



Electronic Business Systems

School of Engineering & Design

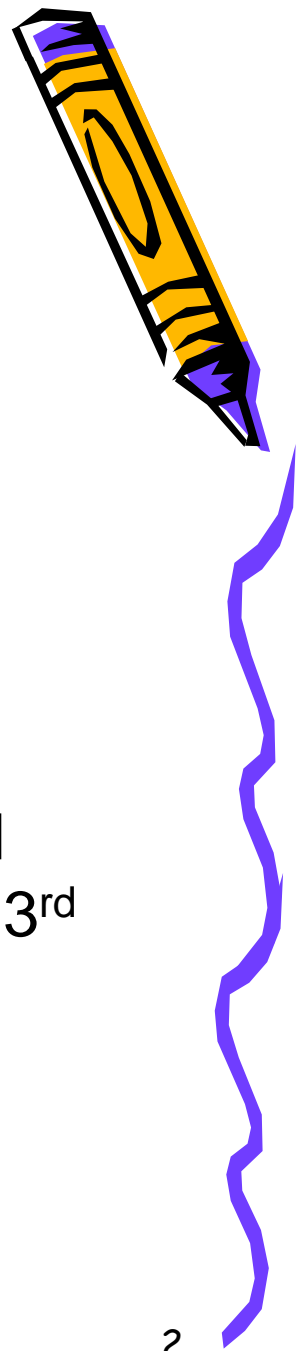
Alireza Mousavi

<http://www.brunel.ac.uk/~emstaam/>

(Case Studies)



Note



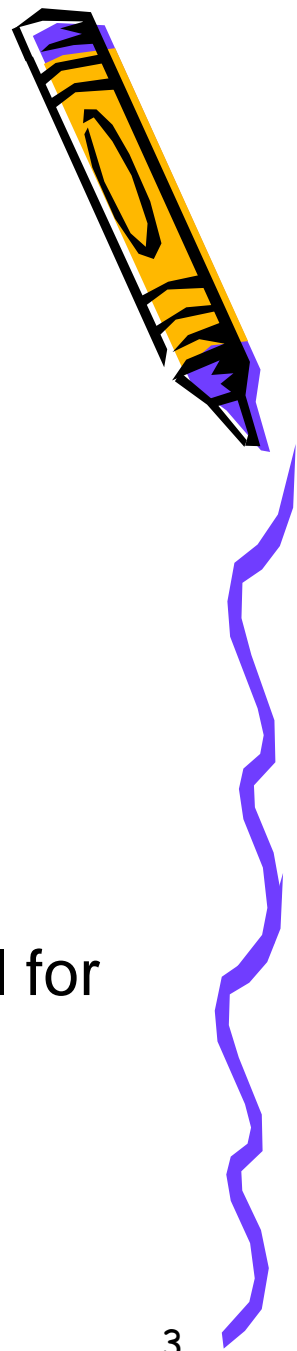
Please refer to your Course Book for full information on the case studies

ELECTRONIC BUSINESS SYSTEMS MODERN ENTERPRISE: DESIGN, MANAGE AND LEAD, 3rd edition.

Some Cases

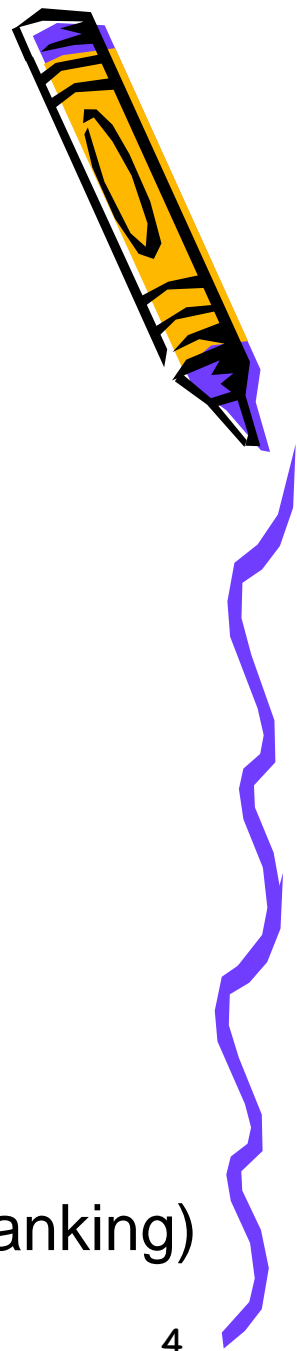
The aim is to offer some ideas on:

- How these e-businesses function
- Identify and discuss the business models
- The value chain
- Reflect on what could be the right business model for target industries

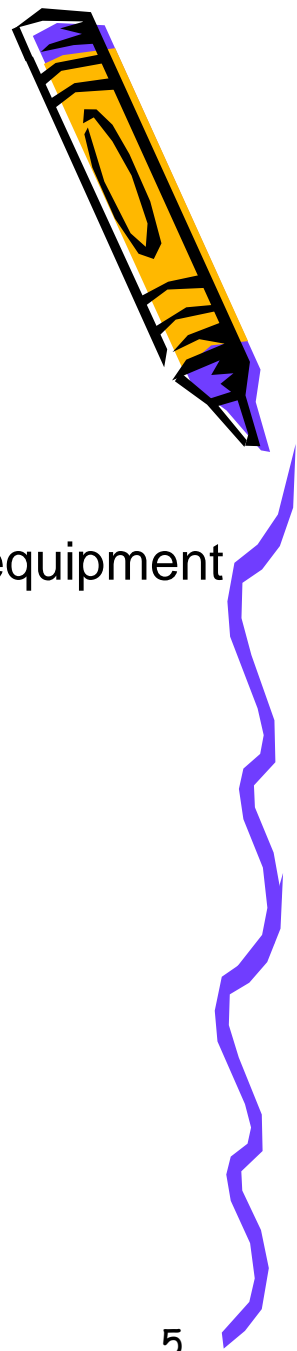


Case Studies

1. Marshal Industries (e-component supplier)
2. FedEx (logistics facilities)
3. Amazon (online retail)
4. Citius Belgium (value-chain integrator)
5. Dow Chemical Co. (e-learning)
6. Dell Computers (e-manufacture)
7. eBay (e-auction)
8. DoCoMo (mobile commerce)
9. First Citizens Bank – Financial Fusion (Internet Banking)

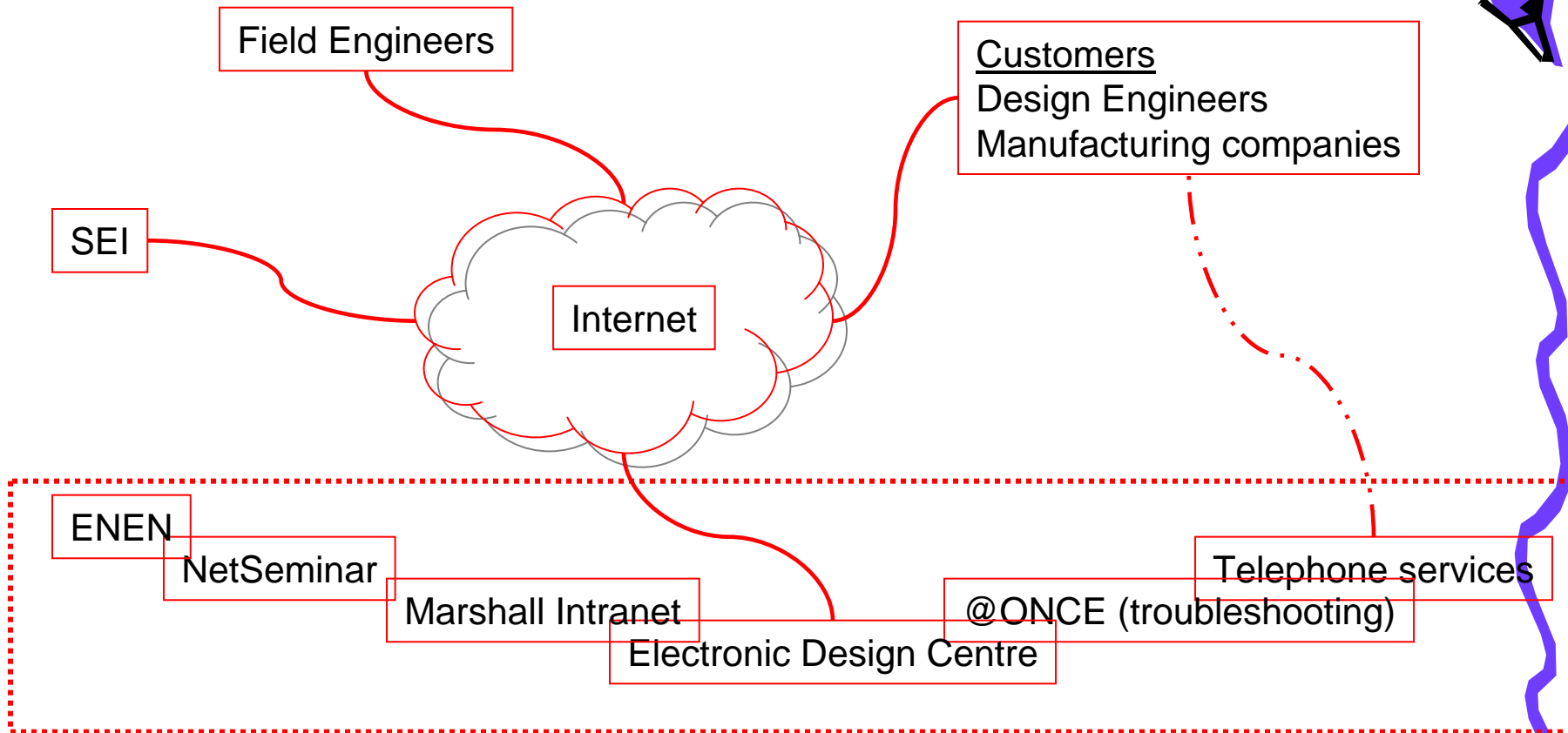
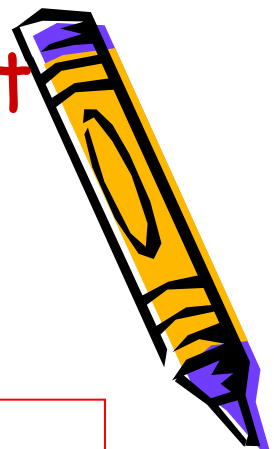


Marshal Industries [Timmers 2000]

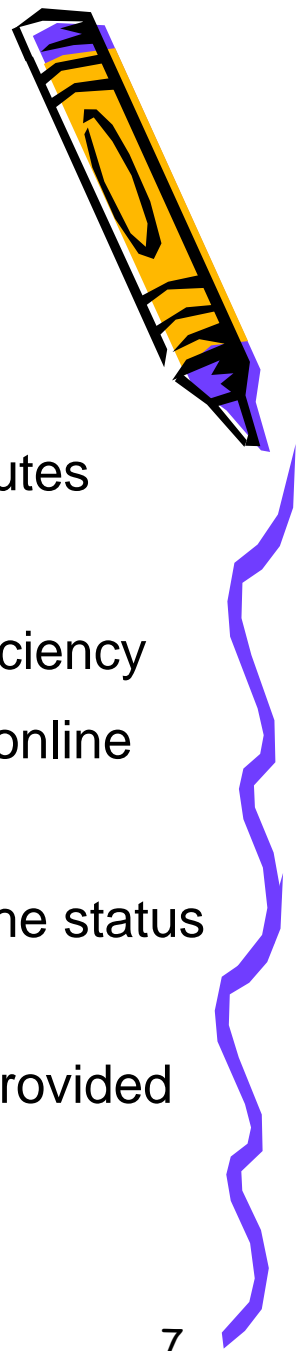


- **Company profile:**
 - US fifth largest distributor of industrial electronic computer
 - Substantial growth in the 90s
 - Customers from 67 countries: OEM for mainframes, office equipment & communication
 - 2280 employees
 - Sells brand names – large DB of products
- **Business Model**
 - One of the first in distribution of electronic components
 - Recognised & took advantage of IS, computer networking, collaborative tools, intranet and Internet.
 - Offers a competitive edge

Marshal's Business Model & Internet Based Activities



FedEx



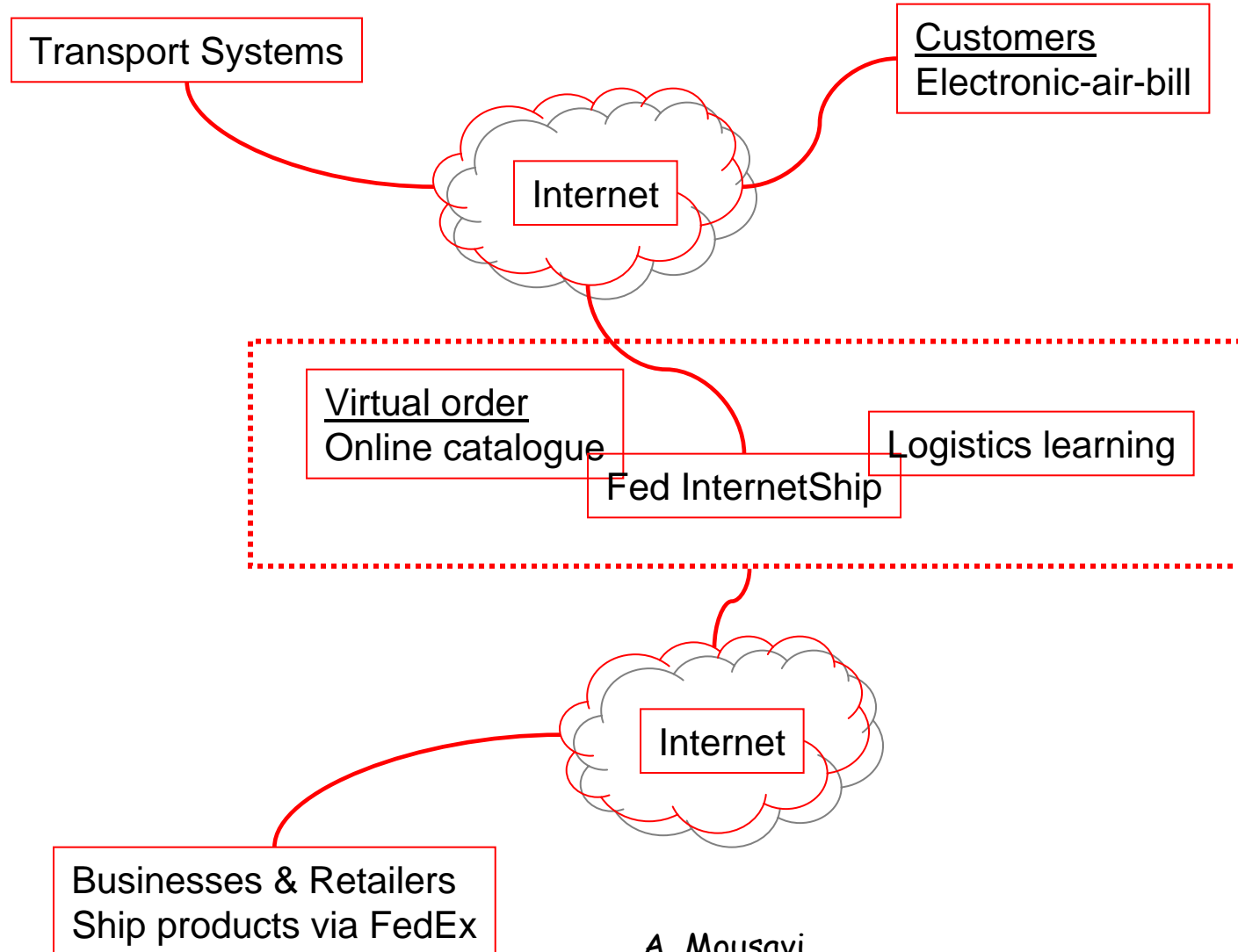
- **Company profile**

- 25 years of global transportation network
- Arteries of this network are hundreds of air and ground routes
- Thousands of service centres with regional hubs
- Optimisation of this network is to ensure reliability and efficiency
- WWW usage to improve services and moving customers online

- **Business Model**

- 1995 offered Internet services to allow customers obtain the status of their shipment
- Platform for various business to advertise their products provided they ship them via FedEx system

FedEx Business Model & Internet services



Amazon.com



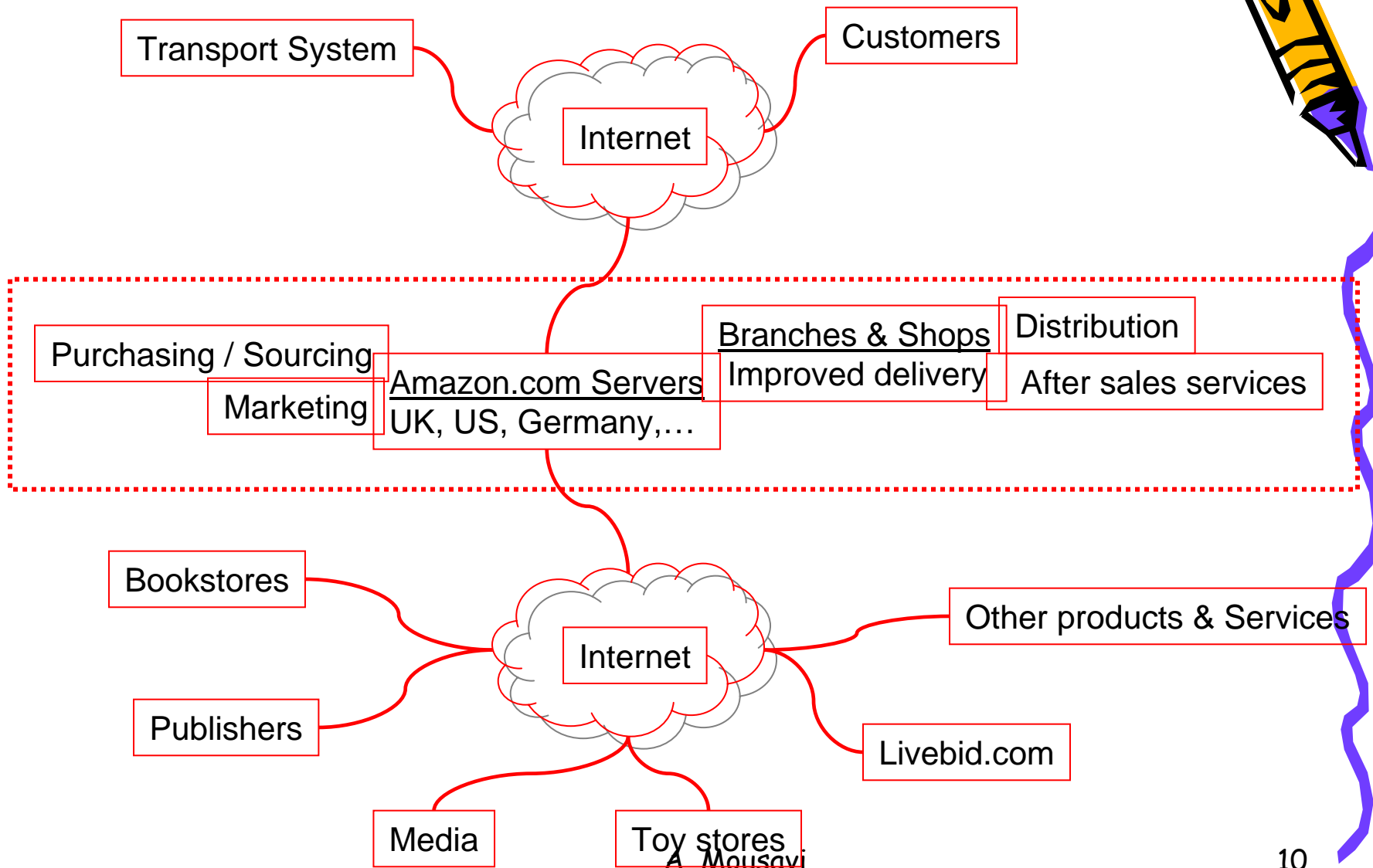
- **Company profile**

- Pioneering bookstore opened in 1995
- Online shopping and partnership opportunities for books, audio and video services
- Wide selection of products with international delivery facilities

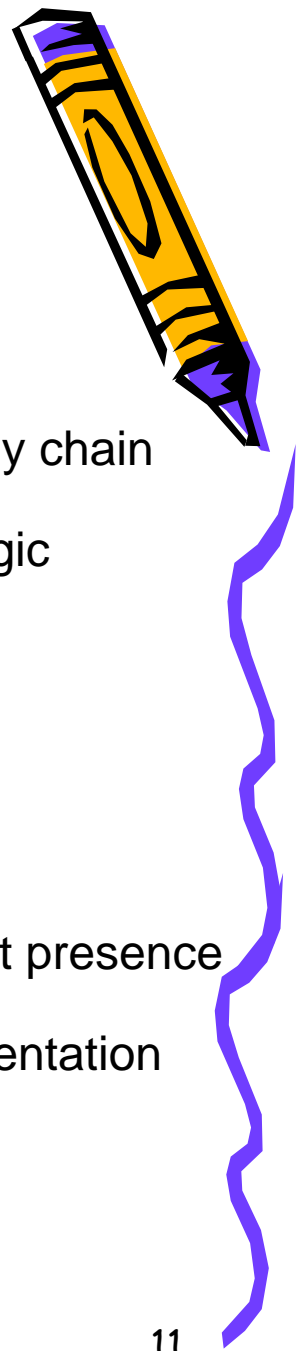
- **Business Model**

- Successful implementation of complicated presentation, ordering, finance, and delivery
- Creation of retail spaces
- Customer profiling
- Has been a model for other e-retail systems

Amazon's Business Model & Internet Services

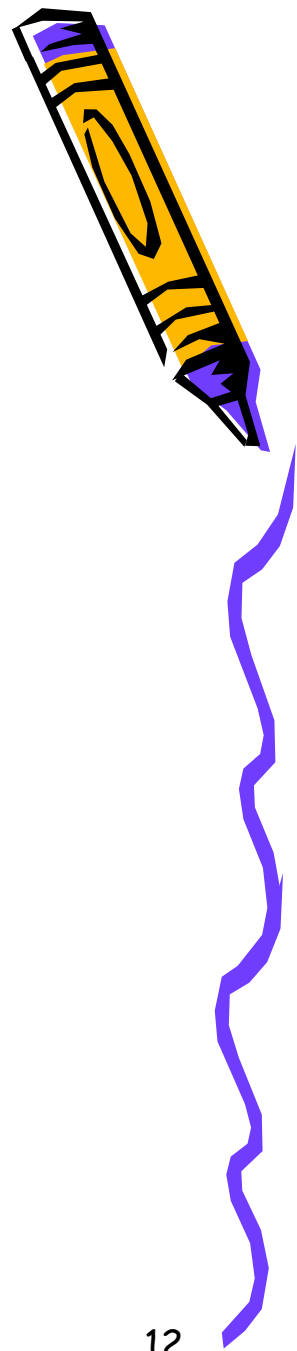


Citius Belgium



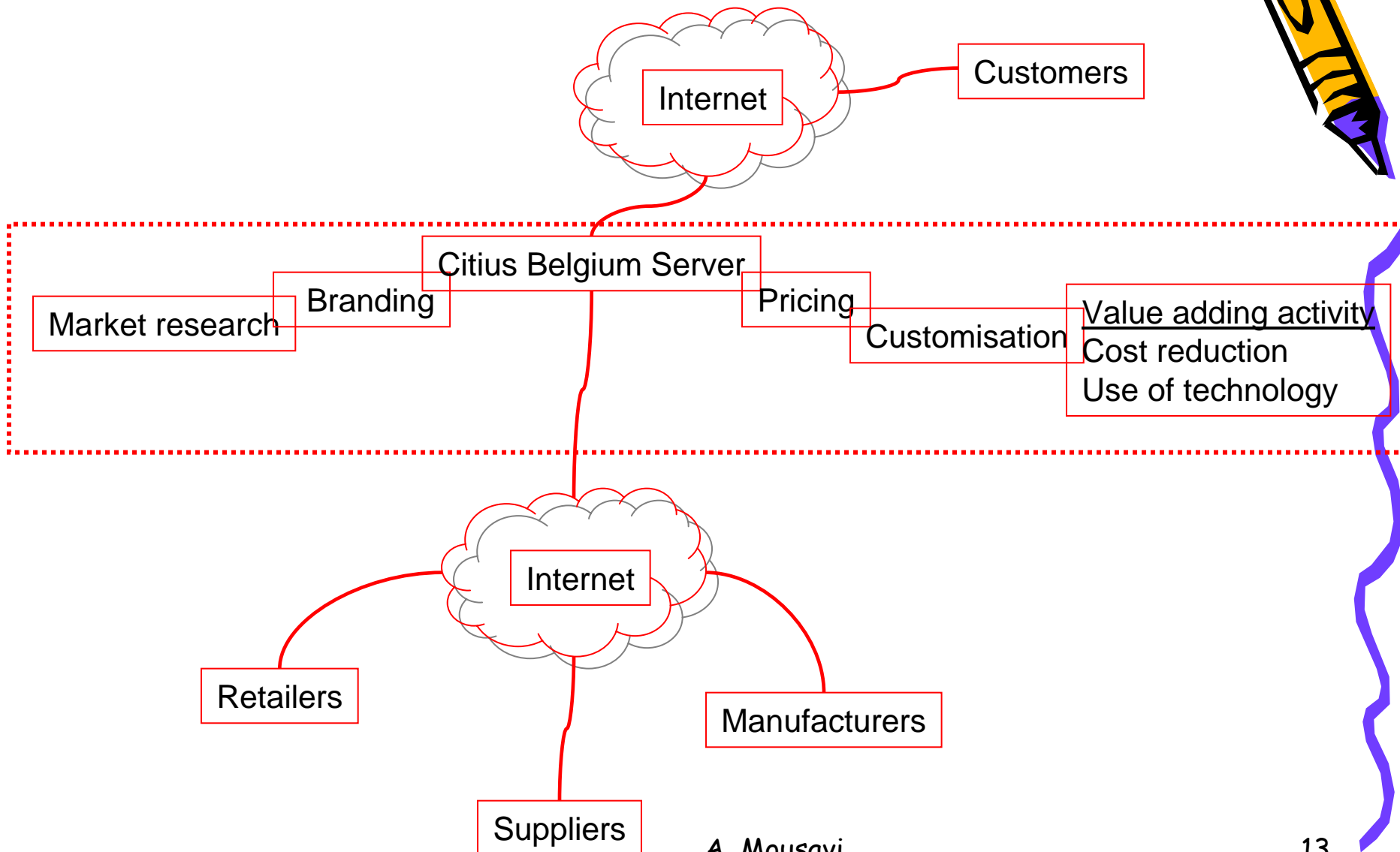
- **Company Profile**
 - Founded 1996 active in areas of electronic catalogues and supply chain
 - High level expertise by creating an e-Commerce platform, strategic research, and participation in European programmes
 - Mission: to consult and assist clients to integrate and collaborate
- **Strategy pursued by Citius Belgium**
 - Focussing on current sales opportunities and establishing market presence
 - Using Internet and WWW for improved product and service presentation

Citius Belgium Business Model

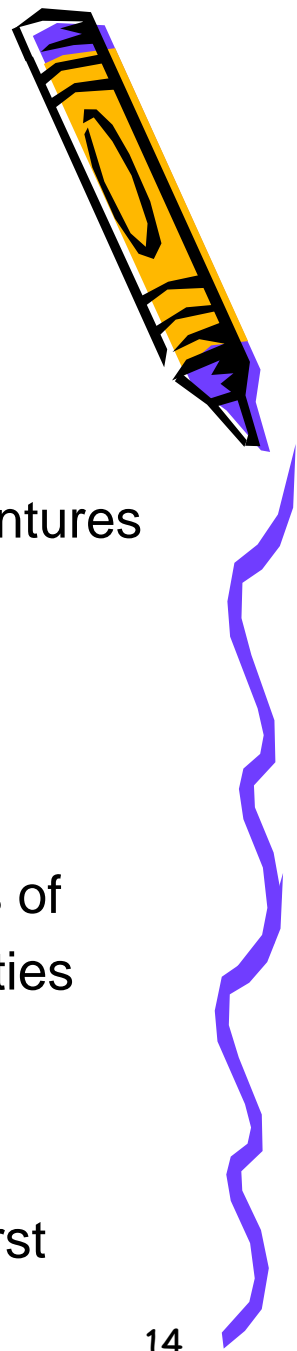


- **Product Customisation**
 - Market analysis
 - Competition watch
 - Sales feedback
 - Incorporating customer feedback (VOC)
- **Promotion, Branding and e-Sales Process**
- **Customer loyalty**
 - Organisation
 - Customer information bank
 - Standardisation and customisation of applications
 - Embedded software
 - Pricing

Citius Business Model & Internet Services



Dow Chemical Co. (e-Learning)



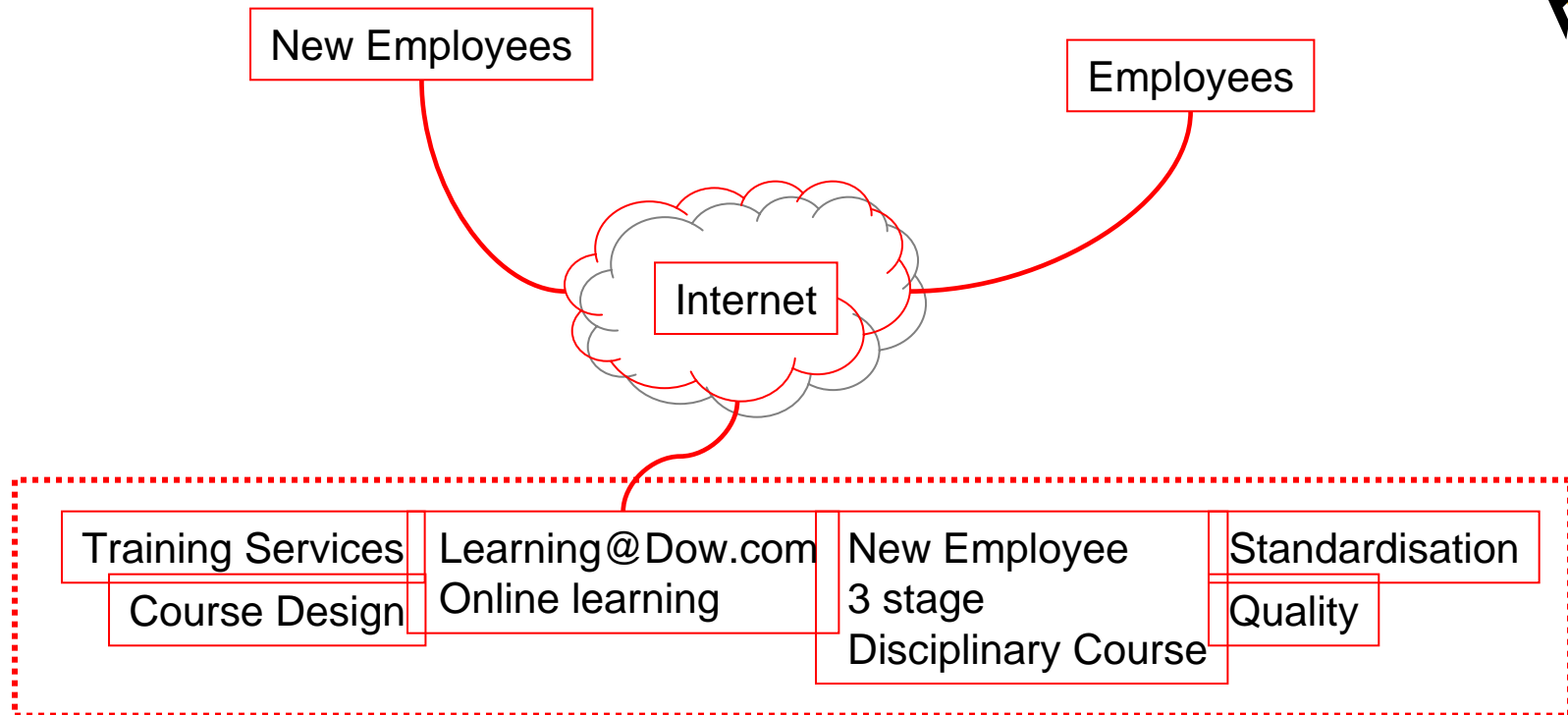
- **Company Profile**

- Sells 2000 chemical-related products worldwide
- 15 major businesses & engaged in 40 different joint ventures
- Technology-driven
- Design of an online staff learning service

- **e-Learning business model**

- 40,000 employees across 70 countries receive 6 hours of training on workplace code of conduct and responsibilities
- Design of a web-based training system
- Rapid payback in merger and acquisition
- Started with 15 course modules offered by the end of first year number of courses increased to 98.

Dow Chemical's E-Learning Internet Service



Dell Computers



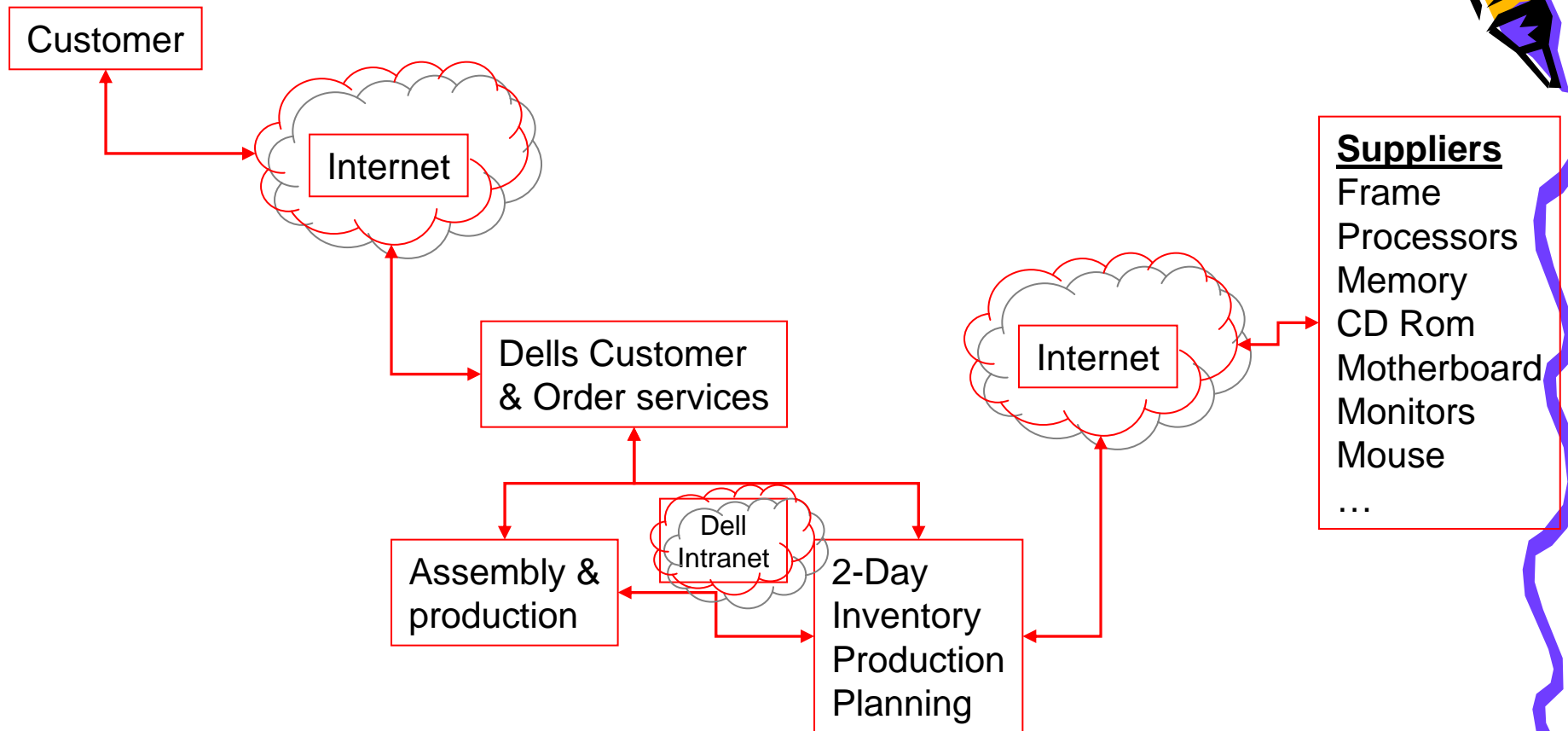
- **Company Profile**

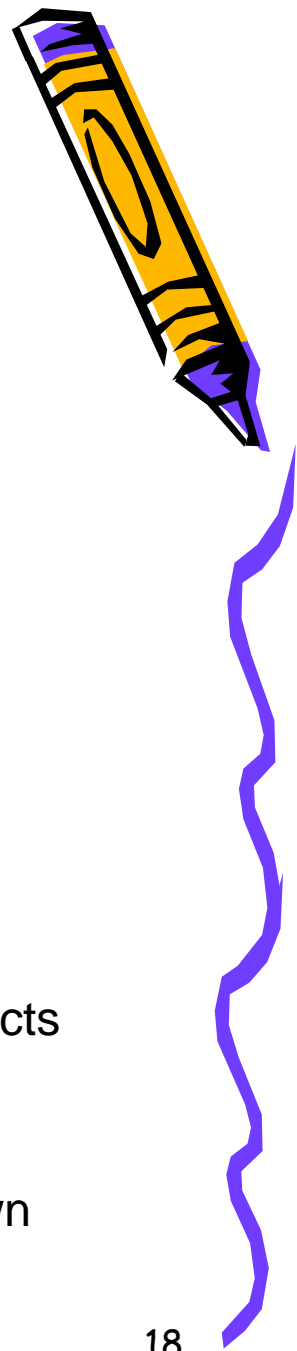
- Founded in 1994 with \$1000
- PC directly to the end-user bypassing middleman
- One of the largest vendors
- Utilise e-enabled business process that takes place on the Internet
- Has gained the largest online market share

- **Business Model**

- Traditional computer manufacturers had huge stock
- Dell strategy --- Make / assemble-to-order
- Drastic reduction in inventory saving millions of Dollars
- Customised products with the latest technology and cheaper
- New model developments due to latest parts e.g. motherboard, processor, network cards, etc.
- Virtual Integration within the value chain of partners & customers

Dell Business Model and Internet Activity





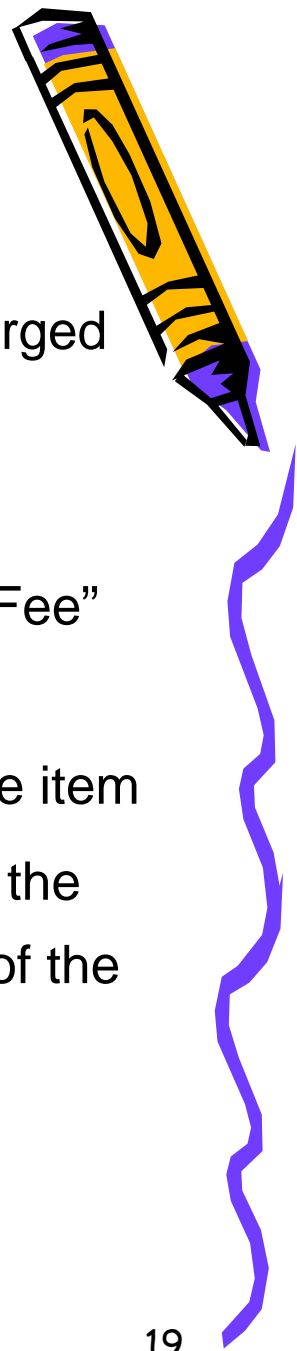
- **Company Profile**

- Largest personal online auctions
- Pioneered one-to-one e-Auction on the WWW
- Platform for buying and selling unique items
- Marketplace for the sale of goods and services

- **Business Model**

- Creation of communities by connecting people
- Moving upmarket from collector objects to higher price products
- Online person-to-person trading community
- Items are arranged by topic – each type of auction has its own category

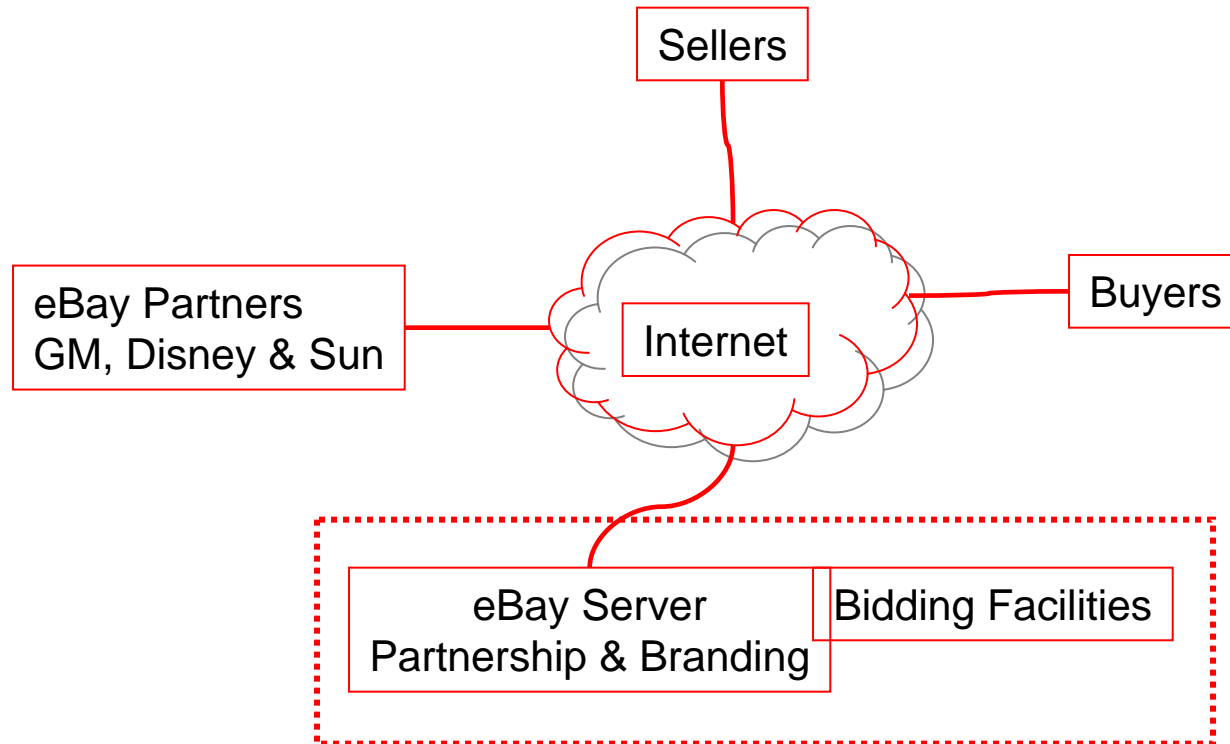
eBay sources of revenue



Browsing and bidding at auctions are free, but sellers are charged in two way:

- When an item is listed on eBay a non-refundable “Insertion Fee” is charged
- A fee is charged for “additional listing options” to promote the item
- A “Final Value” (final sale price) fee is charged at the end of the seller's auction. This fee generally ranges from 1.25% to 5% of the final sale price.

eBay Business Model & Internet Activities



DoCoMo (i-mode)



- **Company Profile**

- Spin-off from NTT (Nippon telegraph & Telephone) for mobile telecommunication
- Faced dramatic slump in business
- Launched a new product called i-mode (Personal network connection)
- One of the fastest growing markets in Japan

- **Business Model**

- Data communication over mobile phone
- Internet access technology
- To expand number of users with up-to-date information on fly
- Facilitate the business with developing i-mode compliant mobile devices
- Software development for improved content provision

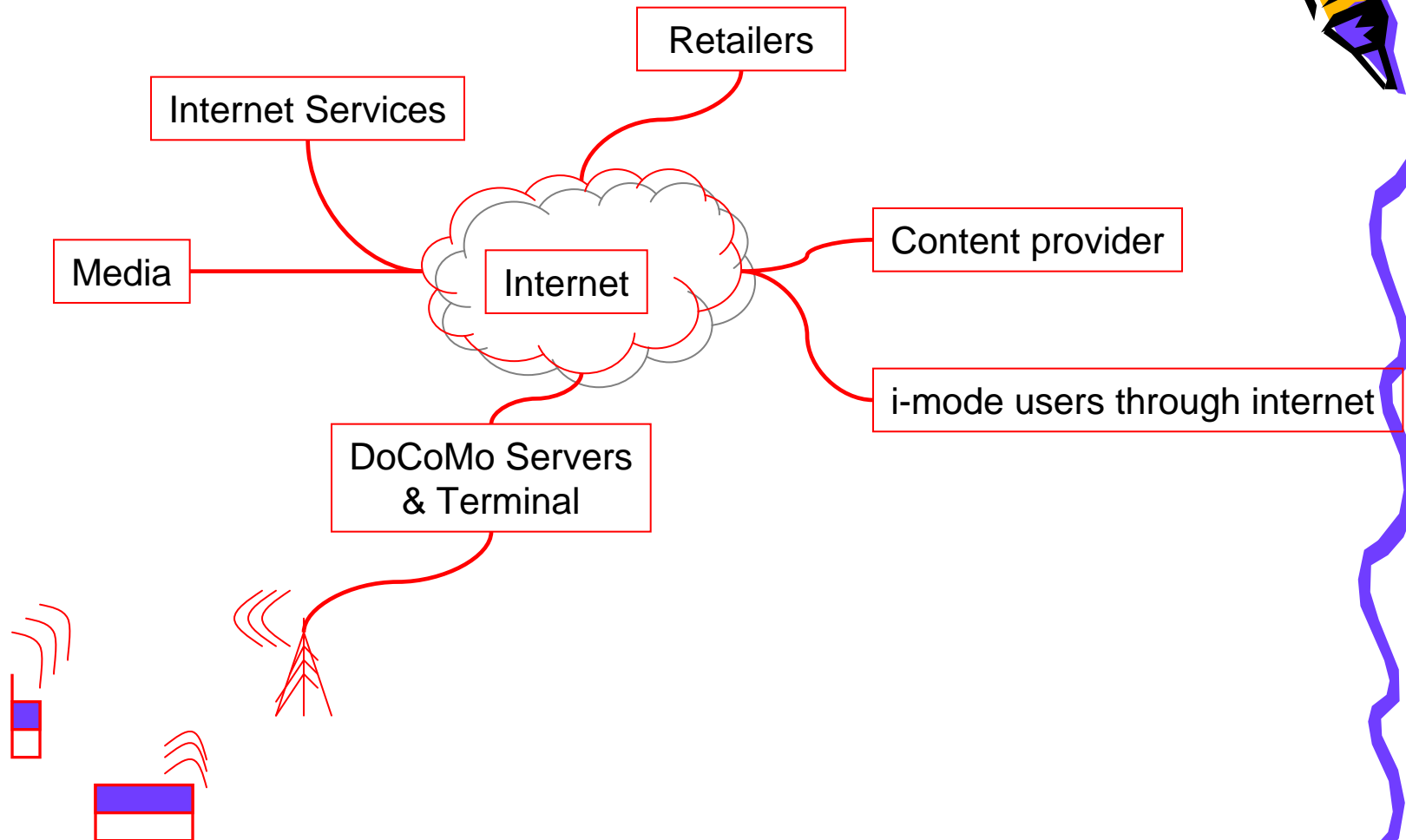
Measures taken to ensure i-mode's Success



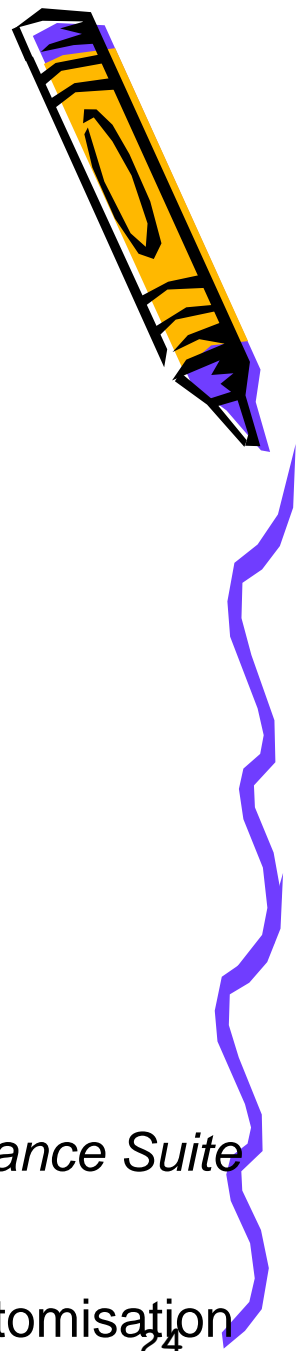
- Enhance "portal strategy": generate useful content for the service – Portal Community
- Incorporate "terminal strategy": including adding features on mobile devices – Technical Community
- Utilise "platform strategy": using existing platform for other than mobile terminals

The key factor in DoCoMo's multimedia strategy is to establish the mobile Internet through the i-mode service

DoCoMo Business Model & Internet Activities



First Citizens Bank



- **Company Profile**

- Family-controlled banks in US
- \$11 billion regional bank serving customers
- Sustained growth

- **Business Model**

- Online banking facilities
- The framework for online banking:
 - User friendliness
 - Customised user interface
 - Security
- The evolution process → *Financial Fusion Consumer e-Finance Suite*
- Compatibility with other systems
- Uniform structure suitable for all branches with minimal customisation

FCB Business Model & Internet Activities

