Chapter VII


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Abstract

E-business has been highly debated during the last years, often based on assumptions. This chapter is based on results from several years of collaborative action research. Actual results from implementation projects in the supply chain of the automotive industry are the focus. The objective is to highlight experiences and successful results from business to business integration. The origin is a Volvo initiative with a portal for selling spare parts via a new Web channel. The case presents realized implementation projects as an outcome of a scenario-based strategy. The original scenarios served as a reference, but the development was influenced by actual actions and learnings. The case illustrates that creation of a new platform is challenging, but also that the creation of new business relations is just
as difficult. The results indicate that tight follow-up projects can enable valuable innovations. Leverage is high, and rollouts are easier after the initial implementation.

Introduction: Logistics at the Core of Global Operations

The world is growing smaller. Globalization and market demands have made logistics one of the most critical business functions. Availability is the key to gaining customer loyalty. This has been the case for a long time in the automotive industry, especially in the after-market, where access to correct spare parts is decisive to the function of the vehicles. However, there also are many opportunities to utilize modern technology in order to improve the business setup (Malone, 1998). The fierce competition in the transport sector pushes the business-to-business relations to focus on bottom-line results in a reality of diminishing margins. At the same time, exploiting core competencies and finding new business propositions seem even more important. With large flows of physical goods as well as many stakeholders of information, logistics is growing into one of the most complex business functions (Ericsson, 1999, 2003; Lumsden 1998; Motwani et al., 2000). This has contributed to the growth of the Supply Chain Management area, including, for example, the emergence of both specific systems and SCM consultants.

Managing operations and changing in complex environments are problematic. Outlining strategies that involve highly dynamic factors is difficult. With multiple interrelations on one hand and large differences on the other hand, management must act in a situation where control of operations and technology is drifting (Ciborra, 2000). In a turbulent context, it may be crucial to take action. No matter how much planning, it will still not be possible to comprehend the situation in detail or to control all implementation factors (Magoulas & Pessi, 1998).

E-business often has been described as revolutionizing companies and businesses with implementations through large-scale projects (Kalakota & Robinson, 1999). However, many startups have failed due to the fact that physical operations did not deliver what their Web sites seemed to promise. There also has been a tempting suggestion that intermediates could be replaced by e-business solutions. But stakeholder relations are difficult to establish and take time to change, especially in supply-chain logistics. It is easy to underestimate the problems, risks, and challenges, which need to be managed when aligning IT and business into new channels.
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