to refine their offerings, which ultimately builds even greater loyalty. This strategy also improves the enterprise personnel productivity, because it reduces the amount of time staff have to spend tracking down information to support the interaction with a customer.

One-to-one business interaction with customers and the appropriate e-business strategy require software that:

- Enables seamless sharing of information throughout the corporate infrastructure.
- Enables continuous learning about customer needs to support adaptation of products and services for local and regional requirements.
- Leverages information to help businesses promote pre-paid and permission-based products and services.
- Creates a consistent user experience across multiple channels and touch points.
- Anticipates user needs through personalization based on user selections and navigation of the site.

#### *E. Demand-Driven Forecasting and Replenishment*

The objective of a demand-driven forecasting and replenishment strategy is to correlate real-time information on consumer behavior and consumption patterns with sales, inventory, and supply information.

E-business strategies for demand-driven forecasting and replenishment are most important for industries for which

demand anticipation is critical, typically those with significant and costly seasonal inventory oscillations.

Such strategies leverage real-time information on supply and demand to help enterprises reduce their inventory carrying costs, knowing that they can get more inventory precisely when they need it. Customers benefit, too, because consumption immediately triggers replenishment, eliminating their waiting periods.

Implementing a demand-driven forecasting and replenishment strategy requires creating a system that can support:

- Real-time tracking of purchasing and shipping behavior.
- Collaborative planning, forecasting, and replenishment (CPFR) with contract-based customer and resellers [7].
- Making/configuring to order activities.
- Integrated, XML-based content management across the value chain for rapid transfer of information from suppliers to customers.

#### *F. Innovation and Collaborative Design*

The objective of a strategy for innovation and collaborative design is the proactive assimilation of partner capabilities and sharing of customer and product knowledge throughout the extended enterprise during the full life cycle of the product.

Strategies that support innovation and collaborative design are most valuable to emerging e-marketplaces and R&D intensive industries.

This strategy fosters communication among all team members and customers, to create a deeper understanding of which aspects of a product most appeal to customers, which aspects might need fixing and what further enhancements might increase a product’s usefulness and value. That communication can lead directly to the creation of innovative product designs that improve overall solution value to customers, shrink time to market, increase sales, and improve profits.

To make this strategy workable, a business needs software that can support:

- Customer engineering.
- Real-time online communication
- Chat functionality.
- Ability to share images online.
- Capture of customer and partner feedback on a regular basis.

#### *G. Supplier and Partner Self-Service*

The objective of this strategy is to improve supplier and partner access to the enterprise’s information and transactional systems.

Suppliers and partners value the convenience of conducting routine transactions and accessing detailed and account-specific information when they want, over the device they want, without having to seek out a sales representative. The enterprise can even publish some application of its own as remote procedure call (RPC) or document-oriented Web

services to make them available to its business partners or suppliers [8].

Because businesses are able to communicate and work together more efficiently with all the organizations within their extended enterprise, they can execute their inter-enterprise plans better and more cost-effectively, streamlining common activities and promoting informed, coordinated and collaborative decision-making. As a result, they boost profits and improve customer service levels.

Such strategies require software systems that may support:

- Collaborative planning, forecasting and replenishment (CPFR).
- Direct e-procurement.
- Exchange applications or use external applications as Web services.
- Standardization.
- Outsourcing.

#### H. Employee Self-Service

The objective of an employee self-service strategy is to help employees focus on higher value-added activities by enabling them to take care of routine business using Web-based applications or Web services.

Employee self-service is important to businesses in every industry – and even more important for larger companies.

Employee self-service strategies make it easier for employees to access information they need and carry out routine transactions related to their employment. This is far more satisfying, productive, and efficient for employees than process that requires them to call other employees, request information, fill out multiple forms, and chase signatures.

Because employee self-service reduces administrative frustrations, it encourages employees to stay with a company longer. And, as these strategies deploy user-friendly software and Web services instead of expert staff for routine tasks, they might also yield significant personnel cost savings.

Businesses enable employee self-service through applications that bring together various aspects of human resource in readily accessible and interactive Web site. These systems should enable easy access to information, transactions, and services related to:

- Benefits
- Career training choices
- Time and labor reporting
- E-learning
- Travel and expenses
- Indirect procurement
- Technical support.

#### I. Community Empowerment

Businesses implement community empowerment strategies when they wish to facilitate the establishment, management, and growth of a network of relationships between the business and its extended enterprise participants, including suppliers and customers.

There is virtually no organization that could not apply the community empowerment strategy to improve its e-business outcome.

Such a strategy creates various discussion groups or Web site areas where people with similar concerns and interests can share information. People may be able to engage in open discussions, or a Web master might be responsible for posting all content.

A community or a virtual network can exist within a company, between a company and its customers, or be completely unaffiliated. Depending on the nature of a given community, it can improve collaboration and presence, improve customer satisfaction, reduce costs, target marketing, increase brand presence and relevance, increase market share, standardize decision-making, provide peer support, increase profitability, and make value in the marketplace higher.

Community empowerment strategy implementation requires software tools and Web services that facilitate:

- Content creation
- Community branding
- Community profiling
- Community transactions
- Inter-community exchanges.

## IV. CONCLUSION

Each enterprise must choose its own traditional to e-business transformational strategy to address its particular challenges, open up new opportunities, and achieve business goals. However, not all strategies are equally promising.

Among the most promising we see the following e-business strategies: total solution provider, customer self-service, customer life cycle management, one-to-one customer interaction, demand-driven forecasting and replenishment, innovation and collaborative design, supplier and partner self-service, employee self-service, and community empowerment strategy.

The common benefits of those strategies are: cutting total costs, increasing employees' productivity, as well as initializing and accelerating new growth of the business.

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