In 1994 the Internet came to the general public’s attention with the advent of the Mosaic Web browser and the World Wide Web. Since then, many companies started the e-business initiative. According to dot-com theory, an Internet company’s survival depended on expanding its customer base as rapidly as possible, even if it produced large annual losses. However, a large number of companies all had the same e-business model of monopolizing their respective sectors through network effects, and it was clear that even if the plan was sound there could only be at most one network-effects winner in each sector, and therefore most companies with this business plan would fail. During the dot-com bust in the early 2000s many dot-com companies lacking a viable business model went out of business. However, the dot-com bust did not signal the end of the Internet and e-business. Because of the underlying growth of the digital society and economy, the consumer has pushed e-commerce forward during the economic downturn.

Today, various e-business models and conceptual frameworks are based on more cool-headed and rational thinking than ever before. As the technology sector recovers rapidly from the dot-com bust, e-commerce has provided many new opportunities and challenges for some organizations to expand and prosper, while at the same time other organizations have not benefited from these opportunities. In many cases, e-commerce organizations will survive and thrive not only based on its product, but by having a competent management team, good customer-oriented sales services, well-organized business structure, network infrastructure, and a secured, well-designed Web site. These organizational, managerial, and technological aspects of e-commerce mandate that e-commerce organizations find new ways of doing business by exploiting new capabilities from the existing and emerging e-commerce technologies.

What is E-business? How the Internet Transforms Organizations, written by professor Feng Li of the University of Newcastle upon Tyne Business School, UK, uses a robust, tested, and widely acceptable theoretical framework to underpin e-business-related topics. The book
is divided into three closely intertwined parts with 14 chapters dealing with a diverse range of issues in a coherent manner.

Part I focuses on examining the nature and characteristics of the new business environment as the context for e-business. Part I begins with a discussion of comprehensive evidence on the changing business environment and the reason some basic rules of the economy are redefined, and therefore the importance of strategic and organizational innovations supported by information and communication technologies (ICTs). The following two chapters discuss some of the changing rules, the implications for organizations and individuals, and the impacts of the Internet technologies on the organizational boundaries and structures. At the end of each chapter, some discussion questions and assignments are provided together with suggestions for further reading. In addition, three appendices are included that provide a useful complimentary resource for readers. Part II focuses on some emerging strategies and business models in the new business environment. Chapter 6 explores the Web strategy which is profoundly influential in the network economy, including new trends identified in several industries such as virtual communities and outsourcing. Chapter 7 examines disruptive innovations and possible responses to them. The author did a good job of explaining why many successful companies have failed to sustain their success over time. Chapter 8 investigates two recent strategic reorientations in the new business environment and their underlying reasons: (1) the changing strategic focus from products and services to integrated business solutions and (2) more recently to the co-creation of unique experience with customers. The critical role of the Internet and related technologies in enabling these strategic reorientations are highlighted. Chapter 9 discusses emerging e-business models in different sectors. A comprehensive taxonomy and an ontological framework for e-business models are also included. Part III builds upon the strategies and business models discussed in Part II. It focuses on some of the most significant organizational innovations. Each of four chapters in Part III provides guidelines for (1) changes in the structure of organizations, (2) organizational transformation from the perspective of business process, (3) organizational innovations at a more micro level, and (4) changes in inter-organizational relations. The author argues that through these organizational innovations many organizations have been transformed into new forms that are more suited for the new business environment.

The author concludes with some emerging issues in e-business. He stresses that although we have all benefited from the digital revolution, perhaps we have only scratched the surface of the phenomenon, and more changes are yet to come. Strategic and organizational innovations through ICTs will continue to dominate business thinking for the foreseeable future, and it will form the basis for a new generation of organization and management theory for the new economy. He also suggests that we should be aware of the potential downside of various strategic and organizational innovations with honorable intentions. Good ideas need to be implemented and executed properly to ensure success.

This book is intended for teachers and students as well as practitioners. It provides readers with a coherent conceptual framework to integrate the vast range of topics and issues surrounding e-business with their existing knowledge and experience. This book will help readers interpret conflicting and rapidly changing business phenomena and make coherent and consistent business decisions. *What is E-business? How the Internet Transforms Organizations* is an excellent book that should be read by those who search for a thorough and reflective introduction to business strategies in the digital economy.

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