Chapter Seven

Intra-Company eCommerce

Objectives

In this lesson, you will learn about:

✦ Business Intranet Applications

✦ Enterprise opportunities

✦ Planning a successful enterprise initiative

✦ Issues and challenges: security, corporate identity and human resources

The application of web-based technology to improve and transform internal business communications and processes is being embraced by companies worldwide. Companies like Netscape, Microsoft, Lotus, Sun, Oracle and Novell all publicly acknowledge that in the next 5 years intranet growth will exceed that of the Internet.

In this lesson, you will learn what companies are doing; how they're doing it. You will then learn about critical tools and issues, including planning of realistic resource requirements; collaboration and sharing behaviors; content and infrastructure requirements.

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Business Intranet Applications

Why is there such a widespread adoption of web-based technologies inside corporations? The statistics are staggering:

Intranet Growth

- 90% of corporations are now evaluating intranet solutions.

- At the beginning of 1996, nearly one out of four Fortune 1000 companies already used an internal Web server

- Business Research Group predicts that 70 percent of all U.S. corporations will have an Intranet by January of 1997, up from 55 percent in June 1996.

- Forrester predicts that the intranet server business will reach $1 billion by the year 2000. (Filed: 22-Jul-96 Source: Business Research Group, Newton MA)

- Zona Research Inc. predicts that worldwide intranet software sales will increase 16-fold in three years

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The intranet is not just a corporate Internet behind a firewall, but a way of doing business. The intranet allows you to connect people inside your corporation as well as people you deal with outside your organization. Increasingly, companies are integrating their business-to-business and intra-company eCommerce strategies. Applications that are valuable to employees may also be valuable to strategic partners, suppliers, distributors and customers. A new phrase has been coined to describe the provision of internal information to a group of users outside the organization – the **extranet.**

Electronic commerce, which has been defined as the buying and selling of goods and services online, now is being redefined to mean new, emerging and redesigned business   processes that can take place online, done in a secure way.

Intranet Opportunities

Intranet opportunities can be grouped into five general categories:

> **Internal communication**: creating an involved and communicative environment by making information accessible to organizational members.

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Collaborative/cooperative work: exploiting Web technology to create team oriented work environments that are more productive, higher quality, and enjoyable.

Knowledge management: facilitating an environment where knowledge is shared and exploited by any group or division in an organization (e.g., best practices database). This involves the process of capturing and leveraging a company's intellectual capital, the most valuable asset of contemporary companies.

Process redesign: transforming and disintermediating inefficient practices and processes inside the organization, from supply chain management to internal procurement to expense reports.

As was illustrated for business-to-consumer eCommerce, intranets are also in a rapidly evolving stage. Current implementations are primarily for basic communication and sharing – publishing existing documents in a web format and providing bulletin boards for sharing. Other stages of development are already in progress at many best practice companies. They include:

- **Creation or acquisition of new content.** This content can be better, more systematic collection and sharing of customer information or it might be a competitive intelligence alerting system from an external publisher such as Dow-Jones.

- **Collaboration, best practice and expertise sharing.** Structured databases for sharing and transferring individual knowledge to all employees (Booz, Allen & Hamilton and Hewlett-Packard are two examples of firms that have begun this process.)

Planning Questions

There are some planning questions that must be answered to develop an implementation plan for an intra-company application.

They are:

- How will intranet applications impact the organization and its people?

- Who should be involved in their development?

- Who 'owns' the intranet?

- How will you manage the beast - chaos vs. control?

- How can the thousands of documents be managed in a useful way?

- What metrics can or should e used?

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- How much information do you anticipate providing?

- What is the size of the user community? (Storage and server requirements)

- How long will typical applications take?

- What kind of information will be provided - text; graphics; audio

- How much information already exists?

- How ill it be delivered?

Keys to Success

There are a number of critical success factors, including:

- Adherence to standards to simplify contribution of content and use

- Plan for increased traffic. It will be greater than you think.

- Procure a training program and anchor it in place

- Encourage of innovative intranet applications and databases; work processes; and use of information to create new products and solutions

- Plan for users and information providers. They can be the same worker but will have different requirements depending on the application.

- Allowing active, open sharing of information.

- Communicate frequently and consistently with top management.

- Maintain a vision for big picture, with clear goals and objectives.

- Create a comprehensive approach.

Overview of Issues and Challenges

There are similar issues and challenges in planning and implementing an intranet to our earlier lessons on business-to-business eCommerce and on business-to-consumer programs. It will be useful to reiterate these issues and relate them specifically to the challenges of building and maintaining internal webs.

Security. Companies need strategies to secure sensitive data that should be shared only internally or only with select employees on a need-to-know basis. Those strategies include:

- Firewall security systems

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- Passwords

- Unpublished URLs outside the firewall for extranets

- Encryption

Corporate identity. There's a need to strike a balance between freedom of expression and maintaining the corporate look and feel. Just as you've experienced receiving copies of emails that were intended for internal use, internal web pages are sometimes shared with the outside world. Make sure to involve corporate communication, at least in an advisory capacity.

Human resources and skill requirements. The same issues of training and retaining information technology staff with new technology skills arise, as in the business-to-business section. In addition, the information-intensive nature of intranets requires Web editors and Web masters with not only technical skills but also strong editorial, publishing and excellent knowledge of the company to produce and maintain good content that's organized in a way that employees can use it.

Content

Content can be acquired from four sources:

Existing internal databases. Oracle, Informix and the other major relational database players have developed new solutions that will integrate content that's already available inside companies (product, financial, sales data) into intranet applications. There are also text databases, like technical reports and research-in-progress, that can easily be transformed for intranets.

Existing internal publications. Most are already in electronic format, and there are many HTML conversion programs available to convert this content to the intranet. Reports, policies, procedures, benefits manuals, and company phone books are just a few examples.

External databases and publications. Companies like Dow Jones, Individual and Lexis/Nexis provide content from external publications in web-compatible format. Content can be acquired for entire databases to provide answers from outside sources on a project basis or may be packaged in a current awareness product so that you can be alerted on news of your competitors as stories break.

New content from employees. Databases of expertise and departmental capabilities and best practices need to be developed from the ground up. Intranets make it simple to provide and update content, but it's a major responsibility to manage this process.

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Lesson Summary

In this lesson, you have learned about intra-company applications of eCommerce, commonly known as the intranet. Extranets are also now used to describe limited distribution of a company's internal information to select parties outside the company.

Something to think about

You have now learned about the three major business applications for eCommerce:

- Business-to-business

- Business-to-consumer

- Intra-company

You have also worked with each of the three application in depth through case study research, class discussion and team assignments. Based on your learning, what application takes the top priority for your company?