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Niels Bjørn-Andersen

# *Adoption of eBusiness and eBusiness expertise*

4th European Conference on Craft and  
Small Enterprises

Stuttgart 16-17 April 2007

Professor

Niels Bjørn-Andersen



# Global e-business status - survey 2002

- Comparison of ten countries
- Representative survey 100 SME + 100 large
- Three sectors - finance, manufacturing, distribution
- Responses were weighted based on the total number of establishments by employee size within the sector



# IT - maturity

Percent using É	Americas			Europe			Asia				Global <sup>b</sup>
	U.S. <sup>a</sup>	Mexico <sup>a</sup>	Brazil <sup>a</sup>	Denmark <sup>a</sup>	France <sup>a</sup>	Germany <sup>a</sup>	China <sup>a</sup>	Taiwan <sup>a</sup>	Singapore <sup>a</sup>	Japan <sup>a</sup>	
E-mail	99.6	98.3	100.0	<b>100.0</b>	97.7	100.0	95.9	100.0	99.9	99.8	<b>98.5</b>
Web-site	79.8	79.0	70.7	<b>96.3</b>	54.5	91.8	69.5	57.1	83.0	73.4	<b>74.1</b>
Intranet	56.2	50.9	37.7	<b>83.7</b>	68.0	84.4	60.8	51.2	67.0	80.8	<b>63.6</b>
Extranet	28.7	31.1	33.2	<b>39.8</b>	15.2	22.3	36.3	30.1	31.5	49.7	<b>32.7</b>
• accessible by suppliers/ business partners <sup>c</sup>	16.9	22.6	10.7	<b>30.0</b>	11.6	14.0	28.7	19.1	23.8	26.4	<b>20.9</b>
• accessible by customers <sup>c</sup>	15.6	16.2	15.9	<b>23.1</b>	11.4	11.8	21.9	22.7	20.0	21.5	<b>17.8</b>
EDI	42.5	58.4	36.7	<b>69.1</b>	44.6	67.7	25.0	22.8	32.8	63.8	<b>44.3</b>
• over private networks only <sup>c</sup>	17.1	19.7	7.5	<b>16.5</b>	29.9	30.8	9.7	9.9	16.6	34.1	<b>19.4</b>
• Internet-based only <sup>c</sup>	8.4	28.5	7.0	<b>20.3</b>	4.6	10.1	3.9	6.8	9.7	7.9	<b>8.4</b>
• both <sup>c</sup>	16.1	10.1	22.2	<b>31.5</b>	8.3	26.6	10.4	5.1	6.0	21.8	<b>15.9</b>
EFT	62.7	70.6	52.4	<b>73.5</b>	30.3	86.6	25.7	19.7	42.8	7.6	<b>43.4</b>
Call center	40.5	44.5	46.1	<b>27.4</b>	22.4	30.3	20.8	19.0	24.5	39.9	<b>32.3</b>



# Status of e-business applications

Percent using the Internet for E <sup>c</sup>	Americas			Europe			Asia				Global <sup>b</sup>
	U.S. <sup>a</sup>	Mexico <sup>a</sup>	Brazil <sup>a</sup>	Denmark <sup>a</sup>	France <sup>a</sup>	Germany <sup>a</sup>	China <sup>a</sup>	Taiwan <sup>a</sup>	Singapore <sup>a</sup>	Japan <sup>a</sup>	
Advertising and marketing purposes	64.3	72.9	58.6	<b>88.8</b>	26.4	77.7	52.1	48.0	61.0	52.7	<b>57.6</b>
Making sales online	43.2	11.8	28.2	<b>47.2</b>	12.1	57.3	23.0	32.5	29.6	21.2	<b>29.9</b>
After sales customer service and support	55.6	40.2	23.1	<b>56.9</b>	16.3	53.3	55.4	41.4	38.9	25.0	<b>43.7</b>
Making purchases online	73.2	64.8	54.9	<b>67.5</b>	24.1	60.8	31.3	26.7	28.6	32.6	<b>46.8</b>
Exchanging operational data with suppliers	42.8	50.1	51.9	<b>55.8</b>	35.7	59.7	47.0	42.5	44.9	52.5	<b>48.1</b>
Exchanging operational data with business customers	53.8	46.7	49.2	<b>40.5</b>	39.7	51.9	52.1	46.3	50.5	53.1	<b>50.7</b>
Formally integrating the same business processes with suppliers or other business partners	35.5	54.8	48.8	<b>44.4</b>	24.0	47.6	30.1	24.0	40.9	16.3	<b>33.9</b>



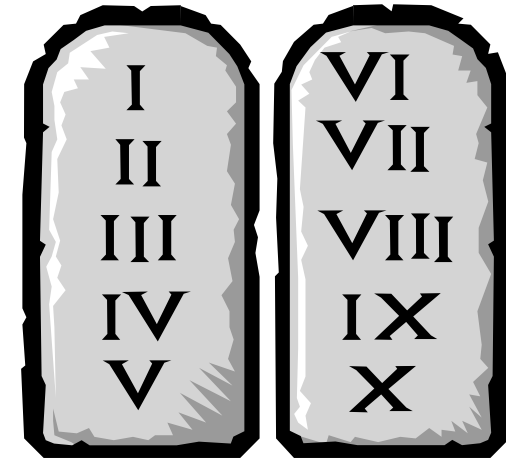
# Status of e-business impact

Percent indicating high impact <sup>c</sup>	Americas			Europe			Asia				Global <sup>b</sup>
	U.S. <sup>a</sup>	Mexico <sup>a</sup>	Brazil <sup>a</sup>	Denmark <sup>a</sup>	France <sup>a</sup>	Germany <sup>a</sup>	China <sup>a</sup>	Taiwan <sup>a</sup>	Singapore <sup>a</sup>	Japan <sup>a</sup>	
Internal processes more efficient	28.00	53.5	32.9	<b>39.4</b>	37.9	41.8	31.0	42.4	35.1	28.7	<b>33.9</b>
Staff productivity increased	30.8	37.5	40.3	<b>16.5</b>	26.2	18.6	23.9	27.9	39.9	24.3	<b>27.2</b>
Sales increased	24.1	36.2	26.5	<b>24.6</b>	9.3	19.1	25.6	26.1	30.6	1.2	<b>20.5</b>
Sales area widened	35.9	25.4	27.8	<b>19.6</b>	19.1	31.5	48.5	33.0	47.0	3.4	<b>31.4</b>
Customer service improved	40.2	54.9	45.1	<b>44.6</b>	24.1	35.5	36.9	43.9	44.6	11.2	<b>34.8</b>
International sales increased	9.0	19.7	12.8	<b>3.8</b>	13.0	28.1	32.8	33.4	42.3	5.0	<b>19.5</b>
Procurement costs decreased	12.5	20.0	25.1	<b>17.7</b>	6.7	11.2	29.7	25.0	32.4	4.2	<b>17.7</b>
Inventory costs decreased	10.8	13.8	27.9	<b>11.8</b>	3.8	6.2	21.1	24.1	20.7	5.3	<b>14.0</b>
Coordination with suppliers improved	29.2	50.7	34.4	<b>27.0</b>	24.3	14.5	29.4	25.6	43.6	33.8	<b>29.8</b>
Competitive position improved	33.3	45.1	24.0	<b>29.7</b>	12.5	23.1	41.2	38.0	49.5	10.1	<b>29.8</b>



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# *Ten commandments*



For improving operating  
procedures and gaining e-  
business expertise

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# *1. Have an informed basis*

- Understand problems of SMEs
- Not just number of pc's, Internet access or Web-applications

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## 2. *Set measurable targets*

- Evaluate targets,
- Establish benchmark criteria
- e-business is most potent driver

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### *3. Recognize diversity*

- Owner aspirations
- Strategy focus
  - Cost, customer intimacy, R&D
- Role in value network
- One size does not fit all

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## *4. Realize key adoption factors*

- Easy identifiable benefits
- Easy to test
- Compatibility with existing structures

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## *5. National awareness programs*

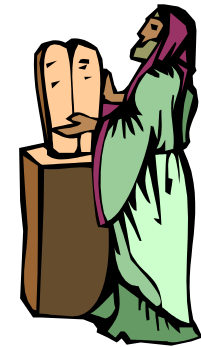
- TV, radio, web-based, e-Business forums, prize awards
- Web-based diagnostic tools
- Target and segmentation – remember 50% is wasted

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## *6. Use partnerships with agents*

- Trade organizations, industry organizations, service institutions
- Business newspapers, trade magazines
- Vendor material

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## *7. Make advantages explicit*

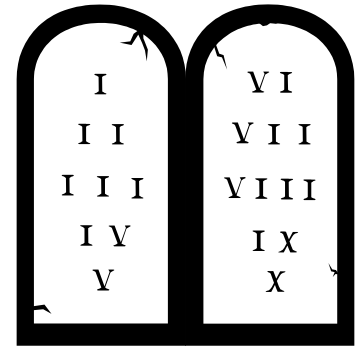
- Provide strong cases in language of recipient
- Not 'transaction costs economics' but relevant practical lessons

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## *8. Make two-way dialog*

- Get SME's involved – e-rooms
- On-site consultants
- Ask questions they can answer

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## *9. Focus key applications*

- From bookkeeping to ERP-systems
- Inter-organizational systems
- Linking to customers (CRM)

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## *10. Utilize e-learning*

- Technology providers have many programs
- Daily investments of 15 minutes

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# *Conclusion*



- Beware of false prophets
- Recognize diversity
- Develop inter-organizational capabilities
- Use adoption and diffusion knowledge
- Dig where you are
- Spend 15 minutes/day on learning