e-Business
Forces driving the Internet Economy

- Changing customer demand
- Globalization
- Internet ubiquity
- New technologies and intermediaries
E-Business Efficiency

Revenue Growth

Traditional Expense Growth

e-business Expense Growth

Grow Revenues vs. Expenses
Focus Spending On Where It Counts

IT Spend

Differentiating Business Applications

Generic Business Applications

Today

Generic Business Applications

Differentiating Business Applications

Money Saved

Tomorrow
e-Business Areas

Customer-side
- Indirect Sales Channel
- Web Store
- Direct Sales
- Customer Service Call Center

Internal
- Self Service Applications
- Business Applications
- Business Intelligence Applications

Supply-Side
- Suppliers
- Service Providers
True E-Business Functions

- Marketing
- Sales
- Service
- Order Mgmt
- HR
- Financials
- Procurement
- Supply Chain
E-Business 영역 변화

전용 포탈과 E-Services 포탈

- hotel website
- airline website
- rental car website

포탈

- hotel website
- airline website
- rental car website

E-Services 포탈

- reservation E-Services
- weather E-Services
- restaurant reservation E-Services
- hotel booking E-Services
- airline booking E-Services

Dynamic brokering

E-Business 영역 변화

과거에는 여행을 간다면 직접 해당 웹사이트를 찾아가야만
여행 전문 포탈 웹 사이트를 찾아가면 해당 웹사이트로
link가 있어 직접 해당 웹사이트로 찾아가야
여행 전문 E-Services 포탈 웹 사이트를 찾아가면
직접 해당 웹사이트를 찾아가지 않아도 자동 연결
여행 전문 E-Services 포탈 웹 사이트를 찾아가지 않아도
기기나 다른 방법으로 많은 서비스 이용
What an eBusiness brand feels like...

<table>
<thead>
<tr>
<th>Value proposition</th>
<th>Traditional</th>
<th>Early Web</th>
<th>eBusiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Week(s)</td>
<td>Days</td>
<td>Minutes</td>
</tr>
<tr>
<td>Speed</td>
<td>Local, regional</td>
<td>National</td>
<td>Global</td>
</tr>
</tbody>
</table>
## How an e-Business Brand operates...

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Early Web</th>
<th>e-Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product attributes</strong></td>
<td>Seller-selected</td>
<td>Seller-selected</td>
<td>Buyer-selected</td>
</tr>
<tr>
<td><strong>Prices</strong></td>
<td>List</td>
<td>List</td>
<td>Market</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>Presale</td>
<td>Presale</td>
<td>Post-sale</td>
</tr>
<tr>
<td><strong>Service availability</strong></td>
<td>9 a.m. to 5 p.m. weekdays</td>
<td>24x7</td>
<td>24x7</td>
</tr>
<tr>
<td><strong>Daily customer interactions</strong></td>
<td>100s</td>
<td>10,000s</td>
<td>1,000,000s</td>
</tr>
</tbody>
</table>
Value creation and e-Business brands...

<table>
<thead>
<tr>
<th>Focus of marketing</th>
<th>Traditional</th>
<th>Early Web</th>
<th>eBusiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Position</td>
<td>Customer Acquisition</td>
<td>Customer Retention</td>
<td></td>
</tr>
<tr>
<td>Standard Location</td>
<td>Targeted Visibility</td>
<td>Customized Customer Database</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
e-Business의 특징

- Virtual (가상)
- Interactive
- Customer (불특정 고객) 중심
- Community 중심
- Business Transformation
- Synchronization
- Globalization
- Internal and External Integration
- Internet Oriented (Any Time, Any place)
Two stages of the Internet economy

- Commerce threshold
- Hypergrowth

Market penetration

10% 90%

Time
Fourth channel strategies

- Create mutual support between channels
- Leverage domination in old channels
- Synchronize channels
- Create mutual support between channels

Same result
Online Business Relationships Evolve

- eBusiness Networks
- eMarketplaces
- E-mail
- Extranets
- eCommerce

Person-to-person

One-to-one

Machine-to-machine

Many-to-many
### e-Business Networks Are Different

<table>
<thead>
<tr>
<th>Category</th>
<th>Today</th>
<th>e-Business Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shape of companies</td>
<td>Vertically Integrated</td>
<td>Virtually Integrated</td>
</tr>
<tr>
<td>Partner Switching Cost</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Basis for Trust</td>
<td>Relationship</td>
<td>Performance</td>
</tr>
<tr>
<td>Decision-Making</td>
<td>Computer-Assisted</td>
<td>Human-Assisted</td>
</tr>
<tr>
<td>Supply and Demand</td>
<td>Modeled and Forecasted</td>
<td>Detected and Known</td>
</tr>
<tr>
<td>Information Diffusion</td>
<td>Limited and Slow</td>
<td>Extensive and Fast</td>
</tr>
</tbody>
</table>
### e-Business Networks characteristics

<table>
<thead>
<tr>
<th></th>
<th>Today</th>
<th>e-Business Networks</th>
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</thead>
<tbody>
<tr>
<td><strong>Industry evolution</strong></td>
<td>Consolidation</td>
<td>Specialization</td>
</tr>
<tr>
<td><strong>Process focus</strong></td>
<td><em>Intracompany</em></td>
<td><em>Intercompany</em></td>
</tr>
<tr>
<td><strong>Data strategy</strong></td>
<td>Own and hide</td>
<td>Share and exploit</td>
</tr>
<tr>
<td><strong>Basis for trust</strong></td>
<td>Brand</td>
<td>Performance</td>
</tr>
<tr>
<td><strong>Decision making</strong></td>
<td>Computer-assisted</td>
<td>Human-assisted</td>
</tr>
</tbody>
</table>
The new landscape

: eBusiness networks
i- Procurement (MRO)

Electronic Marketplaces

Buyer’s Virtual Catalog

Electronic Catalogs from Content Providers

Direct Supplier with XML, EDI, OBI, etc

Suppliers

Electronic Documents

Procurement Server

Supply Management Portal

Posted RFQs  Orders & Schedules  Receipts & Payments

EC Gateway

Local Catalog

Sourcing & Approval  Order Mgmt.  Receiving

Request

Source and Procure

Pay on Receipt  Invoicing  Financial Reporting

Pay
MarketPlace Case Study: Auto Exchange
The New E-services Business Model

<table>
<thead>
<tr>
<th>Services</th>
<th>Outsourcing</th>
<th>Consulting</th>
<th>Finance</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-procurement</td>
<td>Supply Chain</td>
<td>E-selling</td>
<td>E-marketing</td>
<td>E-support</td>
</tr>
<tr>
<td>ERP</td>
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</tbody>
</table>

**HP Web Commerce Enablers**
- Payment
- CCM
- OpenPix
- BEA
- Java

**HP Internet Infrastructure Technologies**
- Web QoS
- 5 Nines
- OpenView
- SAN
- DomainGuard
- Fremont
- Jetsend
- Chai
- Virtual Vault

**Mission Critical Platforms**
- Unix
- NT
- Linux
- Storage
e-Commerce Hypergrowth timing by region

North America
Western Europe
Asia Pacific
Latin America
Eastern Europe
Africa and Middle East

Earliest country  ▲ Weighted average  ▼ Latest country
Asian Emergence into the Internet Economy

Commerce threshold

Hypergrowth begins
10 Answers to E-Business Efficiencies

- Disparate or Integrate
- Customize or Configure
- Distribute or Centralize
- Local or Global
- Complex or Simple
- Administration or Self-Service
- Transactions or Intelligence
- Conceal or Share
- Physical or Virtual
- Convention or Intuition