

THE ePROCESS EDGE

Creating Customer Value and
Business Wealth in the Internet Era

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MAIN IDEA

For an online business to succeed, it must address three critical issues:

1. How the relationship with the customer will be established and then strengthened – so as to generate repeat business.
2. How internal capabilities and competencies are sourced and applied in serving the customer.
3. How the power of the broader value network available to the organization is harnessed.

Business processes embody how these issues are addressed. In essence, processes define how the work gets done and how the relationship with the customer will work. An eProcess is simply the eCommerce equivalent of a normal business process. The difference between the two lies in the fact traditional processes concentrate on inputs-processes-outputs whereas eProcesses are more rule-based since an entire value network is being accessed.

eProcess is primarily a matter of prioritizing and then sourcing electronic processes, using a combination of:

1. Software which converts what used to be done by people into an interaction at your Web site.
2. Electronic links to partners, allowing you to out-task functions or in-source new capabilities.
3. People and software tools that allow you to handle service exceptions very well.

In short, long-term profitability requires eProcess excellence.

The Importance of eProcess in the Internet Era

In the era of eCommerce, many business builders are familiar with the need to “Innovate or die!” Equally important, however, is the need to “Execute or go broke!” In other words, execution is the key to generating profits and maintaining a long-term competitive advantage. The ability to execute effectively, in turn, is derived from the eProcess capabilities of the organization and its value network.

The three elements of competitive advantage in the Internet business era are:

Sustainable Competitive Advantage	1. Relationship Building The core business challenge is to build and enhance relationships – with customers and value network partners.	Page 2
	2. Capability Sourcing New eCommerce capabilities which take advantage of all available technologies must be added.	Page 3
	3. New Process Design eProcesses which transform the company’s operations and economics will be required.	Page 4

Delivering eProcess Results

The fundamental management issue for any business is how to source and coordinate the steps involved in completing a business process. eProcess offers a framework around which an offline company can succeed in making the transition to a successful (and profitable) online business.

This framework has four distinct options which together make up a company’s eProcess value portfolio:

Vertical Company	Embed process rules in interface	→	Virtual Company	Embed process rules in interface Page 5
	Out-task processes electronically	→		Out-task processes electronically Page 6
	In-source new capabilities	→		In-source new capabilities Page 7
	Handle process exceptions well	→		Handle process exceptions well Page 8
	Enhanced margins			
Simpler organizational structure				

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