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i. B2B :

Business to Business commerce encompasses all elements electronic transactions of goods and services conducted between companies. It typically operates between and among businesses. It has two primary components that are e- infrastructure and e-markets. Here e-infrastructure consist of logistics (transportation, warehousing and distribution).
ASP (Application Service Provider), outsourcing of function in a process of e-commerce auction solutions. Content management software and web based commerce enablers.
E-market consists of products retailing online comparision of multiple products and all the facilities provided for selling of goods.

ii B2C :

Business to consumer type of e-commerce deals between companies and consumers. It involves customer, gathering information. purchasing physical goods or goods of electronic material or digitize content such as - software or e-books. This type of e-commerce reduces transaction cost by increasing consumer access to inform-ation and allowing consumers to find the most competitive price for a product and service.
For ex- amazon, flipkart, trivago.

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iii) C2C →

This type of e-commerce deals between private individual or consumers. Generally the transaction are conducted by third party which provides the online platform where the transaction are actually carried out. Ex - OLX, Quicker.

VALUE CHAIN MODEL

Supply Chain :

Products sold in shops and purchase for use in organisation are the result of complex web of relationship among manufacturers, company suppliers, wholesellers, retailers and the logistics infrastructure that link them together. Further layers of organisation provides services such as - the machinery used by the manufacturers or advertising for the product and so on.

Porter's Value Chain Model:

In 1985 porter introduced his model of the generic value chain in his book "Competitive advantage creating and sustaining superior performance". Porter's Model was essentially concerned with internal activities of the companies. These three activities are

i) Inbound Logistics :

Handling goods that are bought into the companies, storing them and making them available to operations as required.

ii) Operations :

The production process is a series of operation sub-activities that can be presented on a detailed value

chain analysis.

iii) Outbound Logistics:

Taking the product of company storing them if necessary and distributing them to customers in timely manner.

To these basic type of activities Porters act to further primary activities :-

1. Marketing and Sales:

To find out the requirement of potential customers and offer them products and services.

2. Services:

Any requirement for installation or advice before delievery and then after sale service comes in this category.

To support these primary functions there will be a company infrastructure that performs a number of support activities. These activities are:-

i. Procurement:

The function of finding suppliers of the material required as input to the operations of the organisation. Procurement is responsible for negotiating quality supplier at an acceptable price & reliable delievery.

ii) Human Resource Management:

The recruitment training & personal management of the people who works for the organisation.

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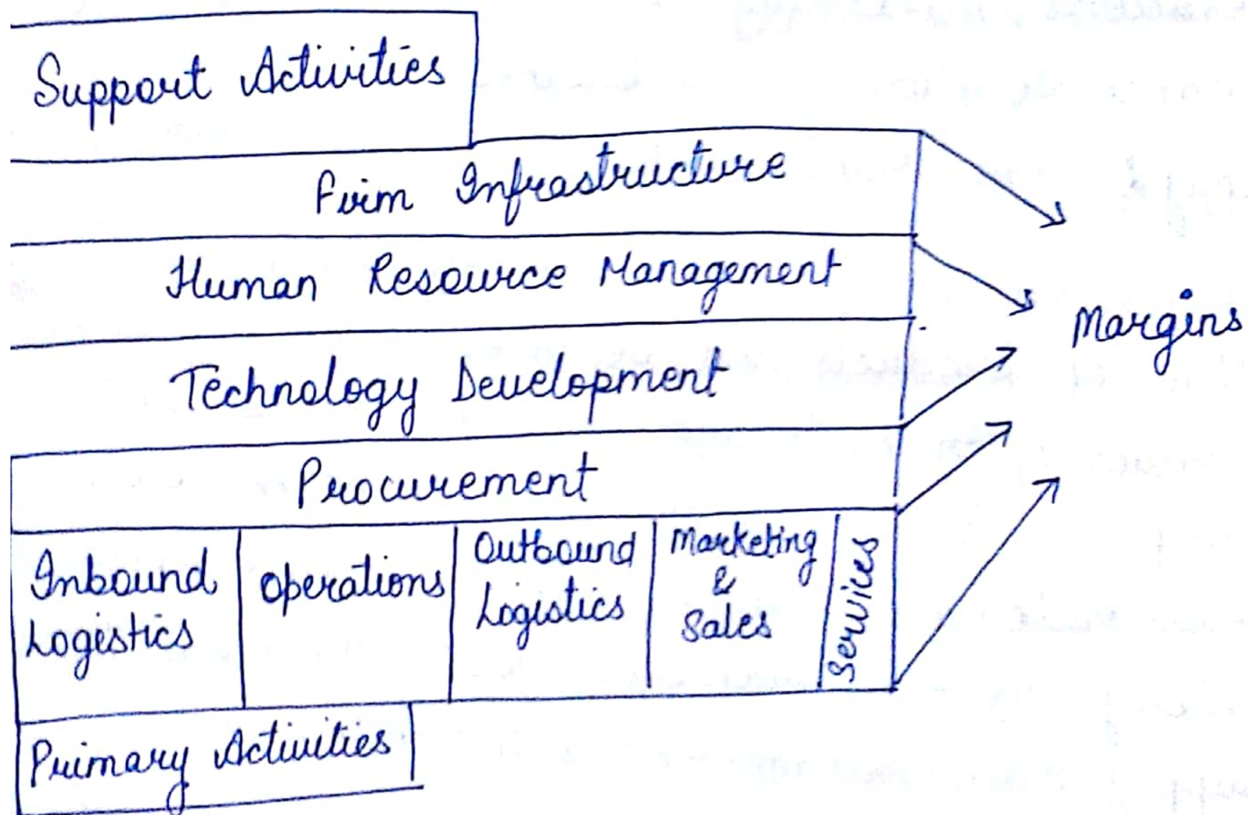
echnology development:

The organisation needs to update its oduction process, train staff and to manage innovation ensure that its product and its overall range of oods and services remain co-operatives competitive.

irm Infrastructure:

The overall management of the company cluding planning and accountancy.



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The Porter's value change model describes which types of products are required in operations, when it is req-uired, from which venders products can be purchased. It also describe the strategy for marketting and supply all products to end users. Thus this model can easily make out the deficiency or requirement at particular phase such as inbound activities, outbound activities operations, marketting, procurement etc, and gives a balance solution for a business.

Supplied Chain Management

Supply chain management can be defined as the management of flow of products and services which begins from the origin of products and ends at the products consumption. It also comprises movement and storage of raw materials that are involved in progress, inventory and fully furnished goods. The main Objective of supply chain management is to monitor and relate production and distribution and shipment of products and services.

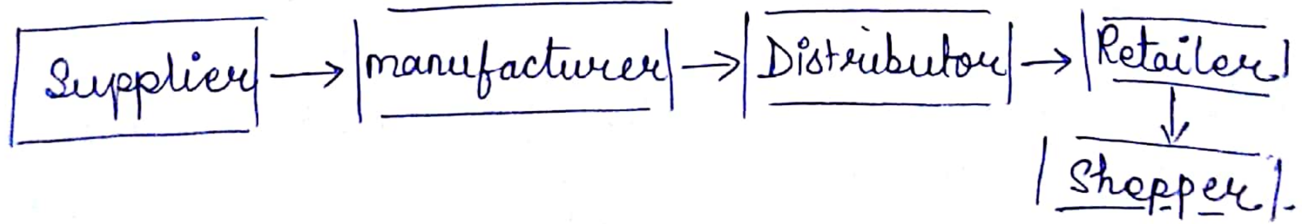

fig : S.c.m

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In scm goods, services and information flow from the producer to the consumer, for example, in this figure a product moves from producer to the manufacturer who forwards it to distributor for shipment. The distributor in turn ships it to the wholesaler or retailer who further distributes products to various shops, the customer can easily get the product. It basically merges, the supply and demand management. It uses different strategies and approaches to view the entire chain and work efficiently at every step. Its aim is to minimize the cost and to improve their long term performance while also creating value for stakeholders and customers.

Advantages of scm

1. It develops better customer relationship and service,
8. It creates better delievery mechanism for products & services in demand with minimum delay.
2. It improvise productivity and business functions.
3. Minimizes warehouse and transportation cost.
4. Minimizes direct and indirect cost
5. Assist in achieving shipping of right products to the right place at the right time.
6. Assist companies in minimizing waste, driven out cost and achieving efficiency throughout the supplier chain process.

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7. It enhances inventory management support the successful execution of just in time models.

Scm Process

Supply Chain Management is a process use by companies to ensure that their supply chain is efficient and cost effective. It is a collection of steps that the company follow to tranform raw materials into a final product.

The five basic components of scm are ;

1. Plan :

This is the initial stage of scm. It identify the demands and necessities of customers and decides a plan to satisfy their needs in terms of products and services. The main focus on designing a strategy is to yield maximum profit.

2. Develop :

After planning the next step involves developing or sourcing. The main concentration is on to build a strong relationship with suppliers of the raw materials required for production. It involves identifying dependable suppliers, different planning methods for shipping, delivery payment, construct a set of pricing and creating the metrics for controlling and improving the relationships.

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3. Make:

The third step in scm process is manufacturing or making of products that were demanded by the customers. Here all the activities are scheduled for manufacturing, testing, packaging and preparation for delievery. In this stage, firms can gauge the quality levels, production outputs and worker productivity.

4. Delievery:

In this stage the products are delievered to the customer at the decide location by the supplier. This istage is basically a logistic stage, where customer orders ordered and delievery of goods is planned. It is also referred as logistic where firms collaborate for the reciepts of orders from customers, establish a network of warehouses delievery products to customers and set of sup invoices system to receivers.

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5. Return:

The last and final stage of supply chain Management is referred as 'return'. In this stage defective or damaged goods are return to the supplier by the customer and companies are required to deal with customer queries and respond to their complaints. This is considered to be as problematic section of scm and it is the responsiblity of the company to satisfy the customer by responding

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to their request.

PROCESS FLOW.

SCM can be defined as systematic flow of materials goods and related information among suppliers, companies, retailers and consumers. It can be of three types:

1. Material Flow:

It includes the flow of material from producer to consumer in timely manner, so as to minimize the cash cycle. The flow can be from the consumer to producer in case of return or any kind of repairs. The flow can be managed by different agencies.

2. Information Flow:

Information flow comprises the request for quotation, purchase order, monthly schedules, change request and reports on supplier performance from customer side to the supplier. From the producer side to the consumer side the information flow consist of the presentation of the company, offers, confirmation of purchased Order, dispatched details, invoices etc. whereas the information from consumer to producer may

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include feedback given by the consumer, receipt of goods, mode of payment or any return request. Both of this process can be done by the regular interaction between producer and consumer.

3. Money Flow:

After generating the request by the consumer the goods are delievered to the consumer, and the money flows from consumer to producer. Flow of money can also be observed from the producer side to the clients in form of debit notes.

FLOW COMPONENTS

The different components of flow of Supply Chain are:

1. Transportation:

Transportation or shipment is necessary for an uninterrupted and seamless supply. The factors that have an impact on shipment are economic uncertainity and instability, varying fuel prices, customers expectations, changing transportation industry etc. For initiating the transportation activity, transportation managers design the network layout, understand the product flow, volume frequency and on the basis of manager decision outsourcing can be done. It should be decided in advance the mode of transportation used for the delievery of the product. So as to process the request on time.

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2. Warehousing :

Warehousing plays a vital role in Supply Chain Process to utilizi neutralize the efficiency of inbound function. It is ideal to accept material in hand immediately available to storage places. These storage places are known as stock keeping units. The warehouse Management system leads the product where they should be stored

3. Sourcing and Procurement :

The company decides if it wants to perform all the exercises internally or if it decides/desires to get it done by any other independent firm.

4. Returns Management :

Returns Management can be defined as the management that invites the merger of challenges and opportunities for inbound logistics. The decisions for returns management should be quick and it should also update the status of stock in the company. It should also take care of the complaints made by the consumer.

5. Post-sale services :

The Post sale service comprises sal selling spare parts, installing upgrades,

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performing inspections, maintenance and repairs.
offering trainings and education and consultation

01.08.2018

Competitive Advantage

Commercial Organisation only survive if they are competi-tive. They prosper if they achieve a competitive advantage.
The two generic competitive strategies are -
1. Price Leadership
2. Product Differentiation
The ability of an organisation to sustain in the market or to prosper, arises from its competitive advantage over the other organisation operating within its market sector. The three basic strategies for compe-titive advantage are -

1. Cost Leadership :
To be able to sell the goods or provide the service at a price that is lower than that of the competition.

2. Differentiation :
The goods or services should be provi-ded so as to maintain the quality that makes them more attractive than competiting products. Even though the competition may have a some what lower price.

3. Focus :
Focus is concentration on a single aspect of the market.

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Porter's Model

Porter's Model helps a firm identify threats to its competitive position and to lay plans that may include IT and E-commerce to protect or enhance that position. Some of these threats are:

1. Threat of New Entrants:

The threat of new Entrant relates to the ease, of with which a new company or a company in a different product area can enter a given trade sectors. Barrier to entry includes the need of capital, knowledge and skills. For Ex – To start a business for lauching a new car will require a big capital, Some suppliers to supply the automobile parts, building a car assembly plant and setting up the dealer network. But getting into the business of building personal computers is much easier as the components are readily available and less capital is required.

IT can also be a barrier to entry to a given market place. The existing players may have well established EDI and strategies to work with IT. This experience of existing player can be competitive for new entrant.

The converse is that development in IT and E-commerce may leave existing player with a heavy investment inexpensive technology gives the new entrant an opportunity to enter in the market with fresh idea and good strategy.

2. Threat of substitution:

Substitution is a threat to existing player where a new product becomes available that supplies the same function as the existing product or service. For example - replacing the cotton or wool by synthetic fibre or replacing the glass bottles by plastic bottles.
The IT industry has itself substituted typewriter with word Processor.

3. Bargaining Power of Buyers:

For a business to be profitable the cost of producing and distributing the product has to be less than the price. It can fetch in the market place. When there are a number of competitors in the market, the buyer in the strong position to bargain for low. the price and for other favourable condition of trade. ~~The~~
The use of IT may help companies achieve efficiencies that enable them to meet the price requirement of the powerful buyer. E-Commerce can also be used to re-shape the supplier chain in which whole saler and agents can become a necessity, when an organisation can deal dire--ctly with small traders.

4. Bargaining Power of Suppliers:

The organisation will be looking to get favourable terms from its own suppliers to get an adequate price. If the supplier is plentyful and suppliers are in good number; then they will get a good price. But if product is scarce or no. of product is limited then it would be favourable condition for

supplier in case of price advantage.

5. Competition between existing players:

The final course is competition b/w existing players. The competition is to get the buyers and to trade at a price that produces an acceptable profit. The use of E-commerce can reduce the administrative cost of trading, differentiate the product or service, cut out intermeditaries and providing a new marketting and servicing channel.

02.08.2018
Thursday

Business Strategy:

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The process of strategy combination is the mixture of the rational or non rational, for example - in a car market one vehicle assembler may go for volume production while another aims for higher margins. Strategy information is an ongoing process as the environment changes and the Capability of the business evolves strategy needs to evolve. To be effective, strategy needs to be accepted through out the business and to prevade the practical business making process.

Strategic Implication:

E-Commerce can be considered as the new opportunities for business. The first use of networks were meant for direct data entry. There early use of EDI gave to the the Extension of the network outside the company. The evolution of the network from an Intra-Organisational and Inter-Organisational facility to one that reaches out to almost any member of the public sets new horizons in many areas and e-commerce is one of these. Taking advantage of the opportunities offered by new technology requires imagination i.e. commerce was the domain for the large organisation and a way of automating and increasing the efficiency of existing trading arrangements.

Technology:

whenever a business is started, the very first requirement is the problem identification and it moves

players b/w existing made at e use cost ce, marketing

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through design onto the technology gives a solution. E-commerce applications are technological solutions to a business profit. The three technology of E-commerce are:

1. EDI:

A technology that help streamline supply of logistics and faciliates dramatic decreases in trade side decline between business.

2. Electronic Market:

It is an opportunity to redefine the way that a market operates but a system that requires cooperation between rivals within a trade sector.

3. Internet E-Commerce:

This technology can be used for B2B or B2C direct trade.

Block et al:

Block et al propose ten components of business value. These elements indicates the scope of these are:

1. Product Promotion:

The internet is a medium of advertising that escapes from the fixed format of paper and limited time slot of broadcast media. It can be available at any time. It can be change for individual customers.

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2. New sales channel:

Internet e-commerce is a new form of direct selling where the retail premises is not required and it can extend the applicablity of direct sales to new markets, products and services.

3. Direct ~~civics~~ Saving:

Selling Online cuts the costs of retail premises and reduces the staff requirement paper work; postage and handling cost is reduced in providing information to the customers. Order entry is by the customer straight into the system.

4. Time to market:

New products can be put online as soon as they are ready without promotion cycles so the time can be saved.

5. Customer Service:

Customer service differs between conventional and direct retail sales. It gives new opportunity for direct retailers to excel in many areas of customer information and support.

6. Brand Image:

It gives an up-to-date image to be on the web

7. Customer relations:

E-commerce allows an organisation to develop a closer relationship with a customer, where the organisation can learn a customer need and evolves its product or service option to meet that

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requirement.

8. Technological & Organisational Learning:

An organisation at front of e-commerce learn technicalities that can be potentialy exploited in the future.

08-08-2018

Wednesday

9. New product capabilities:

New product capabilities ~~On the basis of feedback~~ information from customer can be used to customize product or could be the spark that in squares new product and services.

Ex - a person can denied insurance policy package by the supplier.

10. New Business Model:

The online enter product is not limited by time and geographical in the way that existing business have been used on networking which opportunities to develop new business model and network organisation structure.

Improve it [P N D T C B

Tranformit [C T

Redefine it [N N

according to , the web can be used to improve tranform and redefine business value.

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Business Environment

All businesses operate within an external environment Needle (1994) identifies the environmental factors as the economy, the state, technology, labour and cultural factors. All of these factors are required to be consider in developing a business strategy. Some of the way there might relevant to an e-co--mmerce strategy are:

1. The Economy:

It effects the relevant market sectors in strategy formation and focuses on long term trends as oppose to immediate profits.

2. The State :

It influences the economy and sets regu-latory framework within which businesses operate. It has a global spread and the applicablility to any individual state is different.

3. Technology :

It changes the existing market or create a new type of business for example (EDI) Electronic Data Interchange and (EM) Electronic Market.

4. Labour :

The labour market will determine if an organisation can get the people and skills it needs for its operation. The regulation of the labour market and the strength of Labour Union can also be

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be a determinant in restructuring a Company.

5. Culture :

Culture varies is different countries and the way to operate in one country would not necessary be successful in another. Analyzing the environment is not an easy task organization carries out a study which generates mass of data which can be accurate or readily applied .

Business Capability

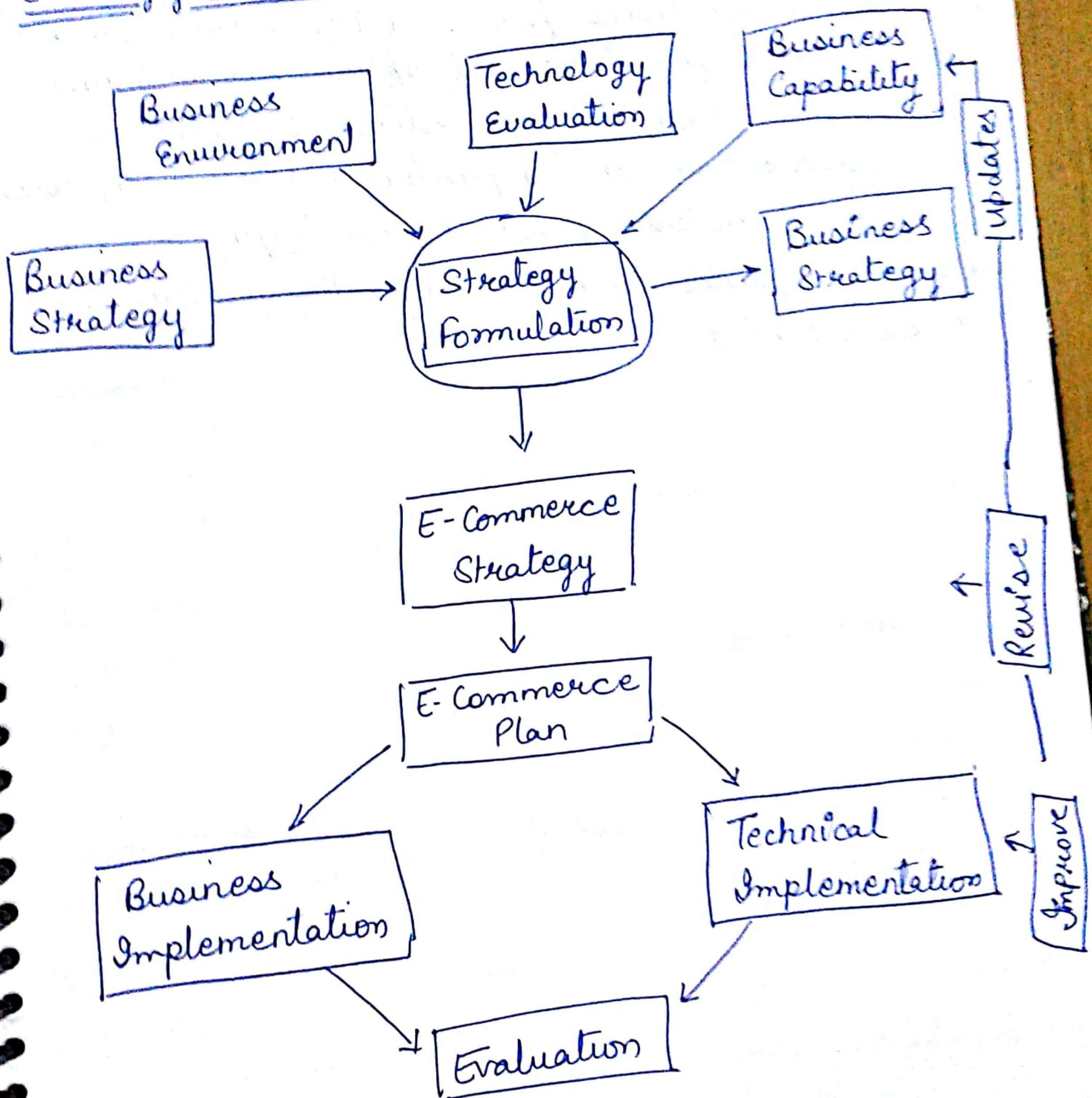
A business idea ~~that~~ back up by the imaginative use of technology will only work if the business has skills and the infrastructure to operate it . A knowledge of the resources and what can be done with them is a pre-requisite for future plans and establishes whether a gap exist between what management like to do and what they can do . This analysis is referred to as Gap Analysis, which checks whether the existing capability can cope with the expected demand or can be expanded to do so .

Existing Business Strategy

The adoption of an E-commerce by the organisation may be in a marginal activity or it may involve the automation of an existing process. It will always lead to a major change in the infrastructure of a business or the way that it conducts business.

For example, a decision to close down retail outlet expansion from local market to geographical market and selling through local agents to direct selling.

Strategy Formulation And Implementation Plan



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The inputs to the strategy formulation process are the results of evaluating E-commerce technology the business environment, the capabilities of business organisation plus the existing business strategy. It is an unstructured process with interest groups creating space for favoured options, consultance can also be hired to give advice or togather the evidence in an impartial manner. The process is liable to include stages of identifying options evaluating options and selecting the strategy that is to be adopted.

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09-08-2018 Thursday

E-Commerce Implementation

The strategy once revised needs to be implemented and use of e-commerce in business is also implemented. According to strategy formulation, the implementation can be done in two stages:

1. Technical Implementation :

The approach to technical implementation of e-commerce system depends on the business objectives, business requirement and the technologies that have been selected. The design process considers –

1. The important factors in system design is the case of use of the system by the end user.
2. The functionality of the system should be according to the user not only focused on organisation.
3. For quick response to the customers, the back office system must be able to meet this requirement.

The approach to design an internet e-commerce system would sensibly be based on a prototyping life cycle as the design of the user interface is crucial to the success of overall project.

2. Business Implementation :

To convert the business that deals online or to embed the e-commerce facility, it is necessary to put the business infrastructure in place which can support the new e-commerce facility. It is also required to market the new strategy to the intended user.

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E-Commerce Evaluation

All system should be properly evaluated after implement -ation it includes the internal stakeholders. The three stages of this evaluation are:

1. Improve it:

Feedback from customer and testing using feedback not involves in the site development can indicate where changes are needed, or the site can improved.

2. Revised it:

Business results from the use of e-commerce may indicate the need to change the e-commerce strategy and the implementation plan.

3. Update it:

Development is the competitive position, changes in the company or the employee emergence of e-commerce technologies may indicate, the need to revisit the strategic process, that means the strategy can be updated.

EDI (Electronic Data Interchange)

EDI is often summed up as paperless trading. According to idea, that is, International Data Exchange Association EDI is "the tranfer of structured data by agreed message standard from one compliter system to another by electronic means."

The definition of EDI has four elements which is essential to any EDI system -

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