



## STRATEGY FOR THE IMPROVEMENT OF BUSINESS TO BUSINESS (B2B) E-COMMERCE

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### ABSTRACT

*B2B e-commerce defines e-commerce that takes place between organizations. Trade is global: companies do business with other companies in countries all over the world. Common estimates are that somewhere between 85 and 90 percent of commerce expenditure are in the B2B space. But B2B e-commerce can be maintained in more effective way considering cost, time etc. In this paper I have tried to give better idea of how to overcome different limitations in managing the B2B e-commerce.*

**Keywords:** chief executive officer (CEO), enterprise resource planning (ERP), supply chain management (SCM), customer relationship management (CRM), transaction processing system (TPS)

### 1. INTRODUCTION:

B2B e-commerce involves sales of goods and services among businesses. B2B marketplaces are *Internet-based* services that bring together buyers and sellers. It gives buyers more choices and aggregating demand for the sellers. Transaction cost can be reduced, resulting in potential savings for both buyers and sellers.

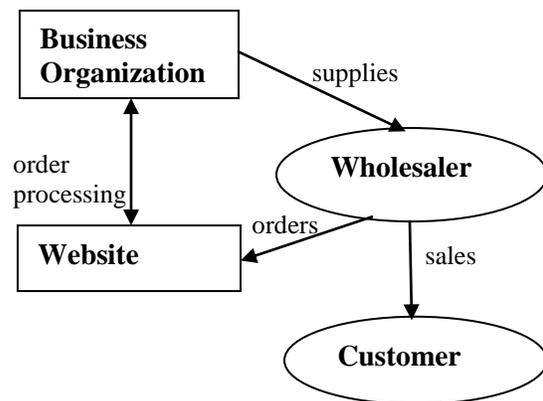


Fig-1 B2B e-commerce

“B2B implies that seller as well as buyer is business entity. B2B covers large number of applications which enables business to form relationships with their distributors, resellers, suppliers etc.”<sup>[1]</sup>

### 2. PURCHASING SEGMENTS:

In the B2B space, most attention has traditionally been given to the ways that e-commerce could streamline the purchasing of materials. Purchasing of direct or indirect materials and purchasing of services are very essential activities in B2B e-commerce. One



of the most important contributions to a company's effectiveness made by its purchasing department is in the purchase of direct materials, searching out reliable source of supply, negotiating price, quality and delivery performance expectations and monitoring supplier's performance. The global span of the Internet allows many-to-many interactions. A business can benefited using third party services for the efficient of operations and for the quality of the services. Third party services are specialists in various sectors of a business environment from which an enterprise purchase the services.

### **3. EXPECTATION FROM IT:**

The details that managers need depending on the level of the manager in the process. The CEO (Chief Executive Officer) of needs to guide the overall course of the company. Mid-level managers need to monitor and control the specific functions for which they are responsible. Lower level managers need to be sure that the day-to-day details are taken care of. Needs are different at all levels of business and in different functions of the business. Organizations should implement *Intranet* to help creating a central database of measurement information using the Web.

### **4. WEB-BASED DECISION SUPPORT:**

The critical need for companies with respect to utilizing the Web for decision support is the delivery of information and reports to a broad population of users. In this case consistency of data, completeness of data records, ability to link and cross-reference of data, means for end-users to navigate the data records and presentation that does justice to certain events are required for executives to be truly informed. So the desirable features in a Web-based decision support solution include the following:

- i) HTML queries
- ii) automatic Web posting
- iii) embedded hyperlinks
- iv) access security
- v) easy access
- vi) easy manipulation
- vii) data centralization

New technologies often emerge and companies that choose to build a certain e-commerce platform will lose out if new standards are adopted. SMEs usually do not have the resources to implement such a

platform but must often follow the technology and business standards set by their major clients. They can hence limit themselves to a certain technology not used by their other clients.

### **4. PROPOSED MODEL:**

The improved model for value network from the above discussion is given in the following:

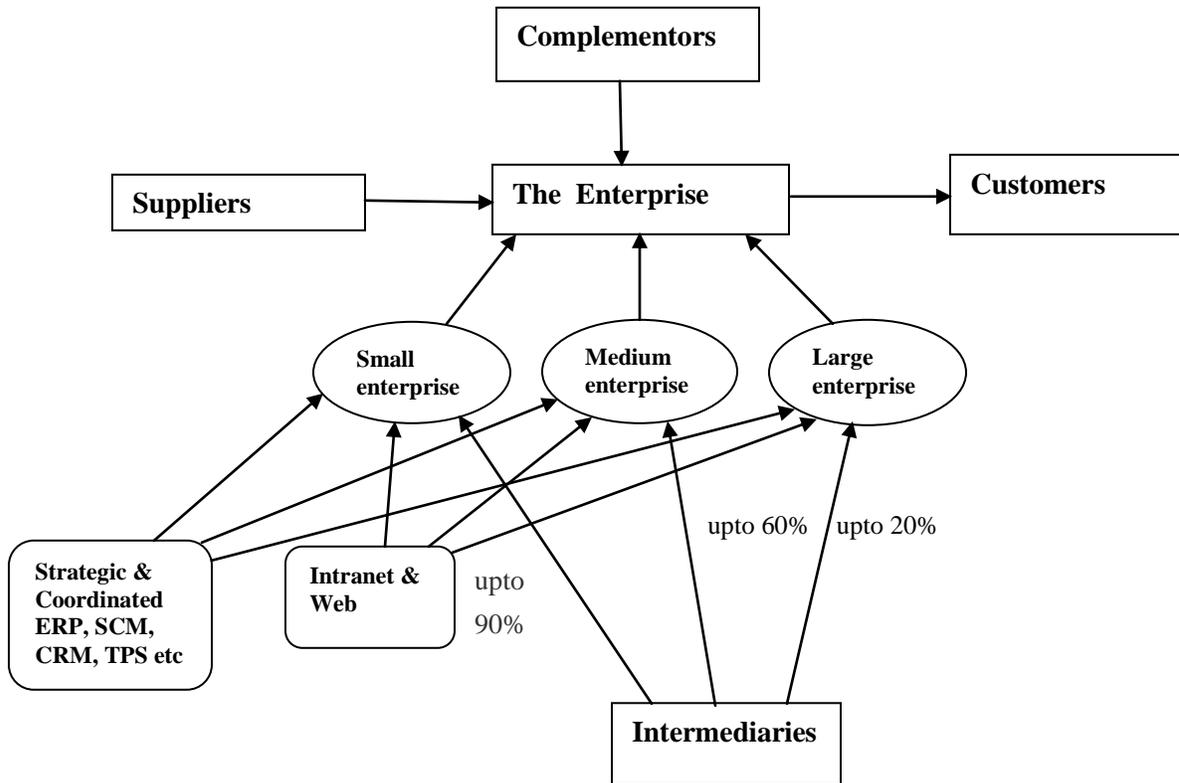


Fig-2 Improved model for *value network*



Intermediaries are specialists companies that provide services better than their client companies can themselves. Most firms in the financial service sector, including **banks**, insurance companies, mutual funds and venture capital firms are intermediaries. Other well-known forms of intermediaries are brokers, agents, traders and mediators. However a small or medium enterprise (SME) can face different problems for bringing emerging environment including web technologies etc. So they make take the help (financial or others) from intermediaries of upto 90% or 60% respectively. But large enterprise may not take the help largely if they are well equipped with emerging technologies. All the categories of enterprise should have the strategic and coordinated Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Customer Relationship Management (CRM), Transaction Processing System (TPS) etc. To achieve these systems the enterprises should take the help from intermediaries like bank or other financial media. Complementors provide products and services that complement the offerings of the enterprise and thereby extending its value-adding capabilities to its customers. Such as yahoo has 10,000 complementors providing services such as weather information, financial news etc. However it can be stated that the enterprise provide the service to its customers by taking the co-ordination from suppliers, intermediaries, complementors etc.

## 5. CONCLUSION AND FURTHER RESEARCH:

In future I will try to expand the value network to make more effective way of B2B e-commerce to reduce cost.

## 6. REFERENCE:

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