

Business Times, Malaysia, 2001

Bet on C-Commerce To Win The Next Round

International professional consultancy

What new way of doing business has inspired executives across Asia to expect a return on investment of 500 per cent or more by 2006? A recent global survey by [_____] uncovered this kind of limitless faith in something called collaborative commerce, or c-commerce.

C-commerce is made possible by new generations of software tools that connect enterprise management, suppliers, vendors and customers more cheaply and easily over the Web. In the networked economy, strategic and operational advantages can be achieved by sharing planning, workflows, capabilities, decision-making, and information with a wide range of people beyond the borders of an individual enterprise.

C-commerce goes beyond supply chain management (SCM). It involves extending and deepening relationships with suppliers, vendors and trading partners. It is about sharing with customers and in some cases, with competitors. One example: sharing sales forecasts with manufacturers, suppliers and customers. By posting changes in product specifications on websites that vendors can access, bottlenecks can be avoided. But such collaboration requires integrating a company's processes and IT systems with those of, say, its top 50 customers.

The key question: will companies be willing to open part or all of their private IT networks to others? Will they share proprietary information with their business partners? Companies that have done this - such as Wal-Mart, Dell Computer and Cisco Systems - have managed to radically cut costs. How does collaboration help cut costs? By turning over routine business activities - such as order-taking, order processing, customer relations, procurement, and others - to integrated computer networks or the Web. This enables streamlined business processes, product customisation, more coherent planning, and shorter time to market.

Technology plays an important part in making c-commerce possible. The advent of Agile Software, Matrix.one, and other new Web-based software allows information to be processed, distributed and shared in collaborative ways. Technology, however, is not the key component in c-commerce. In fact, one lesson from the early days of e-commerce is that over-focusing on technology can be a recipe for frustration. Before embarking on a c-commerce strategy, four key issues need to be addressed:

- **Benefits:** Companies need to identify which areas will benefit from collaboration. A manufacturing firm may want to work with suppliers to plan and forecast demand and inventories. For a consumer business, the priority may be greater sales support for retailers and other customers.
- **Solutions:** Which platforms and solutions to employ is an obvious question. There may be several degrees of collaboration, depending on the importance of the collaborator, be it vendor, customer or business partner. Top-tier collaboration might involve extensive integration of enterprise-wide infrastructures and the use of common applications so staff at each party can share access to the same set of information on product development, orders, pricing or deliveries for example. The next tier might involve partial access to this information, or limited links between systems, or joint use of only a few common applications. The bottom tier, consisting of the least essential business relationships, can continue working via e-mail, faxes and letters.
- **Deployment:** This involves integrating the system into a human environment. In c-commerce, people are asked to share information on an unprecedented scale. Suppliers and customers are being asked to change the ways in which they relate to one another. The barriers to change can be formidable. Trust and clear communications are essential. The introduction of new technologies by itself won't persuade people to alter established behaviour, as backers of many failed build-it-and-they-will-come B2B sites discovered.
- **Culture:** C-commerce initiatives require extensive planning, project and change management skills, as well as a strong dose of inspired corporate leadership. The right corporate culture instills trust and encourages people to work together, as demonstrated by the best practices of innovative companies like General Electric, Selectron, and Wal-Mart.

