



E-Business Planning & Strategy

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Learning Objectives

- Broader definition of “e-business”
- Need, importance, relevance of e-business
- “Cautious optimism”
- 23 questions to ask yourself
- E-business plan
- Potential e-business partners
- 5 rules for business success

E-Business... What is it?

- “Use of technology to **facilitate** the buying, selling, or exchanging of products & services over the Internet.”
- Beyond online shopping
- Last generation to question the need, relevance, and importance of e-business

Source: PriceWaterhouseCoopers' *E-Business Technology Forecast*, 1999, p1.

Need, Relevance & Importance

- Lower procurement costs
- Enhanced productivity
- Extended reach
- Response to new customer & competitive demands
- Automated business processes & work flow
- Lower inventory costs
- Improved customer service
- Closer relationships with trading partners

“E-Business is just for techies...”

- Interdisciplinary nature of e-business:
 - Management
 - Marketing & sales
 - Consumer behaviour
 - Business law & ethics
 - Finance & accounting
 - Operations
 - Management information systems (MIS)
 - Economics

E-business is *still* business...

Before You Begin

- Need to have realistic expectations
- E-business involves careful planning, preparation, development, execution, and refinement
- E-business should complement your traditional business strategy
- “Cautious optimism”

23 Questions to Ask Yourself

1. What are you trying to accomplish?
2. Are you prepared to make the commitment?
3. Do you have a backup plan?
4. Do you have a business plan?
5. What is the likelihood that your products will sell online?
6. What are the sales forecasts for the types of products you plan to sell?

23 Questions to Ask Yourself

7. Are there potential sales channel conflicts?
8. What are the critical success factors for e-business initiatives in your industry?
9. How will you differentiate your product/service from your competitors?
10. Will you be focusing on a niche market?
11. Are you prepared to deal with customer support issues?
12. Do you have a fulfillment strategy?

23 Questions to Ask Yourself

13. What are your core competencies?
14. Are you sure that your offline and online strategies are in tune with one another?
15. Have you analyzed the competition?
16. What will it cost to conduct e-business?
17. How much revenue do you need to generate each month to break even?
18. Have you taken the time to learn from other companies' e-business efforts?

23 Questions to Ask Yourself

19. Have you identified web sites you like?
20. How will you find your customers?
21. How soon can you be profitable?
22. Does your business model make sense?
23. What features do you want on your site?

Source: Adapted from *Selling Online*, 2002, pp 8-19.

E-Business Planning

- Description of the business
- **Purpose of the initiative**
- Audience analysis
- Market research
- **Implementation schedule**
- Evaluation and metrics
- **E-business partners**
- **Technology plan**
- **Site evolution plan**
- **Logistics & fulfillment**
- Translation/Localization
- Financials

Potential E-Business Partners

- Internet Service Provider
- Web host
- Web designer
- Web developer / e-business guru
- Database developer
- Security expert

Potential E-Business Partners

- Bank
- Clients and trading partners
- New “intermediaries”
- Payment gateway
- E-marketplace

Five Rules for Business Success

1. The product or service must be ideally suited to the existing market and to what people want, need, and are willing to pay for.

© 2000, *The 100 Absolutely Unbreakable Laws of Business Success*, Brian Tracy.

Five Rules for Business Success

2. There must be a company-wide focus on marketing, sales, and revenue generation.

* The failure to focus single-mindedly on sales is the number one cause of business failure in any economy.

Five Rules for Business Success

3. Efficient internal systems of bookkeeping, accounting, inventory management, and cost control must exist.

* Poor control of operating costs and internal administration is the number two reason for business failure.

Five Rules for Business Success

4. There must be a clear sense of direction and a high level of synergy and teamwork among managers and staff in the organization.

* The company should function like a well-oiled machine.

Five Rules for Business Success

5. The company should never stop learning, growing, innovating, and improving.

* W. Edwards Deming teaches that continuous training and upgrading of skills at all levels of the company is the key to achieving a meaningful competitive advantage and long-term business success.

A Few Comments

- Clearly define the needs you're solving
- Do your homework
- Confirm buy-in from staff and senior management
- Develop a contingency plan
- Hire slowly (reference checks)
- Map out your site on paper
- Test drive the system
- Seek out hidden costs
- Stay focused & committed

It all clicks @ www.e-future.ca



Shared Vision

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