

# E-Business Overview

## E-Business

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## I. An Introduction to E-Business and E-Commerce

Electronic business or e-Business can be defined as the use of the Internet to conduct business; it refers to more than just selling online. E-business is about utilizing Internet technologies – such as simple email, online banking solutions, websites, and more sophisticated applications such as web-based customer relationship management solutions – to provide superior customer service, streamline business processes, increase sales and reduce costs.

Electronic commerce or e-Commerce on the other hand refers to the buying and selling of goods and services online or over electronic systems and networks. E-Commerce that is carried out between businesses is known as business-to-business (B2B) while electronic commerce that is conducted between businesses and consumers is referred to as (B2C) or e-tailing which is short for electronic retailing. E-Commerce is basically considered the sales perspective of e-Business. Additionally, Electronic Data Interchange, or EDI for short, is the dinosaur of B2B e-commerce which facilitates the financing and payment pieces of electronic business transactions. EDI refers to the structured transmission of data between companies by electronic means. It is used to transfer electronic documents from one trading company to another trading company electronically.

E-business is about business first, technology second. Many of the failures in the “dot-com meltdown” of the late 1990s were related to poor planning, lack of experience, weak business models, and reckless spending. E-business success requires careful planning, preparation, execution, and refinement. While E-business certainly introduces new challenges and opportunities, it still boils down to using the web more effectively in your business processes. E-business is not a new concept. Banks have been sending electronic fund transfers (EFTs) to move money around the world for decades. With regard to e-Commerce, large businesses have used electronic data interchange (EDI) to place orders and send invoices since the 1960s. What is new is the accessibility of e-business now to small businesses in terms of cost and simpler set-up. E-business can provide an effective way for your business to become more efficient and to respond to new customer and competitive demands.

It's obvious that the Internet is here to stay. Barriers between online and offline business have begun to disappear and the “pie-in-the-sky” dotcoms of the last millennium have made way for more moderate businesses that simply leverage the Internet to remain competitive and productive. Today, more and more small businesses are recognizing the value of integrating e-business practices into their business activities.

Over 28 million Canadians go online each month – that's 84% of the population. As of 2009, it was estimated that there are more 6.7 billion Internet users worldwide. The growth in Internet use for business is also significant. In 2007, an estimated 8% of private Canadian businesses were selling online, accounting for CAD \$13.3 billion worth of business. And, world-wide revenues from e-commerce transactions are staggering – in 2009, worldwide business-to-consumer (B2C) ecommerce revenues are expected to surpass USD \$275 billion.

This Info-Guide is designed for beginners. The purpose of this guide is to help the reader understand the concept of e-business and how e-business can improve your business processes. As a reader, you will be able to test your own e-business readiness and learn where to go for more information on getting started with e-business.

## II. The Internet and the World Wide Web

The Internet is an electronic communications network that allows computers around the world to “talk” to each other. Any computer that is connected to the Internet can exchange information with other connected computers.

The World Wide Web, or simply the Web, is a subset of the Internet. It functions as the Internet’s navigation system and allows users to view the Internet network through the use of websites.

Websites are a collection of web pages, which are electronic pages of information linked together much like a spider’s web. This spider’s web-like navigational system (inherent in both websites and the Web itself) allows users to move around the system in a non-linear fashion. This means that, unlike a book – where information is laid out for the reader chronologically, in a set order – a Web user has the power to access information online however they choose.

Websites are accessed via a web browser such as Internet Explorer, MSN, Safari or Mozilla. Web browsers are the graphical interface that enables users to view, find and interact with websites.

Websites each have their own unique address, called an IP address, through which users can find them. For example, the Business Link’s online address is <http://www.canadabusiness.ab.ca/>. By typing this address into the web browser address bar, a user would be connected to our website.

But, since the Web indexes literally billions of websites, another method to facilitate finding relevant websites was necessary. Therefore, search engines that utilize “keyword searching” were created.

It is estimated that more than 99% of Internet users use search engines to find websites online. A search engine is a website whose primary purpose is to provide a search function for gathering and reporting information available on the Internet.

Search engines allow Internet users to quickly find websites related to a certain topic through the use of “keywords” and “keyword phrases,” that is, words and phrases that describe the topic of interest.

For example, let’s say an Internet user in the UK is looking for businesses online that sell hand carved indigenous masks and figurines from Canada. He/she doesn’t know of any specific businesses selling these items, nor does he/she know any website addresses, so he/she uses a search engine such as Google or Yahoo to find websites whose content contains relevant keywords.

On the search engine’s main page, she types into the search-box: “Canadian Native Art.” The search engine returns 1,250,000 listings containing this keyword phrase, organized by relevancy. The user can then either start browsing the websites listed, or she can narrow the results further by searching within those results for another keyword – like “mask,” for example.

Search engines allow Internet users to effectively find relevant websites, making the Web’s vast amount of information much easier to navigate.

The Internet is of value to business as it acts as an instantaneous information and communication medium with global reach, the Internet is a practical and vital business tool. And, your small business can benefit from the equal footing it offers you, regardless of your size or location.

### III. E-Commerce

#### a) Business-to-Business E-commerce (B2B)

Business-to-Business (B2B) e-commerce refers to electronic transactions between companies and their employees and suppliers. B2B e-commerce accounts for the lion's share of e-business. Online business marketplaces, portals, and exchanges can provide e-procurement, supply chain management, and trade opportunities for both buyers and sellers.

There are several types of B2B e-commerce sites, ranging from (1) private stores on sellers' sites; (2) customer portals; (3) industry marketplaces; and, (4) private company marketplaces. Through these web sites you can research products and prices, bid online, and purchase products or services.

B2B e-commerce can be approached from a "sell-side" or a "buy-side" perspective. On the one hand, there are companies that set up web sites to sell products ("sell-side"); on the other hand, some cities, governments, and large companies set up sites to post tenders online ("buy-side"). Either way, it is easy to compare prices, set up delivery schedules, purchase products, and track information. Some B2B sites also include auction, collaboration, and project management capabilities.

#### b) Business-to-Consumer E-commerce (B2C)

B2C e-commerce refers to businesses selling their products or services to consumers directly online. Virtually all goods and services can be sold online. Online retailers, or "e-tailers", are selling more than books, music, collectibles, clothing, and consumer electronics for sale online; they are also selling financial products, airline tickets, health information, digital goods, and real estate.

There are basically four ways to sell your product online:

Option	Advantages	Disadvantages
1. <b>Basic browser-based storefront creation service</b>	<ul style="list-style-type: none"> <li>• Easy to use, fast set-up</li> <li>• All tasks handled in browser</li> <li>• Updates made easily</li> <li>• No need for a separate web site</li> </ul>	<ul style="list-style-type: none"> <li>• Limited layout flexibility</li> <li>• Generic store design</li> <li>• User interface may be slow</li> <li>• Customization may not be possible</li> </ul>
2. <b>Stand-alone shopping cart software</b>	<ul style="list-style-type: none"> <li>• More control over layout &amp; design</li> <li>• Good for firms with existing web sites</li> <li>• Highly customizable</li> </ul>	<ul style="list-style-type: none"> <li>• Requires installation &amp; set-up</li> <li>• Requires some technical knowledge</li> <li>• Usually needs additional programming</li> </ul>
3. <b>Online marketplace or cybermall</b>	<ul style="list-style-type: none"> <li>• Potentially high visitor traffic</li> <li>• Site creation &amp; maintenance performed in browser</li> <li>• Can complement a stand-alone store</li> </ul>	<ul style="list-style-type: none"> <li>• May not be able to use your domain name</li> <li>• Must conform to site policies</li> <li>• May require a commission on sales</li> </ul>
4. <b>Advanced B2C e-commerce software</b>	<ul style="list-style-type: none"> <li>• Fully customizable</li> <li>• Complete storefront solution</li> <li>• Often includes advanced features like site analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Need to install software</li> <li>• May require programming expertise</li> <li>• May involve long set-up</li> </ul>

### c) Benefits of B2B for Small and Medium-Sized Enterprises (SMEs)

So where can small and medium-sized enterprises benefit from business-to-business e-commerce?

- **Purchasing Indirect Supplies:** Indirect supplies, such as office furniture, pens, paper, and general office equipment, are often a first step for smaller businesses to implement B2B e-commerce. Many suppliers offer catalogue-based websites for corporate purchases, and are similar to buying online from a B2C website. Corporate accounts can be established online, and organizations can save significant time and money on automating this purchasing process.
- **Purchasing Direct Materials:** Direct materials are any products that go into the production of your goods or services for sale. Establishing a relationship with a vendor that supports e-procurement may reduce costs. Joining an e-marketplace and holding reverse auctions where your suppliers bid on your requirements can lead to a real reduction in the overall cost of manufacturing your product.
- **Selling Products or Services to New Vendors:** By joining an e-marketplace you can open up new opportunities to sell your products around the globe. While many private e-marketplaces are restricted to vendors of the particular organization running the exchange, public hubs can allow you to offer your services to all other participants. Hopefully the same e-marketplace where you make purchases can be the same place where you sell your wares, thus increasing your reputation as a valued member of the online community.
- **Leveraging Your Existing Web Presence:** Perhaps you already have a business-to-consumer e-commerce website. Greater sophistication can be programmed into your online store to target business clientele. This often includes adding account registration and per-user price discounting, as well as possibly allowing for purchase orders as payment for corporate clients. You should keep in mind that this additional functionality is not trivial, and could require rebuilding your online store from the ground up at a significant cost.
- **Investing in Your Own E-Procurement Solution:** If your business is a major consumer of various suppliers, perhaps it is you who can lead your whole supply chain into the world of e-procurement. This is not for the faint of heart, and will require considered financial investment. But, hey, if Wal-Mart could do it, why couldn't you? Before you start looking into the cost of implementing a full scale EDI-INT system, then expecting your small suppliers to spend significant sums with little or no benefit to them, stop and consider smaller-scale supply chain automation. Perhaps you only have a single supplier. You may communicate via email already, but how about seeing if your inventory databases and purchasing systems could more closely communicate without human interactions. Examine your purchasing process, and identify potentials for automation. With a manageable expenditure you could realize a significant return on investment.

## d) E-Commerce's effect on the Supply Chain

The Bridgefield Group Inc. ([www.bridgefieldgroup.com](http://www.bridgefieldgroup.com)) defines a supply chain as:

*The linked set of resources and processes that begins with the sourcing of raw material and extends through the delivery of end items to the final customer. It includes vendors, manufacturing facilities, logistics providers, internal distribution centers, distributors, wholesalers and all other entities that lead up to final customer acceptance. The extended supply chain for a given company may also include secondary vendors to their immediate vendors, and the customers of their immediate customers.*

The traditional model is known as the “push” model, whereby suppliers and vendors on top push their products or services through the supply chain to the end consumer. Costs are accumulated through the chain with the end consumer typically incurring much of the cost.

### “Pull” Model for Supply Chains

E-Procurement has given rise to the concept of a “pull” model supply chains. In this model, the consumer has the most power in the supply chain, and suppliers must react to their demands. Greater efficiencies in the supply chain can occur, and the linear nature of the chain may be broken as customers become better able to circumvent middlemen and resellers.

### E-Procurement's Effect on Supply Chains

Besides the general shift to a “pull” model, e-procurement can have many other effects on the supply chain. For example, with greater visibility comes greater efficiency. Resellers are forced to truly bring some sort of added value to the table lest customers deal directly with their suppliers and remove them completely from the equation. Suppliers can now quickly respond to consumer demand and limit excessive inventory and associated storage costs. Shipping logistics become easier to control, and costs are reduced. Customers can handle most, if not all, shipping tracking, notification, auditing, documentation, and labelling online. This reduces paperwork and overall time required for products to pass through the distribution system.

### Electronic Data Interchange

Electronic Data Interchange, or EDI for short, is the dinosaur of B2B e-commerce that still will not go away. The forerunner of today's Internet-driven e-procurement, EDI was established in the early 1970s as a way to automate buyer-seller transactions, such as invoices and purchase orders. Large corporations began standardizing the format for electronic business documents, and industries started agreeing on common standards, administered by recognized standards organizations. The two most common EDI standards are EDIFACT in Europe and ANSI X.12 in North America.

For many businesses, EDI is far too expensive to implement. All EDI traffic takes place over a value-added network (VAN) that exclusively transmits the data over a private network, offering transaction management and auditing. Businesses implementing EDI used to require expensive mainframe computers, with VANs that charged for each character transmitted.

From a technical standpoint considering the Internet of today, EDI is well past its prime. Data transmission rates are often still at 9600 bits per second (for you non-techies, a cable or DSL Internet connection is about 200 times faster), standards differ across industries, and on the surface it is just a glorified email inbox. So why is it still around? Quite simply, the amount of time and money companies have invested in EDI over the years makes changing to a new system not very attractive. Industries spent years agreeing to EDI standards, and none are too willing to start the process again.

## **E-Procurement**

Internet-based electronic procurement of goods and services between companies is called e-procurement. In the same way that B2C e-commerce is often referred to now as e-tailing, labelling B2B e-commerce as e-procurement better shows how B2B affects a company's traditional supply chain.

## **E-Marketplaces**

Electronic marketplaces, also known as B2B exchanges, serve as electronic hubs bringing together suppliers and purchasers in common virtual environments. E-marketplaces are either "many-to-many," bringing together many buyers and sellers in a particular vertical market, or "one-to-many" where one major supplier or consumer will attract many of its trading partners to its e-marketplace. Over the past couple of years, it has been these private, one-to-many e-marketplaces that have proven to be the most successful.

## **Government E-Procurement**

In their ever increasing need to label things they didn't understand, marketing pundits began touting yet another e-commerce buzzword: B2G, or business-to-government, e-commerce. Buzzwords aside, e-procurement by various levels of government in Canada has been quite successful. MERX ([www.merx.com/](http://www.merx.com/)) is an online e-marketplace where businesses can bid on contracts from federal and provincial governments, and recently also the MASH (Municipal, Academic, Schools and Hospitals) sector.

MERX has opened up more opportunities for SMEs to bid on government contracts. It is free to browse MERX, and it's available in both official languages. Alberta entrepreneurs can also access the Alberta Purchasing Connection at [www.purchasingconnection.ca/](http://www.purchasingconnection.ca/) to bid on provincial government contracts.

## IV. E-Business

### a) Why E-Business?

Like the telephone, fax, and calculator, e-business is simply a tool that can enable you to increase productivity, improve your customer service, and reduce costs.

The Internet and related technologies can change the way you develop and conduct your business processes, making them more time and cost efficient. They can diversify your marketing channels and, ultimately, help you increase your business revenue.

The Internet levels the playing field for small businesses. That is, it allows small business operators to compete on equal footing with larger businesses in the same industry.

Through the Internet, your small business can distribute information online to a global audience, immediately, with little out of pocket expense. This means you'll reach more clients or customers in a shorter period of time.

It gives you the ability to interact with your clients and customers in new ways, putting power in the hands of the buyer, giving your clients or customers more choice than they've ever had before.

And finally, the Internet gives you, the seller, the ability to readily assess your online business practices and modify them on the fly to ensure they meet the needs of your clients/customers.

Consider the top 5 reasons how you might use e-business in your company:

1. **Collect vital business information related to your customers and competitors.** The Internet is a valuable research tool and, as a readily accessible information medium, its ability to allow you to remain competitive in your industry should not be underestimated.
2. **Increase awareness about your company.** Even if you are not considering selling online, having a website that promotes your business, provides contact information, and outlines your unique value proposition – that is, the unique collection of benefits attributed to your product or service that creates value for your customers or clients – will simply increase your reach and value in the marketplace, and make it easier for your potential clients/customers to find you.
3. **Streamline communications and improve customer service.** Email communications, website FAQs and auto-responders are examples of simple and cost effective electronic techniques that can help improve communications between you and your clients/customers.
4. **Improve productivity and reduce costs.** Simply by streamlining communications using Internet technologies, you can improve your business productivity. And, out-of-pocket costs can be reduced further by implementing a readily updatable website, instead of printed materials that have a short shelf-life, to relay pertinent information to your customer base.
5. **Sell your products online.** For those considering making the leap to ecommerce, selling online can lower your upfront set-up costs and operational costs, increase your reach to a global marketplace, and allow you to be “open” 24 hours per day, 7 days per week. Further, it can allow you to automate your order processing and order tracking capabilities, develop cheaper online catalogues, and update your product lists on the fly.

## **b) Adopting E-Business Strategies**

Even if you're not ready to build a website just yet, you should still consider how e-business tools can help you in your business. It's important to note that not all e-strategies work for all businesses. Therefore, the best way to begin is to create a plan that outlines how you will leverage the Internet to meet your specific business needs.

Developing an Internet related business plan, or an "e-business plan," is most effectively and simply achieved when e-business aspects are integrated into your overall business plan. At each stage of your business plan, consider how you can use e-business technologies to reduce costs and improve productivity. Then only implement the strategies that make sense for your particular business.

## **c) Where do I start?**

E-business is still business. While technical experts can make your e-business activities functional, it's really the business expert that will make the activities successful. Who best understands your customers and your business processes? You do.

Your best place to begin in e-business planning is to prepare an e-business plan. An e-business plan is similar to a traditional business plan with some new elements. These elements focus on the web as a marketplace, communication tool, and business channel.

The e-business plan is a roadmap that includes your organization's objectives, competitive analysis, marketing strategy, operations plan, implementation schedule, and financial analyses. Here are preliminary ways to get started using e-business:

- Make your mark on the web. Build a website. Make sure that your website address is on all your marketing material.
- Leverage email. Develop an e-newsletter to communicate with your clients and prospects. Make sure that it provides value to the reader.
- Embrace e-procurement. Seek out suppliers that allow you to save time and money by purchasing online.
- Investigate e-commerce. Test the online marketplace by selling through low-cost channels such as eBay.

## d) E-Business Readiness Diagnostic Tool

### Are you ready to adopt e-business?

In Canada's private sector, more than 87% of businesses are estimated to be using the Internet to facilitate some aspect of their business.

As of 2007:

Size of Business	Percentage (%) that own a Website
Small-sized Businesses	36
Medium-Sized Businesses	74
Large Businesses	90

Are you ready to join the growing number of Canadians who use e-business to build and operate their businesses?

Industry Canada has created an online e-business readiness diagnostic tool that can help you learn more about e-business as it relates to your specific needs.

Answering the questions in this diagnostic will give you an opportunity to test your e-business readiness and to identify action priorities. It has been designed to help you learn about what is possible for your business and to assess your own e-business potential.

## e) E-Business Options

### E-Mail and Internet Capabilities

Your first option is to get connected to the Internet and to set up an e-mail address. E-mail can enhance your communication with partners, suppliers, and customers by:

- Keeping partners and business associates informed on projects and meetings
- Transferring documents for development, review, or revision
- Communicating messages to specific client groups
- Receiving e-mail from any Internet connection (i.e., web-based e-mail)

You can also use the web and e-mail for purchasing, market research, and marketing by:

- Comparing supplier prices and product specifications online
- Exchanging order forms and invoices
- Accessing electronic databases to gain market intelligence
- Seeking advice from similar businesses outside your competitive market
- Responding to customer inquiries
- Bidding on tender opportunities
- Sending permission-based e-mail

## V. Integrating E-Business into Your Small Business

### a) E-Business is an Important Part of Your Business

E-business is very important because the number of your customers that are online and looking for information about products and services is always increasing. Consumers expect to be able to communicate with your company through your website and via e-mail. They expect your company to deliver the information they need immediately. According to Statistics Canada, in 2009 about 84 percent of Canadian households used the Internet regularly. The number of businesses using the Internet is even higher. The important point to note here is that the majority of Canadians are now Internet users, and this percent will only increase with national broadband initiatives. If you haven't embraced the Internet yet, you are among a dwindling minority.

#### Key E-Business Issues to Consider

You should always think about your goals and objectives and plan how e-business is going to work for your business. Hire a professional to help you determine your needs. It is also important to consider the return on investment. Any e-business initiative should pay for itself, either by increasing your sales or reducing the costs of operating your business. When integrating e-business into your small business, there are several key issues to consider, including:

- **Proper planning** – Hire a professional to help you
- **Return on investment** – The e-business initiative should pay for itself
- **Sales and marketing** – How does e-business fit with your sales cycle?
- **Customer relationship management** – Provide a superior customer experience
- **Business productivity** – Increased efficiency translates to profit
- **Managing and updating your website** – Stay connected with your audience.

### b) How E-Business Works with Your Sales and Marketing

Sales and marketing is all about communicating with your target audience, and e-business is a great communications tool. E-business can help you reach your target market and convince customers to purchase a product or service. E-business can also help you manage your sales and marketing process more efficiently which, in turn, increases your profit margin.

#### Sell More Stuff

E-business isn't always about your customers buying directly online with a credit card. Many business models just don't fit well with direct online sales. It all depends on how your customers buy from your company. Your website might work best as an information resource that tells visitors why your company is great and why your products offer value. Or your website might be a product catalog with deep information that helps people begin to configure their orders. After the sale, your website can act as a support tool, answering common questions your customers have about their new products, or it can provide technical support information.

#### Reach More Customers

E-business can help you get a lot more out of your marketing budget. A website (and e-mail communication) can reach new markets at much lower costs than traditional marketing. For example, your website can offer an online product catalog, allowing you to spend less money on printing paper catalogs. Instead you might spend that money on a teaser brochure that you can send to a wider

target audience or on a targeted e-mail marketing campaign. These marketing tools can direct people to the full online catalog. The result is that you reach far more people for the same amount of money.

### **Keep It Professional**

Now that you'll be reaching so many more possible customers with your website, it's important to have a good website that mirrors the quality and reputation of your brick-and-mortar company. Hire a professional consultant to help you sort out the issues of how your e-business strategy will work best with your business.

A poor website will spread a negative impression of your company, and you certainly want to avoid that.

## **c) Build Stronger Relationships with Your Customers**

E-business can help you improve your customer relationships which, in turn, should lead to increased sales and good word-of-mouth about your business. Customers expect your business to have a good website that delivers useful information, and they expect to be able to communicate with you quickly and easily through e-mail. Don't disappoint them.

### **Know Your Customers**

Every business should have a good CRM (Customer Relationship Management) software package (whether it's on the office computer or web-based). This software allows you to build a database of all your customers, and enter all sorts of details about each customer. Good CRM software will help you see purchasing trends, track customer requests or complaints, and much more.

### **Communicate with Customers Regularly**

Through your website and e-mail communications, you can stay in contact with your customers at a very low cost. As you interact with customers you should build up a permission-based mailing list, so that you can start sending out a regular e-mail newsletter. It's important to get permission from your customers before putting them on the e-mail list. Customers appreciate useful information, but they will have a very poor impression of your company if you spam them with useless information they didn't request.

### **What Kind of Information Should You Send to Customers?**

The simple answer is this – information that is useful and meaningful to your customers. Here are a few examples of information you might send to customers:

- New product announcements and details of new product features
- Product information tailored to a customer's specific request and preferences
- Relevant news items about your company
- Price changes or special offers such as website-only deals
- General industry news and helpful tips

## d) Run Your Business More Efficiently

Using E-Business properly can help you work more efficiently and increase business productivity. Working smarter usually translates directly to your bottom-line profit. While e-business usually refers to your website and e-mail, it also means using computer technology to make your business operation more efficient.

### You Can Always Work Smarter

Here are just a few examples of how companies use e-business to work more efficiently:

- **Website Statistics**

Website statistics allow you to monitor how many people are visiting your site, where they come from, what information in the site is the most popular, and much more. Monitoring site traffic can help you identify opportunities. For example, you might notice an increase in visitors from another country. This may mean you have an export market opportunity.

- **E-mail Communication**

E-mail is fast and affordable, allowing you to communicate easily with your customers, your own staff, your suppliers, and anyone else involved in your business. E-mail is a great way to keep everyone on the same page and reduce communication problems. Another benefit of e-mail is that it can be a searchable database of all your business communications.

- **Employee Training**

The Internet can be used to deliver training courses at a much lower cost than in a traditional classroom situation. Your staff can upgrade skills, learn about new product support issues, and much more. Online learning is fast, effective, and affordable.

- **Sourcing Business Needs**

The Internet can be used to source almost anything your business needs, from finding new suppliers, to searching for new employees, or even finding a business partner in a new market. The Internet can save you a lot of time.

## e) Managing and Updating Your Website

Updating your website with timely and useful information is a key strategy for success. Your customers expect you to keep your site current, with new pricing or product information, news articles, company information, and more.

### Pay Your Developer to Update Your Website

Unless your business is building and managing websites, you should consider outsourcing the job of updating your site to a professional. There is a huge time and opportunity cost in doing it yourself. Having someone inside your business update your website costs you not only the money you pay that person for that amount of time, but it also costs you the time that person could have spent working on your business. A good website will pay for itself many times over, including the cost of updating, so it's a poor use of time and resources to try a do-it-yourself solution. There are some content management solutions that can make it easier and more cost effective to update your own website.

### **Make a Plan and Stick to a Schedule for Updates**

While you may not be updating your own website, you do need to be actively involved in providing your technical partner with the content to add to your site. Talk to your web developer about how you will deliver information (such as in a Word document) and set up a schedule for regular updates (once per week, once per month, quarterly). Your website developer should be able to guide you.

### **Appoint an Editor**

You should decide who in your business is going to be responsible for organizing the content for updating the site. This person is essentially an editor, and it is his or her job to gather up content for updates and make sure it gets to the website developer on time and in the correct format. It's still important to keep an eye on the opportunity cost. Make sure people in your business aren't spending too much time creating content for the website. Look for efficient ways to source content for your website and identify which content is most valuable to your customers. Often you can get permission to add industry newsletter or magazine articles to your site, or even content from other websites.

## **f) E-Business Planning Checklist**

### **1. Take a careful look at your business**

Analyze your business processes and look for ways to eliminate inefficiencies. In addition, identify ways that your online strategy can complement your offline business strategy.

- Which of my products/services are suitable to be promoted or sold on the web?
- What sets my company apart from my competitors?
- Where do I see my company in 3 years?
- Where are there opportunities to reduce my costs and improve my operations?
- How can I integrate my online and offline business operations?

### **2. Start your preliminary research**

In this preliminary stage you can explore what other businesses are doing on the Internet, both in your field and in others. This will allow you to determine how web sites are structured, how they function, and what opportunities may exist for your company.

- Which e-business options make sense? How much will they cost?
- Do I have a list of web sites that I like?

### **3. Define your goals**

After exploring various e-business options and approximate costs, you need to decide what makes sense for your business and set specific goals.

- What will be the purpose of my e-business activities now and in the future (i.e., increase sales, reduce costs, enhance customer service, etc.)?
- How will I measure the success and return on investment (ROI) of my e-business activities?
- What type of commitment will be required in terms of money, time, staffing, software, and hardware to build, implement, and maintain my e-business?

#### 4. Research your industry

Industry research should include a broad view of trends in your industry and e-business opportunities.

- How is my industry making use of e-business?
- Have I taken into account industry failures and successes in my planning?
- What regulations impact my industry?
- Are there any new competitive threats in my industry?

#### 5. Research your customer

Your product, service, and e-business strategy must be ideally suited to the existing market and provide what customers want, need, and are willing to pay for. You need to identify your primary and secondary target markets and to assess the potential for your e-business to serve their needs.

- Who are my customers? What are their specific needs and wants?
- What common characteristics do my customers share (e.g., age, income, lifestyle, Internet usage, location, etc.)?
- What are my customers' buying habits? How will they react to my e-business activities?

#### 6. Research your competition

Your competitive analysis should identify current and potential competitors as well as their strengths and weaknesses. This information will equip you to determine your company's competitive edge.

- What are the strengths and weaknesses of my current and potential competitors?
- How will my web site be positioned in relation to my competitors?
- How are my competitors using e-business in their operations?

#### 7. Establish your marketing strategy

The marketing section should outline your e-business' product, pricing, distribution, and promotional strategies

- What products or services will be supported by my e-business?
- How will I set my prices in relation to my current pricing strategy?
- How will my products and services be delivered to customers?
- Am I prepared to export or to ship outside of my current market area?
- Have I taken into account all shipping costs and export requirements (e.g., shipping, tariffs, permits, insurance, labeling, and documentation)?
- How will I drive traffic to my web site?
- How will I encourage new users and repeat visitors to use my web site?
- How will my sales inquiries be handled?
- How will I provide customer support?
- How will I establish my credibility online?

## 8. Establish your implementation and operations plan

Define the responsibilities, staffing requirements, and equipment that will be required to set up your e-business.

- Have I reserved my domain name (e.g., CIRA.ca, ICANN.org, netsol.com)?
- What are my web content and graphic requirements?
- How can I make my web site or e-business process easy to use?
- Who are my potential partners and intermediaries (e.g., Internet Service provider, web host, web developer, security expert, cyberlawyer, bank, payment gateway, marketplace, cybermall)?
- What equipment will I need (e.g., server, operating system, hardware, database)?
- How flexible or scalable will my e-business activities be to adapt to changing markets, customer needs, and server demand over time?
- What are my site maintenance requirements?
- What legal agreements will I require (e.g., privacy policy, service agreements, development contracts)?
- What staff resources, documentation, and training will be required?
- Have I created an implementation schedule outlining milestones, timelines, and team responsibilities?

## 9. Create your financial schedules

Bottom line, how much will the venture cost and when will it become profitable? Calculate and evaluate projections on your costs, revenues, and return on investment.

- What are the total projected costs? Am I aware of all costs (e.g., secure site certificate, legal agreements, security assessment, Internet Merchant Account, commissions, search engine registration fees, personal time investment)?
- How will my company benefit from e-business in the short and long term?
- What is my breakeven point?
- What is my projected return on investment?

## 10. Format and assess the e-business plan

Place the information and research you have collected into a standard e-business plan format and consult professionals to see if the business model makes sense.

## ***Other Useful Resources***

There are lots of resources and information available for anyone who wants to explore the subject of integrating e-business into your small business. Your local Business Service Centre is a great place to start. Below are some other good resources:

### **Websites**

- The Business Link  
[www.canadabusiness.ab.ca](http://www.canadabusiness.ab.ca)
- Useit.com  
[www.useit.com](http://www.useit.com)
- E-Business News from Forbes  
[www.forbes.com/ebusiness](http://www.forbes.com/ebusiness)
- Clickz.com Internet trends and stats  
[www.clickz.com/stats](http://www.clickz.com/stats)
- ebizblog  
[www.ebizblog.ca](http://www.ebizblog.ca)
- Small Business Computing  
[www.smallbusinesscomputing.com](http://www.smallbusinesscomputing.com)
- Canadian e-Business Initiative  
[www.cebi.ca](http://www.cebi.ca)

### **Books**

- *e-Business 2.0: Roadmap for Success*, by Marcia Robinson
- *The Complete E-Commerce Book*, by Janice Reynolds
- *Internet Marketing for Dummies*, by Frank Catalano