Tuesday April 7, 2015

E-commerce Chapter 10 Homework

T6.7/T6.7/F1.2

International business

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Chapter 10 Review Question

Jason

1. Q: Name **three benefit objectives** that a business might decide to measure in an **electronic commerce initiative**, and then write one paragraph about each in which you explain how the business might measure its accomplishment of that objective. P387

A: Build brands: Surveys or opinion polls that measure brand awareness, changes in market share.

  Enhance existing marketing programs and create new marketing programs: Change in per-unit sales volume, frequency of customer contact, conversion rate.

  Improve customer service: Customer satisfaction surveys, quantity of customer complaints, customer loyalty.

2. Q: Write a paragraph in which you explain the differences between **upstream** and **downstream business strategies**. P385

A: Businesses use tactics called downstream strategies to improve the value that the business provides to its customers. Alternatively, businesses can pursue upstream strategies that focus on reducing costs or generating value by working with suppliers or inbound shipping and freight service providers.

Q3.In one paragraph, outline the types of costs that would be included in the total cost of **ownership of an online business initiative**. P388

A3.Includes the costs of hardware (server computers, routers, firewalls, and load-balancing devices), software (licenses for operating systems, Web server software, database software, and application software), design work outsourced, salaries and benefits for employees involved in the project, and the costs of maintaining the site once it is operational.

Jennifer 201232007

4. Write a paragraph in which you explain the concept of **opportunity cost**, including at least one example of such a cost. (P388)

A: Opportunity costs of not undertaking an online business initiative could include the value of customers never obtained, sales not made, suppliers not identified, or cost reductions not achieved in the company's supply chain. Although opportunity costs never show up in the accounting records, they are real and avoidable losses. Good managers try to think of opportunity costs whenever they make business decisions of any kind.

5. In one or two paragraphs, summarize **how the cost of launching an online business** has **changed** over the years. Be sure to include an explanation of why such costs have changed. (P389)

A: Current estimates of the cost to launch electronic commerce sites for larger

companies, especially those that must be integrated with existing business operations, are substantially higher. Many industry observers have noted that costs are generally heading downward. Startup firms increasingly find they can get their operations launched for dollar amounts that are in the low end of the range in each category. Lower costs for broadband access and computer hardware play a major role, but the most significant trend is that the cost of developing and maintaining software to run an online business is decreasing.

Katherine

6. Q：Write a paragraph in which you explain the advantage and disadvantages of using **ROI (Return On Investment)** to evaluate online business proposals. P392

 A: Business proposal using Return On Investment techniques provide a quantitative expression of whether the benefits of a particular investment exceed their costs. They can also mathematically adjust for the reduced value of benefits that the investment will return in future years. Return On Investment is a simple-to-understand tool that is easily applied. The Return On Investment disadvantage requires that all costs and benefits be stated in dollars, because it is usually easier to quantify costs than benefits, Return On Investment focuses on benefits that were not foreseen by their planners. And Return On Investment is that it tends to emphasize short-run benefits over long-run benefits.

7. Q: In two or three paragraph, explain why the head of the business management function of an electronic commerce initiative should be an employee of the company implementing the project, even if most of the work is **outsourced.** P394

A: Hiring another company to provide the outside support for all or part of the project is called outsourcing. The internal team first step in determining which parts of an electronic commerce project to outsource is to create an internal team that is responsible for the project. Project leaders need a good sense of the company's goals and culture to manage an implementation effectively.

Companies are recognizing the value of the accumulated mass of employee's knowledge about the business and its processes. The internal team should hold ultimate and complete responsibility for the electronic commerce initiative, from the setting of objectives to the final implementation and operation of the site. Outsourcing providers, and partners can be extremely important early in the project because they often develop skills and expertise in new technologies before most information systems professionals.

Mia

8. Q: In one paragraph, explain why **late outsourcing** is seldom used in electronic commerce projects. P396

A: Once the company has gained all the competitive advantage provided by the system, the maintenance of the electronic commerce system can be outsourced so that the company's information systems professionals can turn their attention and talents to developing new technologies that will provide further competitive advantage. This approach is called late outsourcing. Although for years late outsourcing has been the standard for allocating scarce information system talent to projects, electronic commerce initiatives lend themselves more to the early outsourcing approach.

9. Q: Write a paragraph in which you explain the concept of **partial outsourcing**. P396

A: In partial outsourcing, which is also called component outsourcing, the company identifies specific portions of the project that can be completely designed, developed, implemented, and operated by another firm that specialize in a particular function.

Rebecca

10. Q: Write two or three paragraphs in which you describe the most important functions to look for in **a project management software package**. P399

A: Today, project manager use specific application software called project management software to help them oversee project. Commercial project management software problem, such as Oracle Primate and Microsoft project, give managers an array of built-in tools for management resources and schedules.

11. Q: In about 100 words, explain why **IT projects** are less likely to be delivered on time and within budget than large building construction project。 Include a discussion of how **project management software** can help IT project management achieve their goals. P399

A: In addition to managing the people and tasks of the internal team manage the tasks assigned to consultants, technology partners, and outsourced service provides, by examining the cost and completion times of tasks as they completed, Project managers can learn how the project is progressing and continually revise the estimated costs and completion times of future tasks.

12. Q: in one or two paragraphs, explain why **blame identification** is not an important element of **a post implementation review**. P403

A: After an electronic commerce site is successfully launched, most of the project

resources are devoted to maintaining and improving the site operations. However, an increasing number of businesses are realizing the value of a post implementation audit is a formal review of a project after it is up and running.