

Electronic Trade Management in Reengineering

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Abstract: In the modern economic conditions the development of the information technologies is gaining increasingly global importance. Through its instruments they are finding application in all business areas. This fact allows to the dynamically developing organizations to apply new and advanced forms of business processes management. With this regard it is necessary to add the importance of the electronic trade as an alternative approach of the traditionally conducted business activities. As a result of this fact the latter influences significantly the development of the organizations on the one hand and their interactions with the customers, suppliers and affiliates on the other. Thus on the grounds of high technology bases such conception for business conduction integrates all interested parties in a common business process. In this direction the electronic trade is concentrated mainly towards the processes that are external for the organization.

This is why through the application of the internet technologies it is possible to perform different sales of products and services to external individuals and contractors. From this point of view the purpose of the present report is to disclose the special features and the specific components of the electronic trade in reengineering conditions. In this situation there is basic importance given to the models for initiation of various commercial operations in a turbulent business environment.

Key words: electronic trade, commercial operations management, reengineering, business processes.

I. INTRODUCTION

The challenges in the economical area set new requirements in front of the development of the business entities. Most of them are predetermined by the advanced methods for business establishment. In this sense a main priority of the modern business organizations are the strategies for business processes electronic management. In other words, as a result of the fast development of information technologies, more and more attention is paid to the electronic trade. Over the last few years this practice for business operations conduction established itself as one of the mostly preferred forms for business conduction.

With this respect its application in the activities of the industrial business structures should be reviewed as a factor for stable development and a tool for achieving significant corporate competitive power. This is why the real trade in a virtual environment is a flexible approach for structuring the traditional business relations in a single technological process for business activities conduction. [1,2,4,7,8,14,17,20].

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II. PRESENTATION

Depending on its specific features, the business in electronic form is performed through the use of high technologies and Internet connection. Thus for the different companies the global network is a main prerequisite for goods and services sales in real time. This fragment from the business activities concerns the processes related to the customers, the suppliers, the associates and the employees.

Therefore, as far as the electronic trade is concerned, the business organization is reviewed as a system with input, center and output. This fact is an objective reflection of the new requirements for business conduction and envelopes all components of the reproduction process. (Figure 1):



Fig.1 Electronic trade application in reengineering

The transformation of the business from standard into electronic form of business processes management requires also a change in the working style during its introduction. To a great extent here it is necessary to consider also the new tendencies in the environment where the business subjects function. With this respect, a bigger part of them concerns modern know-how to ensure virtual access of data and conduction of various electronic operations (non-cash payments, electronic services, etc.).

In business processes reengineering the electronic trade should be reviewed as a part of the common instruments of the electronic business concept. In this sense, although slightly expressed, it is necessary to make a difference between these two notions. Although at first glance they are performed on the grounds on on-line communications and the Internet network, these two directions are different from each other through their specific features and the way of business performance. In this sense the electronic trade should be reviewed as a more narrow notion of the electronic business and it envelopes all commercial operations (transactions), conducted through the modern methods of the information technologies and systems. Therefore the electronic trade synthesizes in itself all activities performed in order to accumulate profit, to gain property or to render rights for use of an electronic product in real time.

Schematically the interrelation between electronic business, electronic trade and reengineering could be presented in the following way (figure 2):

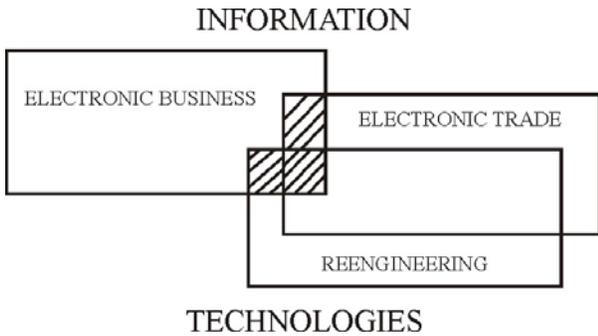


Fig. 2 Interrelation between electronic business, electronic trade and reengineering

In principle, in the area of the electronic trade, it is possible to distinguish several alternative directions for virtual business conduction. Apprehending their specific features, we have to point out that these are particular forms of business processes management on the basis of information electronic exchange and on-line communication. In other words, through them there are certain business interactions created, which integrate in themselves the advanced achievements in information technologies area.

In particular they envelope the following main activities (Figure 3) [11,13,16,18,20]:

- business - business(B2B);
- business - customer (B2C);
- business - administration (B2A);
- customer - administration (C2A).

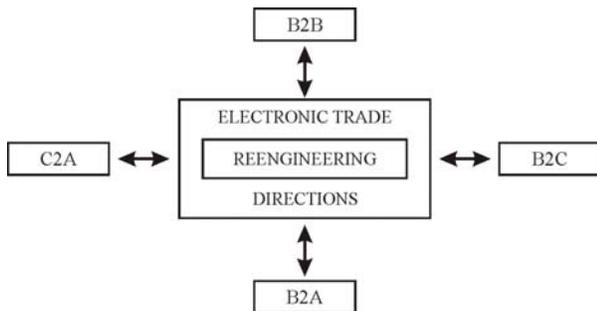


Fig. 3 Electronic trade directions in reengineering

1. Business - business (B2B).

This direction of the electronic trade is aimed to conduct business between two (or more) companies. Actually this means that the products and the services are dealt among the organizations, which in their legal form are legal entities (figure 4).

Therefore the subject of their commercial interrelations is not the end users, respectively considered as physical person.

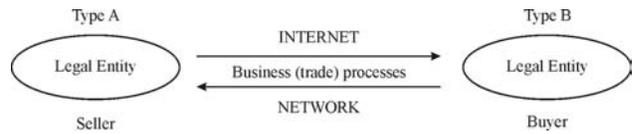


Fig. 4 B2B electronic trade directions

Through the use of Internet, B2B is a modern direction for the establishment of a global electronic trade network. Through electronic data exchange it is possible to design different information systems for interaction of the internal processes with those in the organization environment. With this respect, the trade in B2B is performed on the grounds of on-line communication and is set on the basis of the so called electronic shops [12,13,18,19]. For this purpose the Internet network is used as a tool for sale of goods and/or services, for conduction of different types of deliveries or for complex customer service.

2. Business - customer (B2C)

Unlike the preceding direction, this type of electronic trade is oriented to the end users of the goods produced by the organization or the services performed, i.e. to the physical persons. But here there is no electronic form of data exchange among the individual business processes (figure 5).

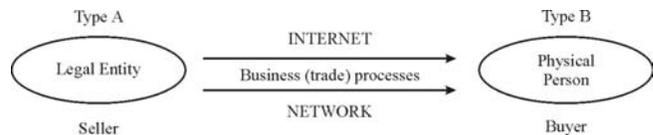


Fig. 5 B2C electronic trade directions

The substantial specific feature in this case is that one of the two parties - type B (the customer) does not have the necessary Internet connection to interact with the external environment it can not perform the correspondent on-line trade. This is because the management system of the first organization in principal is designed in a way to have accessible network for electronic data exchange available, while the second party does not maintain the requirement for the performance of this activity.

As a result of this fact, it generates and transforms the information data exchange through other technological connections (e-mail, browsers, etc.) [14,16,17].

3. Business - administration (B2A)

The conduction of this kind of electronic trade is also based on the Internet network. With regard to this direction, there is a main role assigned to the interrelations among the individual commercial organizations on one hand and the governmental structures on the second (figure 6).

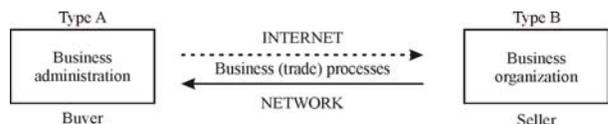


Fig. 6 B2A electronic trade directions

Having in mind each particular case, it concerns the interrelations among particular business organizations and governmental administrative structures. These contacts could be conducted at different levels depending on the type of the performed activities (the electronic trade format) and the ways, in which the information exchange is structured. In its root these interrelations are established on the basis of purchasing goods and services from administrative, governmental or international structures through the application of the modern information technologies.

In other words, this process of electronic trade is done through Internet. This happens with the publishing of different announcements, flyers and booklets, which review is done in information electronic exchange way [14,16,20].

4. Customer - administration (C2A)

In the electronic trade of customer – administration type, there is an interaction done between the government and the citizens, i.e. the users of the particular service (figure 7). Thus the correspondent prerequisites for the formation of bigger flexibility in the identification of the approaches for the communication between the two parties are created.

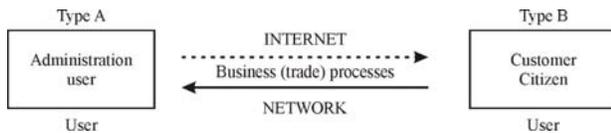


Fig. 7 C2A electronic trade directions

The purpose of this direction is to create better conditions for citizen service. With this regard essential importance is gained by the transformation of the administrative processes from the traditional in electronic form of conduction. In the very developed countries this type of electronic trade is associated with the concept for the creation of the so called electronic government. In particular this concerns the transformation of the standard methods for administrative processes management and their replacement with new ones.

The idea is to establish the correspondent communication connections for improvement of the interrelations between the governmental administration structural departments and the citizens through information exchange [20].

As evident, the above mentioned directions are characterized with their own particular specific features and way of application. As a result of this fact it is possible to outline some essential characteristics, which are forming their typology (table 1):

TABLE I

ELECTRONIC TRADE DIRECTION	SPECIFIC FEATURES
Business - business	<ul style="list-style-type: none"> ➤ trade among different legal organizations; ➤ establishment of electronic shops; ➤ electronic data exchange; ➤ advance approach to structure the information exchange; ➤ attraction of new customers; ➤ improvement of communication channels; ➤ optimization of sales channels; ➤ integration of different business decisions; ➤ equivalence in the relations among the different organizations
Business - customer	<ul style="list-style-type: none"> ➤ trade between legal entities and physical persons (customers); ➤ no electronic data exchange between two or more business processes; ➤ establishment of the basis of particular trade mark; ➤ presence of manager-mediator, who is processing the correspondent orders
Business - administration	<ul style="list-style-type: none"> ➤ trade between the business organizations and governmental institutions; ➤ purchase of goods or services by governmental organizations; ➤ electronic data exchange
User - administration	<ul style="list-style-type: none"> ➤ interaction between the government and the citizens; ➤ establishment of electronic government; ➤ optimization of communication channels on the basis of modern information technologies

Obviously the mentioned directions of the electronic trade are formed on the grounds of particular interrelations, realized through information exchange of data. Established on the basis on the new challenges in the high-technology industry, they are essential factor for business processes performance in electronic (virtual) business environment.

Due to this reason, the electronic trade is distinguished for some characteristic advantages towards the traditional approaches for business activities conduction. The more essential of them are: (table 2):

TABLE II

BUSINESS ACTIVITY FORM	MAIN ADVANTAGES
Electronic trade	<ul style="list-style-type: none"> ➤ electronic access of information in real time; ➤ possibility for virtual business; ➤ enlarges the spectrum of the information data exchange; ➤ holds out potential perspectives for electronic management of the business processes; ➤ optimizes the information and communication connections; ➤ provides direct access to customers; ➤ provides bigger possibilities for the offered goods and services; ➤ decreases the expenses for organization and management of the business processes; ➤ reduces the time for order processing; ➤ provides constant monitoring of the performed operations

III. CONCLUSION

The accelerated rates of economical and technological development are a main prerequisite for the constant changes in the business area. This fact is an objective reflection of the new challenges in the business. Unchanging part of this process is the electronic trade as an advanced tool for conducting business activities. In reengineering conditions the performance of trade operations by means of the modern information technologies is an expression of high technology mobility and corporate competitive power.

With this respect the electronic trade is an alternative form of the traditional approaches for business conduction. For this purpose the information is collected, processed, translated and stored in the basis of electronic data exchange. Therefore in parallel with the introduced reengineering, the electronic trade is applied when it is necessary to use the modern information technologies for adding value to the correspondent products and services. Towards the studies performed, the conducted analysis and the established facts, through the present article it is possible to outline the achieved results.

Generally, they are summarized to the following several directions:

- the essence of the electronic trade is defined;
- the directions of the electronic trade in reengineering conditions are reflected;
- the interrelation between the electronic trade and the reengineering concept is established;
- the main advantages of the electronic trade are mentioned.

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