Glossary

B

Balanced Scorecard: The concept of the balanced scorecard (BSC) was created and introduced by Kaplan and Norton (1992) more than a decade ago. The BSC aims to provide a clear picture of the overall performance of a company in a single snapshot. In the knowledge-based economy, competitive advantage lies in an organization's intangible assets which include core competency; knowledge and skills; employee motivation; information technologies and databases; efficient and responsive operating processes; innovation in products and services; customer loyalty and relationships; and political, regulatory, and societal approval (Kaplan, 2001). The BSC combines four different perspectives - financial, customer, internal business processes and innovation and learning - of enterprise performance rather than emphasizing one perspective at the expense of the others. In other words, the BSC intends to evaluate the company's performance in a more balanced, comprehensive, and holistic way. The underlying assumption is that there are inherit synergies between financial measures and non-financial measures (Chapter VI).

C

Customer Lifetime Value (CLV): The value that a customer brings to an organisation over time

Customer Relationship Management (CRM): The process of storing and analysing the vast amounts of data produced by sales calls, customer-service centres and actual purchases, supposedly yielding greater insight into customer behaviour.

Corporate Entrepreneurship or Intrapreneurship: Corporate entrepreneurship is generally defined as entrepreneurial behaviour in an established organization. Corporate entrepreneurship is important not only for large corporations but also for small and medium sized enterprises.

D

Database Marketing (DBM): The ability of a company to use the vast potential of today's computer and telecommunications technology in driving customer-orientated programmes in a personalised, articulated and cost-effective manner.

Direct Marketing (DM): An interactive system of marketing which uses one or more advertising media to effect a measurable response, from a defined target market.

Dot-Com Crash: Arrival of the twenty-first century was accompanied by the 'dot-com crash' with hundreds of Internet companies around the world laying off thousands of employees and filing for bankruptcies.

E

E-Business: E-business is a comprehensive term used to describe the way an organization interacts with its key constituencies including employees, managers, customers, suppliers and partners through electronic technologies. It is a broader construct than e-commerce. While e-commerce is part of e-business and is often used interchangeably with e-business in publications, e-commerce is limited to business exchanges or transactions over the Internet only.

E-Entrepreneurship: E-entrepreneurship describes entrepreneurship in e-business. The e-dimension of entrepreneurship incorporates all the key elements of entrepreneurship including risk-taking, proactivity, and innovation in building, running and managing e-business.

E-entrepreneurship is also defined as the notion which principally uses the Internet to strategically and competitively achieve vision, business goals and objectives.

E-Entrepreneurs: E-entrepreneurs use the World Wide Web (WWW) to interact and complete virtual transactions both with other businesses (B2B) and their consumers/customers (B2C).

Entrepreneurship: "Entrepreneurship, in its narrowest sense, involves capturing ideas, converting them into products and, or services and then building a venture to take the product to market' (Chapter I). Entrepreneurship represents organisational behaviour. The key elements of entrepreneurship include risk-taking, proactivity, and innovation (Chapter I).

E-Innovation: E-innovation can be broadly defined as innovation that is related to e-business. Technology e-innovation is only one aspect of e-innovation. It may include establishing and/or implementing innovative processes, service, strategy, structure, technology, etc, in relation to e-business.

E-Organization: In this book, e-organisations are organisations which are established and operated, based on new technologies, such as the Internet and other related network technologies in an environment referred to as the Internet cultural Era (ICE).

E-Procurement: In most cases electronic procurement (e-procurement) refers to business-to-business electronic trade. It is undoubtedly a central function of e-businesses and plays a key role in the e-supply chain, as purchasing goods and services is always an integral part of the supply chain.

E-Marketplace: Most e-marketplaces offer online exchange transactions and auctions. The e-marketplaces or e-hubs, can be divided into four categories in terms of their core business activities: (i) maintenance, repair, and operating hubs (MRO), (ii) yield management hubs with a focus on operating resources or advertising, (iii) exchange hubs, and (vi) catalogue hubs that focus on non-commodity items (Kaplan & Sawhney, 2000). There is another classification of e-marketplaces in terms of the industry sectors involved: vertical and horizontal e-markets.

I

Innovation: Innovation is a proposed theory or design concept that synthesises extant knowledge and techniques to provide a theoretical basis for a new concept. Innovation thus has many facets and is multidimensional. The most prominent innovation dimensions can be expressed as dualisms—(i) radical versus incremental; (ii) product versus process; and (iii) administrative versus technological (Chapter I).

Internet Cultural Era (ICE): The ICE can be defined as an environment where organisations are placing the Internet at the centre of their business and encouraging ubiquitous use of networked technologies for delivering their business processes, with emphasis on transparent communication and readiness to innovate and take chances on new ideas. Three economic entities, namely the government, organisations and individuals, are the key players in the ICE.

Intrapreneurship: See "corporate entrepreneurship" in this Glossary.

M

M-Commerce: In general we can characterise e- and m-commerce as the different ways of supporting and conducting business over the Internet (e) and/or with mobile devices (m). M-Commerce can be understood in equally diverse ways. There may be a number of different definitions for e- and m-commerce, which are all correct. Due to the possibility of very diverse views in understanding what e-commerce and m-commerce are, in this book, we refer to application of e- and m-commerce techniques to business as using e- and m-business components.

O

Online Advertising: Online advertising refers to employing the Internet as a means of advertising and a source of exposure to the consumers who use the Internet to research purchases.

Open Source Software: Open Source Software (OSS) involves access to the underlying source code. In addition, for a license under which software distributed is to be considered Open Source, it must permit redistribution of the software without requiring a royalty. Redistribution must be permitted in source as well as compiled (ready-to-run) form. Modification of the software and creation of derived works must be permitted. There are some other clauses that must be satisfied for a particular software package to qualify as OSS. However, the above criteria are arguably the most fundamental and, to someone not familiar with the OSS paradigm, perhaps the most revolutionary. Many organisations and websites use the term 'Free Software', whose meaning and interpretation is very similar to OSS, with 'free' implying freedom to access and modify the source as well as redistribute unmodified and modified versions. Strictly speaking, the definition of 'Free Software' might preclude certain software from being considered 'Free' even though it might be considered OSS. Since all 'Free' software would be considered OSS, we will use that term for simplicity and to avoid the confusion that comes from 'Free' meaning 'at no charge' (Chapter IV).

P

Permission Marketing: A two-way permitted dialogue between business and customer that focuses on providing relevant, timely and specific information to a specific target market.

R

Relationship Marketing (RM): Relationship Marketing is the ongoing process of engaging in cooperative and collaborative activities and programmes with immediate and end-user customers to create or enhance mutual economic value at reduced cost. (Chapter V)

S

Search Engine: Search engine refers to a program that searches for key words in files and documents found on the Internet.

Small/Medium Enterprise (SME): Defined by the EU as a company that has less than 250 employees. However, the size of a SME may vary in different country context.

T

Total Quality Management (TQM): TQM is generally defined as a comprehensive management approach to improving quality of service and product. It refers to both a philosophy committed to customer satisfaction and continuous improvements and a set of guiding principles that set the foundation for an organization to improve quality.