

OCTOBER/NOVEMBER 1999

£1.50

B & F

**BUSINESS
& FINANCE**
IN SCOTLAND

**TOP AWARD FOR
MERSON SIGNS**



VOLVO

Lancaster



Plus Accountants ● Focus on Lanarkshire ● Construction and Developers

E-Commerce - Survive or thrive

The future of your business is e-commerce – but do you know why?

Mark Kennedy-Stewart,

offers some potent reasons for doing business on-line

TODAY, more than ever, business and technology have become inter-dependent and due to this, according to people like Bill Gates – Business is going to change more in the next 10 years than it has in the last 50...

Well at the heart of this acceleration in the pace of business change is the incredible growth in the Internet.

To put this in perspective take such everyday items such as these: electricity – to grow from 40% to 80% market penetration took 40 years; the automobile took 35 years; the telephone took 25 years; the PC only 10 and the Internet five, and a mere three to reach 50,000,000 users. The Internet is fast becoming the fifth force of nature. So the question then becomes: Will you harness the power of this new force or be swept away by it?

To harness it means that we must first understand it.

Let's start by defining what we mean by e-commerce. Ask 10 different people and you'll get 10 different answers, so let's look at a couple of these. The essential element of e-com-

merce is to enable your customers to do business over the web. Simple then... All you have to do is to set up a web page to tell the world about your wares and allow them to e-mail you their orders.

OK, not quite, but we're getting there.

There are a number of such 'halfway houses' but let's look at what can be considered a true e-commerce solution.

“To harness it means that we must first understand it”

We've still got our website, but instead of just a collection of web pages with the so-called shopping cart, we have the integration of this front-end customer friendly Web interface, with the transaction workflow and business logic, inherent in our company's financial, stock and order processing systems.

This allows our customer to not only place orders but

check out such things as stock availability, order status and their current trading position with our company; all this with a level of security which only provides access to the areas we deem appropriate. Add to this an ability to change items, prices and customer specific information, directly from within our internal business systems – the embodiment of the concept of a zero admin site.

This definition is by no means comprehensive for that we would have to consider such areas as customer resource management etc – but that comes outwith the scope of this article.

To build for the future, means committing to e-commerce and involves an investment, both in money and resources (people and time).

But why should you bother? It sounds like too much time and effort.

Well, conservative estimates predict UK Internet retail sales of around £3bn by 2003; in the US, according to the Boston Consulting Group, online revenue will exceed \$356bn by the beginning of 2000. Other

predictions state that two-thirds of business to business commerce will be via the Web.

“To build for the future means committing to e-commerce”

Could you survive if your marketplace was reduced by two-thirds? Still not convinced? Let's look at the principle of successful future businesses – it's all about added value. The future is about making it easier for your customer to do business with you.

It's providing higher levels of service – making it harder for them to switch to your competitors, the future is reducing costs through improved supply chain dynamics and increasing profitability.

In short, our future is the Web. For many it will be change or go the way of all dinosaurs both large and small.

BMF