

ELECTRONIC BUSINESS MANAGEMENT IN REENGINEERING

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***Abstract:* The global development of the information technologies placed new challenges inform the business organizations. In the dynamically developing conditions of continuous scientific and technical progress they are defining the directions of business conduction. In the virtual space most of them are related to business processes management on the grounds of information exchange. In the corporate practice this approach finds increasing application and defines the conceptive basis of the so called electronic business. In particular its purpose is brought to the best utilization of the possibilities to integrate the modern technologies in the business. From this point of view it includes a number of activities and procedures for optimization of the business processes in and out of the organization. Established on the grounds of the correspondent information and communication relations, the electronic business is a major factor for designing the information net through which the relations with the customers, suppliers, personnel and the associates could be refined. In this sense the purpose of the present report is related to identifying the prerequisites for the application of the electronic business in reengineering conditions.**

***Key words:* electronic business, electronic management, reengineering, business processes.**

I. Introduction

The technological changes in the business environment set new requirements in front of the modern organizations. To a great extend they are related to the computerization of the business processes. In this sense the global tendencies displaying in the social, economical and political area are initiating various decisions about the ways for their development. On second hand, their functioning in Internet economy era complicates additionally the processes in the market and business system. For the successfully developing organizations however, such business model creates a number of prerequisites for achieving optimal business results. This is because the advanced requirements for business conduction are not depending on the organization type or on its geographical location, but from the quick reaction and its flexibility towards the constant changes in the economic environment.

II. Summary

In the conditions of dynamically developing market juncture and business processes constant change, the Internet technologies are finding increasing application [3,5,6,8]. Due to this, in the present economical conditions, the virtual business is an integral part of the advanced approaches for contractor activity management. As far as the reengineering is concerned, its practical application is a main indicator for achievement of corporate mobility and high competitive power. With this respect the corporate business is a complex of activities and procedures for integration and management of modern information and communication technologies in the business practice of the progressively developing organizations. With this

regard, a basic place is taken by the Internet and the network technologies. They are also a main tool for a real business in a virtual environment. From this point of view, component parts of the electronic business are the Web technologies [3,5,9,12,13]. More specifically, its application is realized through the use of Extranet and Intranet. Extranet represents a wide range network, by which the necessary contact with the organization external subjects is established. By the use of the web technologies it is aimed to optimize the correspondent business contacts at the level they are carried out. On second hand, the intranet application is used when the correspondent information exchange inside the organization should be structured. Furthermore, Intranet is a network designed to coordinate not only the processes in the internal structure of the organization, but also those in its environment (through Internet) [8,10,11]. In this case however, it is necessary to take security measures in order to protect the information and the personal data of the associates. As evident, the integration of the electronic business in business processes reengineering is of global importance for the effective realization of the set goals. In this direction it helps to improve the information and communication relations in the company, optimizes the interaction among the processes in company's internal and external environment. At the same time the electronic business provides an opportunity for more flexible management of the business activities. Schematically, the relation between the electronic business and the implementation of the reengineering concept might be presented in the following way (figure 1):

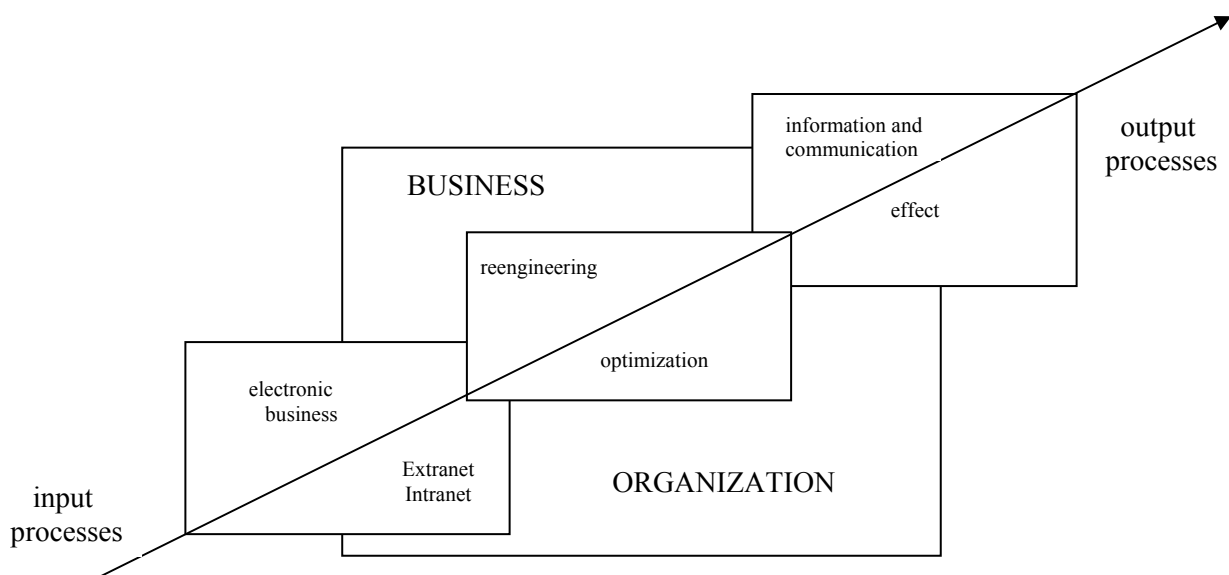


Figure 1 Relation between the electronic business and the implementation of the reengineering concept

As evident, the application of the electronic business in reengineering conditions is a considerable prerequisite for the adaptation of the modern achievements in the information technologies area. In this sense the design of progressive business processes management information systems is a guarantee for their successful change. As a result of this fact, the negative business tendencies are eliminated and the business interrelations between the interested parties are optimized. The purpose of this undertaking is to structure the information in a way suitable for use. Towards the new requirements for business processes conduction, such approach to a virtual orientation of the business imposes to undertake the correspondent actions for its effective realization. With this regard it is necessary to focus the attention on the new directions in the information technologies area. Apprehending such

emphasize on the problem, we have to point out the importance of the electronic business as an alternative direction for optimization of the business processes. In parallel with the implemented reengineering, it aims to ignore the traditional approaches for business process structuring. Using the advantages of Internet possibilities, most organizations use the Web technologies tools to model advanced information and communication system [1,5,10,11]. Perceiving the idea to conduct real time business, they strive to decrease the common expenses in their production and management activities. For this purpose it is necessary to accumulate process, synthesize and provide the information in entirely electronic form. In this way the correspondent conditions for information processes in reengineering are created as well. Thus, from one hand, the on-line technologies are basic factor for changing the traditional manner of dealings in the organization, and on the second – a standard for innovative activity and increasing of its competitive power. Ultimately, the application of the electronic business in reengineering conditions aims to establish a new stereotype of organizational culture and to optimize the processes in the business area. In general they could be differentiated in four basic directions – customers, suppliers, associates and employees [6,8,11,12,13]. Schematically the relation among them could have the following view (figure 2):

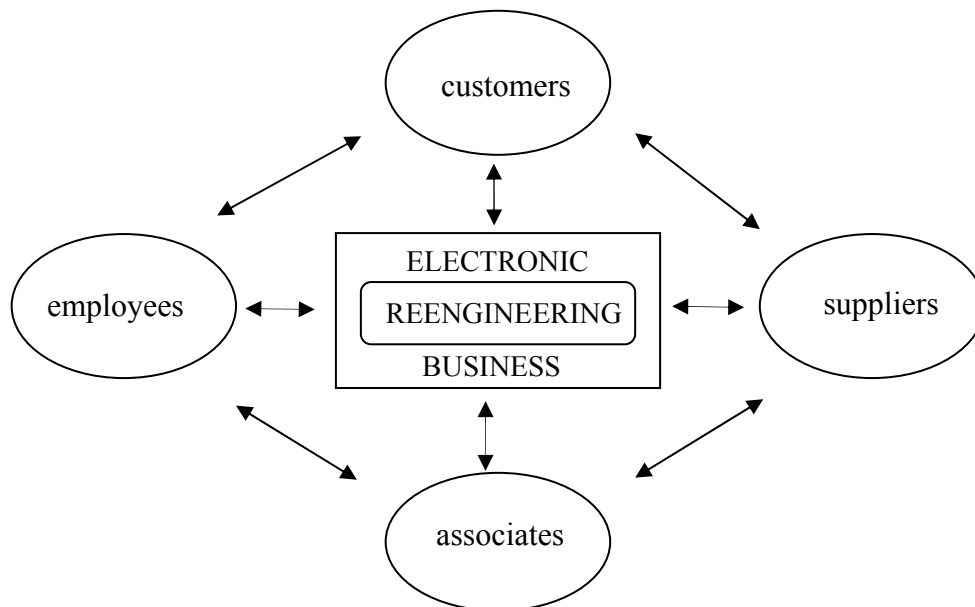


Figure 2 Subjects of the electronic business in reengineering conditions

As evident from the shown scheme, the electronic business envelopes the separate aspects of organization business activities. With this respect, by its use it is possible to achieve the desired effect from the change of the correspondent business operations. This is why it is necessary to pay proper attention to the processes, which are subjects of its application. In particular, the following several directions are taken into consideration:

1. Customers

The customers are the most important factor for the existence of any organization. They also are defining the directions of its development. In accordance with the principles of social market economy, the customer has a main role for the demand of certain goods or services. Therefore the question that has essential importance here is how to satisfy the customer needs in the best way. In the electronic business area it is applicable through the use of a number of

instruments for optimization of their needs. Here it is necessary here to take into account circumstances like: (table 1):

Table 1

DIRECTION	MAIN COMPONENTS
Customers	<ul style="list-style-type: none"> - needs analysis; - customers evaluation; - quick reaction towards customers requirements; - chose how to satisfy customer needs; - maintaining active interrelations with the customers

2. Suppliers

The suppliers are always a main component of company strategy with regard to the introduced reengineering. The same importance is given to the effective use of the information technologies. As far as the latter are concerned, the electronic business is a typical prerequisite for adapting of advanced integrated information systems. The purpose of this activity is to achieve the correspondent economical effect with regard to the fast and qualitative supply of the organization with raw materials on one hand and duly satisfaction of customer needs on the second. The following circumstances should be considered here (table 2):

Table 2

DIRECTION	MAIN COMPONENTS
Suppliers	<ul style="list-style-type: none"> - suppliers analysis; - suppliers evaluation; - suppliers choice; - suppliers reliability; - quality of supplies

3. Associates

The apprehension perceived in the business environment is that the associates also exercise positive influence for the conduction of organization business activities. This is because the consolidation of the corporate interests into one overall process is a solid prerequisite for synchronising the common efforts when the set tasks are performed. In this direction the electronic business impacts the activities related to the business interrelations among the associates in the business process. Here we have to consider circumstances like: (table 3):

Table 3

DIRECTION	MAIN COMPONENTS
Associates	<ul style="list-style-type: none"> - associates analysis; - associates choice; - associates evaluation; - maintaining upright interrelations with the associates

4. Employees

The employees are undoubtedly a component part of electronic business application. This is because they are immediate participant in the process of its introduction. In particular we have to point out that the electronic business is a method that creates objective prerequisites for rational achievement of the corporate goals. The grounds for such statement are the design and the use of steadily functioning information system for exchange of various data. Their effective use is a mandatory condition for optimization of communication channels and from that point forward – for the successful redesign of the business processes. In this sense the

web technologies and the different aspects of the corporate information in the structure of a particular organization allows bigger authorisations of the employees to operate with it. Furthermore, the electronic business creates conditions for minimization of the hierarchical levels in the management, stimulates the creative activities of the personnel and regulates the responsibilities for the conduction of this activity. Here it is necessary to take into consideration circumstances like: (table 4):

Table 4

DIRECTION	MAIN COMPONENTS
Employees	<ul style="list-style-type: none"> - analysis of labour activities; - goals definition; - motivation to work; - work satisfaction; - labour remuneration amount

From what was said so far, we can adopt the thesis that the electronic business is an advanced tool for the realization of the organization business activities. With this respect it is distinguished with some specific characteristics, which in reengineering conditions gain actual importance in change processes. Some of them could be presented in the following sequence: (table 5):

Table 5

DIRECTION	MAIN COMPONENTS
Electronic business	<ul style="list-style-type: none"> - data electronic access; - reliable and authentic information; - real time business; - alternative decisions generating; - common expenses reduction; - financial income increase

As evident from the table above, the electronic business is characterized with a number of directions to impact the business processes through their virtual management. Thus by the use of information and communication technologies, this form of business conduction gains increasingly global importance for the comprehensive development of the modern organizations.

III. Conclusion

The Internet challenges initiate new prerequisites for global conduction of the business activities. For this purpose however, the organizations have to apply different strategies for business processes management. As a result from this fact and because of the fast developing digital markets, the electronic business gains rather valuable importance. This is because the processing and the use of electronic information find increasingly larger application in the practice of the technologically oriented organizations. In this sense the web technologies and the information systems will have global impact on the business development. Towards the conducted analysis, the performed studies and the established facts, through the present article it is also necessary to summarize the achieved results. They are as follows:

- the main aspects of the electronic business are specified;
- the interrelation between the electronic business and the reengineering is specified;
- the main directions of the electronic business in reengineering conditions are reflected.

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