Unlocking the Benefits of e-Business

Overview
As technology becomes increasingly integrated into all aspects of society, it provides the potential to do things more efficiently, quickly, and cost-effectively. In relation to business practices, the potential benefits offered by technology, and in particular the Internet, are vast; they provide the opportunity to streamline processes, increase productivity, develop new and innovative products and services, and reach a much larger customer base. More successful businesses can in turn serve as a catalyst for national economies that are experiencing growth challenges by creating added value. In order to do so, however, these businesses must become increasingly innovative and agile by fully exploiting the potential offered by the effective use of Information and Communication Technology (ICT).

Defining e-Business and Identifying the ICT Skills Required to Support it
e-Business is commonly equated with e-Commerce, which is focused on online/electronic business transactions. e-Business is, however, a broader set of practices that includes changes within organisations that drive productivity and efficiency, as well as how organisations manage relationships with customers and suppliers. In short, e-Business could be described as, *the use of technology in all the activities of a business to increase efficiency, facilitate collaboration and encourage innovation within the business, and to improve relationships with customers and business partners.*

All activities that rely on the use of ICT necessarily also require the individuals performing them to possess the skills and knowledge to be able to do so effectively. ICT skills – or e-Skills – can be broken down into three main categories:

- **ICT practitioner skills** – Broadly speaking, these are the skills required for designing, implementing, supporting and servicing ICT systems.
- **ICT user skills** - These represent the capabilities required for the effective application of ICT systems, tools, and devices. User skills cover the use of common software tools and of specialised tools supporting business functions within industry. At the general level, they include 'digital literacy' - the skills required for the confident and critical use of ICT for work, leisure, learning and communication - together with other more specialised and advanced skills relevant for a particular role or task.
- **e-Business skills** - These correspond to the capabilities needed to exploit opportunities provided by ICT, notably the Internet; to ensure more efficient and effective performance of different types of organisations; to explore possibilities for new ways of conducting business/administrative and organisational processes; and/or to establish new businesses[1].

The ICT skills required for the effective deployment of e-Business are complementary and related to all other ICT skills, but do constitute a separate and discrete area that focuses on the need of organisations – large or small, public or private – to successfully integrate ICT to allow them to better reach their goals.

[1] European Commission: http://ec.europa.eu/enterprise/sectors/ict/e-skills/extended/index_en.htm

Why Focus on e-Business Skills?

In the emerging global economy, e-Business - including e-Commerce - has increasingly become a necessary component of business strategy and a strong catalyst for economic development. The integration of ICT in business has revolutionised relationships within organisations and those between and among organisations and individuals. Technology should not be seen as 'nice to have' by any business – it should be an integral component of how they achieve their goals. Specifically, the use of ICT in business has enhanced productivity, reduced costs, increased customer participation, and enabled access to a hugely increased customer base. The cost of investment in ICT – in hardware, software, systems, and training - may be considered by some to be a barrier to employing e-Business practices, but the benefits offered by e-Business outweigh the cost of that investment[2]. In assessing the benefits offered to organisations by e-Business, it is important to look at some of the practical positive outcomes that it offers.

The Benefits of e-Business

It is not only large and well-established corporations that stand to gain from employing effective and targeted e-Business practices. All organisations across all industries need to use e-business practices to unlock the potential offered through ICT, but small and medium enterprises (SMEs) are currently in the position to benefit most from e-Business, and stand to lose the most if they do not use it to remain innovative and efficient, and ultimately to survive. However, many smaller businesses have not developed the strategies to fully exploit the potential offered by ICT on account of such factors as, limited time and resources, and the need to dedicate their energies to 'running the business'. Not only is the implementation of e-Business in SMEs important at organisational level, it also has a significant impact on national and international economies, due to the numbers of people employed in smaller enterprises. SMEs, in both developing and developed economies, employ the majority of workers who do not occupy government positions; in Europe, for example, about two-thirds of total employment in the private sector is found in SMEs, and micro firms (companies with, on average, two workers) employ 30% of the total private labour force[3].

To remain competitive in a global economy, all organisations – large and small – need, on some level, to engage in some e-Business practices to improve their efficiency, and focused development programmes can add great value. For example, staff who have a good understanding of the potential of e-Business can enhance creativity and innovation, particularly in areas such as Research and Development (R&D). In addition, e-Business is highly effective in improving sales, marketing, and promotional channels, and in aiding the distribution process through improved order-tracking and stock-controlling, which reduces the time to market. These factors, coupled with the benefits offered by improved project and internal management, would be of enormous benefit to a product specialist who has a created an innovative product, yet cannot reach a wider target audience or cannot get the product to the customer quickly or efficiently enough. Even the smallest and least 'technical' organisation - for example, an artisan cheese maker - will benefit from using technology to, say, manage their production (internal process) or establish new sales channels through online marketing and business to consumer e-commerce (external relations).

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[2] Experienced Benefits and Barriers of e-Business Technology Adoption by SME Suppliers – Abid, Rahim, Scheepers BIMA (2011)
Global Perspectives on SMEs and Strategic Information Systems – Bharati, Lee, Chaudhury (2010)
[3] Annual Report on EU Small and Medium-sized Enterprises – European Commission (2009)

An integral element of e-Business is enabling organisations to attain their objectives through the effective use of the Internet. This does not only relate to building a greater online presence through such tools as search engine optimisation and social media, but it allows organisations to simplify payment methods, engage directly with customers through an online forum or, where appropriate, a blog.

All organisations can also significantly improve their internal productivity and collaborative working process by using e-Business; recurring meetings can be set, calendars can be shared, and most modern businesses would be unable to think of operating without such indispensable tools as online payment methods, email, and internet telephony.

Conclusion

- e-Business has become crucial to organisations – commercial or otherwise – in streamlining their working practices, improving their communications and reaching a wider target/customer audience.
- The potential benefits offered to organisations through ICT are vast; conversely, the negative impact that not using e-Business will have on an organisation's productivity and sustainability is profound.
- A common misconception is that e-Business practices need to embrace highly innovative, cutting-edge and often expensive technology to radically transform their business. That is not necessarily the case –e-Business can use commonly available technology to perform functions that organisations and businesses have always been performing, but to carry them out more effectively and efficiently.
- Some form of skills development programme, focused on the practical needs of organisations, particularly SMEs, will be an important tool in facilitating the effective integration of technology in businesses[4].

[4] For a skills development programme that enables the end-user to identify and apply many of the key principles of e-Business, please reference the ECDL / ICDL 'ICT in Small Businesses' module (currently in development).