Wisdom grows in those who help others achieve greatness.
—— Colle Davis

Despite the fact that a quarter of the world’s Internet population will reside in the United States by 2005, the U.S. share of the global market is predicted by Jupiter Research to drop from 36 to 25 percent by 2005 (www.jup.com, 2001). By 2003, according to research from IDC, an estimated 67 percent of Internet users will log on outside the United States; and the foreign share of e-commerce will reach 56 percent. Although e-business leaders at most companies recognize the need to develop a global strategy, unfortunately many have not yet put one in place. The focus of this book is to conduct and present research that is useful for both theory and practice. In theory, the Web can reach the world. In practice, U.S. e-commerce sites have largely limited themselves to North America. Although that is about to change as the use of the Internet matures in markets throughout Europe, Asia and Latin America, gaining a global foothold involves more than just translating content. Companies must decide which countries to enter first, how they will update and manage content globally, and what is the appropriate mix of central control and local flexibility. They must also decide whether to build a global Web presence alone or develop tight partnerships with companies based in their targeted foreign markets. The case studies illustrated in this book will provide rich insights into these critical management issues. The global perspective of e-business is highlighted throughout the book because the Internet is a worldwide network of networked computers and any business that moves its operations to the Web becomes an international business. Companies will increasingly need to look toward the global marketplace.

Chapter I is a decision-focused case study. GlobeRanger developed from the concept of using wireless technology to locate and track assets over a metropolitan, state, national or worldwide area. Although the initial value proposition focused on hardware-based mobile tracking systems that consisted of a GPS (Global Positioning System) receiver linked to the asset being tracked, software and data management seemed to be a much
more viable niche in the location and tracking arena. This strategic shift from hardware to software, databases and information management is the major focus of this case.

It contains information that provided GlobeRanger management with insights regarding risks of pursuing a hardware strategy and, in turn, what caused them to shift in a new direction within the same field. Tracking is time- and information-sensitive. The logistics function of organizations is increasingly important, especially to those that are reengineering their supply chain and moving to just-in-time manufacturing, distribution and delivery. In effect, GlobeRanger shifted from the data gathering function to that of data mining and analysis with the attendant opportunity of offering proprietary solutions to clients by using advanced IT techniques and technologies.

GlobeRanger is a facilitator of B2B e-Commerce. Its products will add value to supply chain management initiatives. This company exemplifies global business on several levels:

- First, asset tracking and location is a worldwide challenge. As globalization increases, the need to track products grows in complexity. Raw materials may come from several different countries, manufacturing may be decentralized over continents and the customers may also be international.

- Second, the work force of GlobeRanger is international, with the attendant challenges of managing employees from many different cultural backgrounds.

- Third, GlobeRanger’s business will be done, in part, through alliances with organizations and individuals from around the world.

Chapter II discusses the various stages of implementation of strategic ERP systems at Texas Instruments, from adoption to preparation and operation, and the performance metrics used to manage the process. The case study also provides an overview of how these performance metrics played a role in the implementation. A number of lessons for the broader community are detailed, such as practical issues that may need to be addressed when organizations seek to implement systems such as ERP and link them to customers via Internet and Web-based technology.
This case study identifies the importance of enterprise-wide information systems to global e-commerce-based corporate solutions, explores the requirements for a single instance global implementation of an ERP system, provides some best practices and lessons learned to organizations seeking to replicate such an implementation program, and identifies possible research issues.

Chapter III illustrates the differences between global and transnational management requirements as organizations work towards making better use of resources across networked, enterprise information systems. It uses a three-tier networked enterprise model developed to facilitate better understanding and management of global business requirements in e-commerce and describes how one organization, Nu Skin, deals with management of people and resources in the context of a global, networked enterprise.

Specific examples within the context of discussions with executives from one organization are used to contrast global and transnational systems. Rather than demonstrating characteristics of either “global” or “transnational” globalization models, Nu Skin exemplifies elements of both, along with “hybrid” combinations. Due to the complexities of the markets served by the organization and the differing requirements and capabilities brought on by the Internet and other information technologies, Nu Skin illustrates the process of adapting to the Internet by assimilating various globalization models between the home office and different parts of the world.

Chapter IV introduces the changes in the education market and the new learning paradigm, explains e-learning as the convergence of several forces, emphasizes the need for e-learning strategies, outlines a framework for e-learning business models for the implementation of the changes, and compares/contrasts best practice examples for the different e-learning business models.

New e-learning strategies, such as the E2B, E2E and E2C strategies that are needed to react to the changes in a competitive and global education market, are discussed within the context of customers increasingly demanding customized training in a modular and flexible way and the intense focus on content. Key success factors discussed are a well-known brand name that stands for a quality, differentiated service offering; large direct sales force; and strong partnerships across the value chain.
Chapter V aims to analyze, in some detail, the major challenges in the widespread adoption of electronic commerce in the Spanish-speaking population. It also provides a general overview of related issues in global e-commerce, specifically: language, localization, currency, cultural difference, export controls, payment methods, taxation issues, consumer protection, and legal issues. The case includes a description of the strategies followed by companies entering the Latin American market in order to illustrate some of the major cross-border issues and clearly exemplifies how localization involves a considerable financial investment and commitment. The chapter illustrates that while Latin America initially attracted many investors by offering one of the world’s fastest growing online populations, the market was not large enough to accommodate all the new entrants. It describes the important factors that play a critical role in a global e-commerce initiative and discusses the different entry strategies used by companies entering the Spanish-speaking online market.

Chapter VI presents a discussion about the electronic business model developed by Inca Foods, which sells globally but distributes locally (within the country). Evidently this way of doing business marks a substantial difference from what retailers have been doing traditionally with regards to electronic business in Peru. One can also argue about the viability of this business model and about the possibility of its being copied in countries with less economic and social development on the one hand and less computer penetration and Internet access on the other. The discussion in this case study is centered within the social, economic and cultural environment in which Inca Foods operates. Its main focus lies in the unexpected and enormous opportunity of doing business with the community of Peruvian expatriates residing in different parts of the world.

The case study raises important questions about this subject, such as: How can its size be determined? How can these Peruvians be reached? How can an interesting and attractive offer be made? How can doing a transaction be made easy? How can these customers receive the necessary flexibility so that they can purchase what their family really wants? There are important lessons learned about the factors that influence the success in an e-business effort, the concerns of physical distribution of products sold by a virtual supermarket, the potential worldwide market for e-business initiatives, and the impact of electronic advertising through the Web.
Chapter VII takes the students through the structural evolution of several organizations entering into e-commerce. Initially the organizations exhibited rigid resistance to change, then adopted change accompanied by significant shifts in power. The driver for change was the desire to enter into e-commerce “now” rather than “later.” It discusses organizational changes in strategy that result from entry into e-commerce and the approaches organizations take to successfully manage global e-commerce. It illustrates how change roles evolve within organizations undergoing rapid change in order to sustain their e-commerce enterprise and provides some insights into metrics of brick-and-mortar vs. e-commerce operations.

Chapter VIII highlights the strategic decisions involved in evolving from a “brick and mortar” to a “brick and click” organization; the challenges of attracting, enhancing, and retaining customers, i.e., the phases of customer relationship management (CRM); the nature of e-commerce business models; the use of partnering strategies and the strengths and weaknesses of web-facilitated marketing. After forming strategic alliances with AT&T and American Express, Student Advantage created an electronic community for college students, through in-house application development of technology, acquisition of competing companies, and further development of its relationships with business partners and universities.

Student Advantage has successfully transformed itself from the brick-and-mortar company it began as in 1992 into the leading online portal to the higher education community. It utilizes sophisticated software data mining applications, e-marketing campaign planning and CRM. Unlike many other “bricks to clicks” firms, Student Advantage very early on saw the advantage in fully integrating its online and offline databases to avoid inconsistencies in the data that might have resulted from multiple data sources, enabling more efficient data mining, and creating the basis for providing a more satisfying customer experience.

Chapter IX, explores entrepreneurial activity in the Republic of Ireland in the area of information technology (IT) consulting. The case is a hypothetical example of two young entrepreneurs seeking to capitalize their academic backgrounds into a business to provide consulting expertise to businesses looking to harness the power of the Internet. The issues of starting such an enterprise can be best understood by thinking from the perspective of these entrepreneurs and exploring these challenging issues in more detail. This case study could be an exercise in a capstone strategic management
or global management course. From the IT perspective, readers/students should explore the general issues of outsourced e-commerce activity as a business model.

Chapter X is a good case study of how to conduct e-commerce in a country whose national IT infrastructure is not ready for it. ENI Company is an electronic commerce firm in South Korea that provides English news items and English lessons to the subscribers through daily e-mail service that includes free English news-related question and answer sessions via e-mail. This case study deals with the struggle of this firm to establish and sustain its business in a less-developed national information infrastructure. It describes the evolution and organizational structure of ENI Company and discusses the biggest challenge for the firm, i.e., marketing of ENI Company’s products.

Chapter XI discusses how SAFECO, a large corporation in the insurance and financial services industry, is strategizing for and implementing technologies to exploit the Web. SAFECO was recently ranked as one of the leading innovative users of the Web technology in its industry. Since SAFECO’s fundamental strategic driving force is the independent distribution system, this case study discusses the opportunities, implementation challenges and risks in adopting Web technologies in this competitive environment. It highlights critical management issues on how large organizations, particularly those that are knowledge-based and provide primarily information-based services, should strategize about, adopt, and implement Web technologies.

Chapter XII discusses the fierce competition and emerging ethical and operational problems faced by E*Trade, a company that revolutionized the securities brokerage industry by “creating” Internet trading. Although E*Trade’s original strategy was to deliver cost savings to customers while amortizing fixed costs over a greater number of accounts, in 1997, several competitors established Internet sites and E*Trade was dethroned as the price leader. The case discusses the three general principles that guided the firm’s service expansion: (1) attract new investors and fortify existing customer loyalty, (2) develop multiple revenue streams to protect against an extended market correction, and (3) increase customers’ switching costs in order to prevent them from jumping to another online brokerage firm. Its management team introduced a strategic initiative to transform the company into a financial, one-stop shop for investors by expanding its
information technology (this included the establishment of a popular website offering the convenience and control of automated stock options and mutual fund order placement at low commission rates), improving its marketing and advertising program, and developing new strategic alliances.

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