

My Perspective
as it Relates to March Cluster 1999 DISS 790

by

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Abstract

This paper briefly details the lessons learned in the DISS 790 Electronic Commerce March 1999 Cluster. It summarizes my viewpoints of this cluster as it relates to my background and experience.

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On the first day of class, we discussed the various definitions of electronic commerce (EC). "Depending on whom you ask, electronic commerce has different definitions. From a communications perspective, electronic commerce is the delivery of information, products/services, or payments via telephone lines, computer networks, or any other means. From a business process perspective, electronic commerce is the application of technology toward the automation of business transactions and workflows. From a service perspective, electronic commerce is a tool that addresses the desire of firms, consumers, and management to cut service costs while improving the quality of goods and increasing the speed of service delivery. From an online perspective, electronic commerce provides the capability of buying and selling products and information on the Internet and other online services" (Kalakota and Whinston, 1997).

Prior to this cluster session, my definition of EC could be best described in one word - shopping. Yes, shopping! When I think of the World Wide Web (WWW) I think of all the new things that I could want. The WWW has provided a new meaning to 'window shopping'. Currently I use the WWW as a place for researching detailed information and price comparison of items that I wish to purchase. In addition, I have found purchasing to be easier on the WWW versus driving to the local store.

Based on this cluster, my definition of electronic commerce has changed. I now realize that EC goes beyond a simple transaction but the whole process associated with obtaining information, customer service, and building brand loyalty. The Harvard Business case on Air Products proves how EC has evolved beyond a simple transaction. "In 1998 Ludlow helped to initiate a telemetry extranet application: a measuring device placed on customers' tanks sent a steady stream of information to Air Products, enabling its employees to manage customer inventory while the customer could call across the web at any time to check the database. Vendor managed inventory or VMI is becoming more important in our industry. People do not want inventory and to reduce your inventory you need better information and that is how the Internet factors in" (Harvard Business School, 1998).

Another interesting topic discussed during the cluster was online publishing. "Initially, growth in the online publishing marketplace was driven by the potential of new interactive technologies and applications. The promise of new interactive publishing captured the imagination of both content providers and the public. However, from 1993 to 1995 much of online publishing was inhibited by a lack of business purpose. At that time, the content creation side of online publishing was dominated by techno-savvy individuals who were not experienced at selling and who did not understand the business of publishing. In addition, there were publishing companies who took a 'Just Get Me on the Web!' approach, failing to define the business purposes driving their online presence" (Kalakota and Whinston, 1997). This 'Just Get Me on the Web Approach' is still prevalent on the WWW today and can be described in one of the four levels of web sites.

During the cluster, there were four levels of web sites described - static billboards, dynamic billboards, database driven, and storefronts. Individuals from all walks of life are signing up for a domain name. Typically these individuals do not even have a business plan, but do have a presence on the WWW. Generally, these web sites are static and seem relatively boring to me. This gets back to the 'Just Get Me on the Web' approach. It must be my shopping intuition kicking in but these days; I tend to gravitate towards the interactive database driven and storefront web sites. Some the best sites I have visited is [Disney Online](#), [NetGrocer](#), [Computers 4 Sure](#), and many more.

Intranets was another topic discussed during the cluster. In my company, DaimlerChrysler, Intranets have provided a common interface so that employees in Germany or the United States can view the same types of information. Currently, most of the company's information is available on the Intranet. All of the HR functions as well as each major department has a presence on the Intranet. As far as the business being able to function solely on the Intranet, that is still being developed.

The DaimlerChrysler Intranet has provided a key indicator of how the stock market is doing too. Since I work in a department where there are quite a few executives, it is easy to tell when the stock market may be having a bad day. I can remember one day late last year when the market was going through a correction. As I walked past the executive offices, every computer monitor had Netscape open showing DCX's latest stock price along with the Dow Jones average. Next thing I would hear is the Dow is down 240 points and our stock is down eight. Our Intranet provides everyone with the latest stock market prices along with the news as well as the company's normal business information.

Our Intranet has been extended to include business with suppliers. The DaimlerChrysler Extranet called the [Extended Enterprise Network](#) is how it does business with all of its suppliers. This relationship with these suppliers was the critical success path to managing information and taking the first step into electronic commerce. Managing knowledge was an integral part of a successful partnership with DaimlerChrysler and its Extended Enterprise supplier partners. "By definition, the Extended Enterprise is a 'DaimlerChrysler-coordinated process that unifies and extends the business relationships of suppliers and supplier tiers in order to maximize the effectiveness of vehicle development, minimize total system costs, and improve vehicle quality and customer acceptance'" (DaimlerChrysler Corporation, Electronic Commerce Article, 1998). A supplier has 30 days in which to establish a link with the Extended Enterprise Network.

Lastly, the cluster highlighted some of the management issues as it relates to EC. Issues such as information dissemination, staff size and capabilities, advertising, marketing and customer service all need to be determined prior to a business becoming EC capable. The vision as well as a long-term direction needs to be defined. This goes beyond the 'Just Get Me on the Web' approach.

"Many wonder whether electronic commerce is simply a fad. While the answer is a resounding no, it is necessary to point out that like every new technology and management technique, electronic commerce has been overhyped and oversold in terms of its short-term potential. However, the long-term importance of electronic commerce cannot be underestimated and requires prudent contemplation and planning on the part of investors, strategists, and management" (Kalakota and Whinston, 1997). As we continue our journey into the world of EC, the importance and strategies for EC will be uncovered.

Reference List

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