Chapter 12
Methodology and Software Components for E-Business Development and Implementation: Case of Introducing E-Invoice in Public Sector and SMEs

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EXECUTIVE SUMMARY
Many benefits from implementation of e-business solutions are related to network effects which means that there are many interconnected parties utilizing the same or compatible technologies. The large-scale adoption of e-business practices in public sectors and in small and medium enterprises (SMEs)-prevailing economic environments will be successful if appropriate support in the form of education, adequate legislative, directions, and open source applications is provided. This case study describes the adoption of e-business in public sectors and SMEs by using an integrated open source approach called e-modules. E-module is a model which has process properties, data properties, and requirements on technology.

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ORGANISATIONAL BACKGROUND

Large-scale adoption of e-business practices is a complex task from many aspects and one of extremely important is the fact that all approaches, standards, guidelines or solutions should be widely accepted by collaborating organizations or at least interoperable. In that respect public sector can play important role because its e-government and e-business oriented momentum can trigger rest of the society to come into play especially SMEs which do not have resources and knowledge of multinational corporations. The interrelation of business and public sector is subtle but it is noticeable and quite important. On one hand free market should develop with as little government influence as possible (Smith, 1976) according to the laissez-fair principle and on the other, certain extent of government involvement is desirable in achieving broader public interest goals. According to Max Weber’s theory of bureaucracy, main axis of public sector value chain (Porter, 1996; Heintzman, 2005) consists of providing public services and developing legislative. More recent approaches which deal with e-government broaden the perspective of public sector and it is defined as a mean to “achieve better government” (OECD, 2005), assist society with effectiveness and efficiency (Hachigian, 2002), acquire transparency, increase revenue growth, reduce costs of public administration, transform relationships with citizens, businesses, and government (Gartner Group, 2000; World Bank, 2009). Such approach fosters transformation in delivery of public services, increases effectiveness of public administration, and leads to stable and viable development of economy. Therefore it is important to notice that supportive business processes from public sector value chain could significantly influence economy and the most direct example of such approach is public procurement. The importance of public procurement has been recognized across EU and that is why European Commission included public procurement in its large scale pilot projects. Pan European Public Procurement Online (PEPPOL, 2008) is a pilot project with aim to develop good practices and implement standardization in this supportive family of business processes of public sector value chain but of great significance to the
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