

4 B2B BUSINESS

Learning objectives

In this chapter you will learn,

- how we define B2B business,
- what are the commonalities of B2C and B2B business,
- what are the differences between B2C and B2B business,
- how electronic business can be supported by application software packages.

Recommended pre-reading

- Chakravarty 2014, chapter 4.

4.1 THE PROCESS MODEL AND ITS VARIANTS

4.1.1 DEFINITION OF B2B

B2B stands for “Business to Business”. In general: Business interaction between different organizations is considered. B2B E-Commerce is simply defined as E-Commerce between companies (Xu 2014, pp. 119–130). Business processes cross the boundaries of the participating organizations. B2B also includes business interactions between sub-organizations of (big) organizations. Big enterprises are often organized as a group of different autonomous legal entities. There is no clear limit between “inner world” and “outer world”.

Somehow B2B is a synonym for integration and coupling of business processes. What does this mean for the responsible management?

Business processes cross boundaries of organizations. Thus the process ownership must be clearly defined and assigned. It also should be clear, who are the owners of different sub-processes and how they have to coordinate their work. The overall process owner may be a process committee consisting of all sub-process owners. If there is a process committee then decision rules must be defined and agreed on by all involved organizations.

There must also be integration and consistency of the underlying business rules. These business rules must be consistent between the participating organizations and they must be agreed on in all participating organizations. Often there is one participating organization, which dominates all other participants, e.g. if B2B commerce is established within a group of firms.

Business rules cover:

- Decision rules for process management,
- Rules for exception handling,
- A comprehensive data model including input requirements and output descriptions,
- Rules for the operation of interfaces,
- Policies for the usage of information systems,
- Areas of responsibilities and accountabilities,
- Reporting lines.

Key success factors to the seamless business integration are organizations and human beings. The following questions must be answered clearly:

- Who is responsible? Who is accountable?
- Where are the boundaries of management areas?
- What about the principal-agent relationship? Who is the principal? Who are the agents?
- Do agents do what is best for the principal?
- Do agents share their information with the principal?
- How can the principal ensure that the agents operate as he expects them to do?



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How can ICT support B2B business? This is done by the subsequently described technologies:

- **EAI (Enterprise Application Integration)** is a sub-area of the B2B integration. It considers the coupling of databases and/or ERP systems and is mainly focused on technical issues.
- **Portals** are the user interface for an access to different application systems. So the suite of different application systems behind the portal looks like one integrated application system to the user. In this area the management of access rights is a challenging task.
- **ASP (Application Service Providing)** provides software for users, who are not mandatorily members of the same organization. With the emerging cloud technologies ASP is more or less absorbed by SAAS = Software as a service, where application services are technically based on cloud technology. The application may be provided by one of the participants of the B2B structure, but a third party may also provide it. ASP is a specific variant of outsourcing.
- **Hubs** are central points where output from various senders is collected and then distributed to the receivers. A hub takes messages/documents/data files. It converts and transforms formats and forwards messages/documents/data files to receivers. Hubs may be operated by one of the participants (normally the most powerful participant), but also by a third party.
- **Cloud Computing** is the synonym for up-to-date technologies to use IT systems without possessing them or having them installed in the own facilities (Marks & Lozano 2010). The philosophy is: You actually do not have your own power plant. Why should you tomorrow still have your own IT infrastructure? The access to these systems is possible via the Internet. The systems are virtual and you can use them but you do not know where the server or database is physically installed.

There are three categories of cloud services available:

- **SaaS** = Software as a Service,
- **Paas** = Platform as a Service,
- **IaaS** = Infrastructure as a Service.

Of course, cloud technologies can be used in-house, which would be somehow similar to the internal usage of Internet technologies, the so-called intranet. In many cases cloud services will be provided by a third party, the CSP (Cloud Service Provider).

4.1.2 DIFFERENCES BETWEEN B2B AND B2C

The primary aspects of B2C business are:

- The fundamental pattern is the one-time cooperation with a focus on the single transaction.
- Each transaction has to be executed as if business partners have never cooperated in the past and will never come together again in the future.
- Both business partners have to find out whether they want to conduct this transaction (negotiation). Both business partners have to see that they will benefit from this transaction (win-win situation).
- Prices have to be allocated for each transaction specifically (See chapter 3 of this book: pricing challenge).
- The appropriate payment method has to be selected (See chapter 7 of this book: Electronic payment)

The primary aspects of B2B business are:

- The fundamental pattern is the on-going cooperation. Business partners have agreed to cooperate for some time. Business partners have concluded a (written) contract.
- Large data quantities are exchanged along the value creation chain; there is an information process coming along with the business process.
- Different partners with specific objectives have to be coordinated.
- All members work together to reach common objectives.
- Negotiation is in most cases completely done in the initiation phase of the B2B cooperation; there is one decision to cooperate for many transactions or a long period of time.
- Price allocation is in most cases completely done in the initiation phase of the B2B cooperation; it is normally not done in each single transaction.
- Payment is in most cases done beside the B2B cooperation via traditional payment channels; often payments are not done for each single transaction but for a set of transactions, e.g. on a monthly basis.

B2B stands for a specific type of cooperation. In most cases cooperation is agreed between different autonomous firms or other organizations. However, “B” may even be a single human being if the type of relationship is “B2B”.

4.1.3 STRONG B2B RELATIONSHIP

Now we consider a specific example of B2B integration where both partners are strongly interconnected. The example is the cooperation of a supplier and a merchant. They have to work like a single and homogeneous organization. What are their **fields of cooperation**?

- **Common strategic planning:** Matching of the merchant's sales plan and the supplier's production plan.
- Supplier gets sales data from merchant: Monitoring of sales data at POS (point of sale; at rack in shop).
- Optionally **daily sales data:** tomorrow real-time (see the big data issue); objective is just-in-time delivery and just-in-time production to avoid warehousing and capital lockup.
- **Common forecasts:** update of cooperative planning; planning departments of business partners have to collaborate closely.

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- Automatic initiation of orders: orders are generated by IT systems; no human interaction necessary; rules for order generation have to be defined in advance by involved management.
- Sometimes supplier gets responsible for total **logistics chain** until filling up storage racks: The merchant is just owner of the shop facilities and lets storage racks to suppliers; people, who work in the shops, are employees of the suppliers or specialized third party organizations (merchandising firms).

There are a lot of **advantages for the supplier**:

- Supplier gets precise sales data: Development/change in time; due to geographic distribution,
- Improved production management,
- Improved marketing and advertisement: reduction or even avoidance of return shipments.

On the other side there are also a lot of **advantages for the merchant**:

- Reduction of warehousing costs,
- Saving of personnel costs: rack management done by supplier or specific service firms (paid by the supplier),
- Transfer of logistics risks to supplier,
- Reduction or even avoidance of out-of-stock situations,
- Renting of storage space to the suppliers: Business model of merchant changes; merchant earns money with letting of rack space not longer with sales activities; sales risk is transferred to the supplier.

In most cases the merchant is the dominating partner in that B2B relationship. The balance of power has changed. In former times the merchant had to ask whether he was allowed to sell the supplier's products. Now the supplier has to ask whether he is allowed to sell his products in the merchant's facilities.

There are several **consequences for IT organizations**:

- Intensified exchange of data: planning data, product and price data, monitoring of logistics activities, monitoring of sales activities, monitoring of rack productivity,
- Shared access to product master data: synchronization of data models, common article identification, supplier has to think in selling units not only in production or delivery units,
- Integrated logistics management: production, delivery to merchant's facility, in-shop logistics, rack management.

Also functions are shifted between the business partners. We see a strong integration of planning functions. The logistics chain of the supplier is extended. However, this may be transferred to a third party, e.g. a forwarding agency. The supplier now is responsible for rack management and rack productivity and has to manage the storage racks as micro-warehouses. And finally he gets his invoices from the merchant.

4.1.4 SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is considered as the strong interlinking and coordination of all activities, which are related to procurement, manufacturing and transportation of products. The supply chain connects suppliers, manufacturing shops, distribution centres, shipping companies, merchants and customers through processes like procurement, warehouse management, distribution and delivery, to provide goods and services to the customer. It is characteristic for supply chains that they coordinate several value chain stages.

SCM is considered a dynamic and ever-changing process that requires the coordination of all activities among all partners of the supply chain in order to satisfy the final customer and maximize total supply chain profitability. Process drivers are often manufacturers who want to improve and optimize the cooperation with their pre-suppliers.

Due to the increasing relevance of supply chains a framework SCOR (Supply Chain Operations Management) has been established by the Supply Chain Council (SCC), now part of APICS (American Production and Inventory Control Society), as the cross-industry de facto standard strategy, performance management, and process improvement diagnostic tool for supply chain management.

The SCOR framework covers several processes (Minguela-Rata 2014), which are presented in tables 4 to 11.

Customer Relationship Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Review corporate and marketing strategy • Identify criteria for categorizing customers • Provide guidelines for the degree of differentiation in the product/service agreement • Develop framework of metrics • Develop guidelines for sharing process improvement benefits with customers 	<ul style="list-style-type: none"> • Differentiate customers • Prepare the account/segment management team • Review the accounts internally • Identify opportunities with the accounts • Develop the product/service agreement • Measure performance and generate profitability reports

Table 4: SCOR Customer Relationship Management

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Customer Service Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Develop customer service strategy • Develop response procedures • Develop infrastructure for implementing response procedures • Develop framework of metrics 	<ul style="list-style-type: none"> • Recognize events • Evaluate situation and alternatives • Implement solution • Monitor and report

Table 5: SCOR Customer Service Management

Demand Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Determine demand management goals and strategy • Determine forecasting strategies • Plan information flow • Determine synchronization procedures • Develop contingency management system • Develop framework of metrics 	<ul style="list-style-type: none"> • Collect data/information • Forecast • Synchronize • Reduce variability and increase flexibility • Measure performance

Table 6: SCOR Demand Management

Order Fulfilment	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Review marketing strategy, supply chain structure and customer service goals • Define requirements for order fulfilment • Evaluate logistics network • Define plan for order fulfilment • Develop framework of metrics 	<ul style="list-style-type: none"> • Generate and communicate order • Enter order • Process order • Handle documentation • Fill order • Deliver order • Perform post-delivery activities and measure performance

Table 7: SCOR Order Fulfilment

Manufacturing Flow Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Review manufacturing, sourcing, marketing and logistics strategies • Determine degree of manufacturing flexibility requirements • Determine push/pull boundaries • Identify manufacturing constraints and determine capabilities • Develop framework of metrics 	<ul style="list-style-type: none"> • Determine routing and velocity through manufacturing • Manufacturing and materials planning • Execute capacity and demand • Measure performance

Table 8: SCOR Manufacturing Flow Management

Supplier Relationship Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Review corporate, marketing, manufacturing and sourcing strategies • Identify criteria for categorizing suppliers • Provide guidelines for the degree of customization in the product/service agreement • Develop framework of metrics • Develop guidelines for sharing process improvement benefits with suppliers 	<ul style="list-style-type: none"> • Differentiate suppliers • Prepare the supplier/segment management team • Review the supplier/supplier segment internally • Identify opportunities with the suppliers • Develop the product/service agreement and communication plan • Implement the product/service agreement • Measure performance and generate supplier cost/profitability reports

Table 9: SCOR Supplier Relationship Management

Product Development and Commercialization	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Review corporate, marketing, manufacturing and sourcing strategies • Develop idea generation and screening processes • Establish guidelines for cross-functional product development team membership • Identify product rollout issues and constraints • Establish new product project guidelines • Develop framework of metrics 	<ul style="list-style-type: none"> • Define new products and assess fit • Establish cross-functional product development team • Formalize new product development project • Design and build prototypes • Make/Buy decision • Determine channels • Product rollout • Measure process performance

Table 10: SCOR Product Development and Commercialization

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Returns Management	
Strategic processes	Operational processes
<ul style="list-style-type: none"> • Determine returns management goals and strategy • Develop avoidance, gatekeeping and disposition guidelines • Develop returns network and flow options • Develop credit rules • Develop secondary markets • Develop framework of metrics 	<ul style="list-style-type: none"> • Receive return request • Determine routing • Receive returns • Select disposition • Credit consumer/supplier • Analyse returns and measure performance

Table 11: SCOR Returns Management

The SCOR has developed a specific business process model (element of the supply chain), which consists of 5 stages and focuses on the supply chain issues:

- **Plan:** market forecast, procurement forecast, procurement alternatives, manufacturing alternatives, delivery alternatives, supply-chain alternatives,
- **Source:** materials staging request, delivery of parts, materials order, materials delivery,
- **Make:** manufacturing order, product delivery,
- **Deliver:** customer order, delivery of customer order,
- **Return:** return/receive products from customer.

A lot of information has to be shared among the supply chain members:

- Inventory levels,
- Sales data,
- Order status for tracking/tracing,
- Sales forecasts upstream to suppliers,
- Production/Delivery schedule,
- Order information sharing.

4.2 B2B SOFTWARE SYSTEMS

4.2.1 ENTERPRISE RESOURCE PLANNING (ERP)

ERP (Ganesh et al 2014) is a category of business-management software – typically a suite of integrated applications – that an organization can use to collect, store, manage and interpret data from many business activities, including:

- Product planning,
- Manufacturing or service delivery,
- Marketing and sales,
- Inventory management,
- Shipping and payment.

ERP provides an integrated view of core business processes, often in real-time, using common databases maintained by a database management system. ERP systems track business resources – cash, raw materials, production capacity – and the status of business commitments: orders, purchase orders, and payroll. The applications that make up the system share data across various departments (manufacturing, purchasing, sales, accounting, etc.) that provide the data. ERP facilitates information flow between all business functions, and manages connections to outside stakeholders.

ERP systems provide the following functionality:

- **Financial accounting:** general ledger, fixed asset, accounts payables (vouchering, matching, payment), accounts receivables (cash application, collections), cash management, financial consolidation,
- **Management accounting:** budgeting, costing, cost management, activity based costing,
- **Human resources:** recruiting, training, rostering, payroll, benefits, diversity management, retirement, separation,
- **Manufacturing:** engineering, bill of materials, work orders, scheduling, capacity, workflow management, quality control, manufacturing process, manufacturing projects, manufacturing flow, product life cycle management,
- **Order processing:** order to cash, order entry, credit checking, pricing, available to promise, inventory, shipping, sales analysis and reporting, sales commissioning,
- **Supply chain management:** supply chain planning, supplier scheduling, product configurator, order to cash, purchasing, inventory, claim processing, warehousing (receiving, put-away, picking, packing),
- **Project management:** project planning, resource planning, project costing, work breakdown structure, billing, time and expense, performance units, activity management,
- **Customer relationship management:** sales and marketing, commissions, service, customer contact, call centre support,

- **Data services:** Various “self-service” interfaces for customers, suppliers and/or employees, product lifecycle management (PLM),
- **Systems engineering (SE):** product and portfolio management (PPM), product design (CAx), manufacturing process management (MPM), product data management (PDM).

4.2.2 SUPPLY CHAIN MANAGEMENT (SCM)

SCM (Chakravarty 2014 and Kurbel 2013) is the management of the flow of goods and services. It includes the movement and storage of raw materials, work-in-process inventory, and finished goods from the point of origin to the point of consumption. Interconnected or interlinked networks, channels and node businesses are involved in the provision of products and services required by end customers in a supply chain. Supply chain management has been defined as the “design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.”



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Supply chain management is a cross-functional approach that includes managing the movement of raw materials into an organization, certain aspects of the internal processing of materials into finished goods, and the movement of finished goods out of the organization and toward the end consumer. As organizations strive to focus on core competencies and become more flexible, they reduce their ownership of raw materials sources and distribution channels. These functions are increasingly being outsourced to other firms that can perform the activities better or more cost effectively. The effect is to increase the number of organizations involved in satisfying customer demand, while reducing managerial control of daily logistics operations. Less control and more supply chain partners lead to the creation of the concept of supply chain management. The purpose of supply chain management is to improve trust and collaboration among supply chain partners, thus improving inventory visibility and the velocity of inventory movement.

SCM systems usually provide the following functionality:

- **Demand & supply planning:** demands planning & forecasting, safety stock planning, supply network planning, distribution planning, service parts planning,
- **Procurement:** strategic sourcing, purchase order processing, invoicing,
- **Manufacturing:** production planning & detailed scheduling, manufacturing visibility & execution & collaboration, MRP based detailed scheduling,
- **Warehousing:** inbound processing & receipt confirmation, outbound processing, cross Docking, warehouse & storage, physical inventory,
- **Order fulfilment:** sales order processing, billing, service parts order fulfilment,
- **Transportation:** freight management, planning & dispatching, rating & billing & settlement, driver & asset management, network collaboration,
- **Real world awareness:** supply chain event management, auto ID/RFID and sensor integration,
- **Supply chain visibility:** strategic supply chain design, supply chain analytics, supply chain risk management, sales & operations planning,
- **Supply network collaboration:** supplier collaboration, customer collaboration, outsourced manufacturing.

4.2.3 SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

SRM is defined as the management of the relations between an organization and its suppliers. The objective is to link all suppliers to the organization, to support the procurement management for the total procurement process. SRM uses methods and approaches of CRM but now from the customer's point of view. SRM is a sub-area of SCM.

An SRM system contains information about all sources of supply and all procurement information like deliverable products, possible risks, terms and conditions or quality. SRM can be considered as an advancement of E-Procurement. Added value is generated through bundling of all information about procurement and resources and providing it to the total organization.

SRM systems usually provide the following functionality:

- **Purchasing governance:** global spend analysis, category management, compliance management,
- **Sourcing:** central sourcing hub, RFx/auctioning, bid evaluation & awarding,
- **Contract management:** legal contract repository, contract authoring, contract negotiation, contract execution, contract monitoring,
- **Collaborative procurement:** self-service procurement, services procurement, direct/plan-driven procurement, catalogue content management,
- **Supplier collaboration:** Web-based supplier interaction, direct document exchange, supplier network,
- **Supply base management:** supplier identification & on-boarding, supplier development & performance management, supplier portfolio management.

4.2.4 MARKETPLACE

A (digital) marketplace is a piece of software with comprehensive E-Commerce functionality. It can be characterized by m suppliers and n customers ($m > 1$, $n > 1$). Process and software are under control of the marketplace owner. It uses portal technologies and enables the cooperation of different suppliers and different customers. Providing and demanding organizations act autonomously. It is possible, that members are at the same time providing and demanding organizations.

Marketplaces can be differentiated due to:

- Type of product or service,
- Type of transactions,
- Functions.

Due to the **type of product or service** we consider:

- **Tradable quantities:** Transaction costs must be low according to tradable quantity.
- **Specificity:** A specific product with a low application potential has low market liquidity.
- **Complexity of products:** Complex products are not appropriate for electronic trade.
- **Price components:** material, service, production, transport, profit margin.
- **Consequences for the consumer:** contract business, spot business.
- **Value creation:** A-Products (Goods needed for the production), C-Products (MRO = Maintenance/Repair/Operations).

Due to the **type of transaction** we consider:

- **Market liquidity:** number of transactions per time unit,
- **Stage of transaction:** due to process model,
- **Meaning of transaction:** due to industry, due to product,
- **Duration of a transaction:** with adjustment, without adjustment,
- **Stability of a contractual relationship:** long term (changes, postponements), short term,

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- **Transaction costs:** incidental costs (...up to 50% of total costs): searching, signing of a Contract, currency hedging, insurances; external transaction costs: by involved third parties, e.g. credit card company; internal transaction costs (...savings potential supposed to be up to 80%): customer, supplier,
- **Profit margin:** if profit margins are high, Provider will get around marketplaces; if profit margins are low, Market already has high transparency; do we need a marketplace?
- **Market model:** number of participants – automation does only make sense, if the number of participants is high,
- **Degree of concentration:** on the customer side, on the supplier side,
- **Degree of globalization:** distribution and allocation of power, structure of market volume: value of transaction (high/low), number of transactions (high/low),
- **Transparency of market:** complementary markets: support functions (Transportation, Insurances), adjacent markets: Extension of value creation chain, similar market structures.

Main **functions** of a (digital) marketplace are:

- Data management (master data, transaction data, catalogue),
- Pricing (market, calling for bids, tender offer, auction, negotiations, power shopping: Consumers build a group),
- Buying (E-Sourcing, E-Procurement, workflow),
- Sales (ordering, order management),
- Stock exchange,
- Transport,
- Invoicing,
- Payment,
- Additionally: All functions which can be offered centrally for various market actors,
- Interfaces (Provider, customer, forwarding and shipping agency, other service providers, e.g. insurance firms).

eCo Framework

There is a framework for electronic marketplaces. It has been developed between 1994 and 1999 by CommerceNet, an American industry association. Updates have been released with respect to CORBA, Java and XML. This framework has 7 layers:

- **Network:** aggregation of different marketplaces, is a kind of registry,
- **Market:** different actors, sorted by industries,

- **Business:** definition of a firm, can have different roles, can ask for different products or services, can offer different products or services,
- **Service:** specific services which can be offered (e.g. download a catalogue, send an order, delivery status), interaction of different companies,
- **Interaction:** communication between business partners, e.g. ordering, order confirmation, exception reporting,
- **Document:** complete document for specific transactions, consists of different data elements,
- **Data element:** basic elements, are defined according to specific patterns.

Challenges to successfully run marketplaces are high complexity of processes (e.g. negotiation processes, abortion of processes, iterations/loops) as well as economic efficiency. The efficiency challenge is demonstrated by the subsequent example:

- **Investments & depreciations:** If the investment volume is 10 Mio. EUR and depreciation is 2 Mio. EUR p.a. then with 10.000 transactions p.a. each transaction has to take 200 EUR of depreciation.
- **Operating costs:** If personnel costs of 30 employees are 1,5 Mio. EUR p.a. then with 10.000 transactions p.a. each transaction has to take 150 EUR of personnel costs. If other material costs are 100% of personnel costs then with 10.000 transactions p.a. each transaction has to take 150 EUR of other material costs.
- **Access costs for participants:** Not included here.
- **Profit margin of marketplace operator:** If 20% of the average of the employed capital are 5 Mio. EUR then with 10.000 transactions p.a. each transaction has to take 100 EUR of profit margin.
- **Conclusion:** When transaction costs are limited to 1% of transaction value, then each transaction must have an average value of 60.000 EUR. With 10.000 transactions p.a. the market must have an annual volume of 600 Mio. EUR.

Operators and initiators of (digital) marketplaces can be:

- **Third party operators**, which must be able to cover the capital needs and must have specific industry knowhow and experience,
- **Consortium of suppliers**, which may induce legal issues through implementing a syndicate,
- **Consortium of customers**, which may induce legal problems through implementing a syndicate,
- **Mixed consortium**,
- **Single supplier**, which is just an online shop,
- **Single customer**, which is just a procurement platform.

We see several (digital) marketplaces. However, most of them obviously are not successful. Many of them collapse or shift to some kind of software company. Others shift to online shops or procurement platforms. Why are we not able to find a great variety of genuine (digital) marketplaces? Why do marketplaces fail? Here are several reasons for failure:

- Technology is much more complex than expected by founders.
- Costs of IT infrastructure are under-estimated (may change with cloud computing).
- Project takes longer than expected and increases capital need.
- Complexity of business processes is under-valued by management.
- There is no sound background due to missing standards.
- Personnel efforts are significantly higher than expected.
- Marketplace is economically not attractive for potential suppliers or customers.
- Fees are not cost-effective.
- The business does not need an intermediate organization because partners come together directly using the Internet technology.
- Specific business does not need a marketplace because of highly complex products or services.

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- The level of market liquidity is too low (that means: the number of transactions per time unit).
- There is a ruinous competition between different marketplaces.
- Sales and marketing efforts are too high.
- The management does not have enough experience in the specific industry.

4.2.5 SPECIFIC SOLUTIONS AND SERVICES

The B2B environment has led to many different and creative solutions.

Due to the increasing needs for logistics transportation, warehousing and distribution are offered, sometimes by organizations, which originally were not logistics experts, e.g. Procter & Gamble. Application service providers offer deployment, hosting and management of packaged software from a central facility, e.g. Oracle and Linkshare. Outsourcing of functions in the process of E-Commerce such as Web-hosting, security, and customer care solutions are offered by outsourcing providers such as eShare, NetSales, iXL Enterprises and Universal Access.

Auction solutions software for the operation and maintenance of real-time auctions in the Internet is provided, e.g. by Moai Technologies and OpenSite Technologies. Content management software for the facilitation of website content management and delivery is delivered, e.g. by Interwoven or ProcureNet. Web-based commerce enablers like CommerceOne offer a browser-based, XML enabled purchasing automation software.

4.3 EXERCISES

4.3.1 QUESTIONS FOR YOUR SELF-STUDY

Q4.01: Describe the difference between B2B and B2C business.

Q4.02: Consider that you were a book-on-demand company. How could a B2B relationship to a big (electronic) bookshop look like? What is the process? What are the business rules?

Q4.03: We have described the advantages of the involved parties for a strong B2B relationship. What are the disadvantages for the involved parties?

Q4.04: Find information about marketplaces. What are they offering? How long have they been in the market? Why are they successful?

4.3.2 PREPARATION FOR FINAL EXAMINATION

T4.01: What does the abbreviation EDIFACT mean?

T4.02: Consider a B2B relation between a producer of goods and a merchant. What are the specific advantages for both parties? Give two examples for both parties.

T4.03: Which consequences does a B2B relation have for the involved IT systems?

4.3.3 HOMEWORK

Supply chains cross boundaries of organizations. What are the consequences for the management of supply chains?

Is Amazon a real marketplace? Is Alibaba? What do both organizations have in common? What are the differences?