

BESTCOM

e-business best practise for smaller companies

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Abstract: During the late 1990s, European SMEs engaged in E-business became increasingly interested in understanding how they could develop and implement E-business in an innovative way into their specific company. The BESTCOM project kick-started a process of implementing IT solutions in relation to e-business and to develop best practise for SMEs when analysing, developing and implementing best practice e-business. Further, the companies in the BESTCOM project had the possibility to start a process in their specific supply chain both down stream and up stream on an implementation of the e-business process. With 11 real business cases the BESTCOM project will demonstrate both in a business, technical and an innovative way how E-business can be implemented in a best practice way into European SMEs.

1. Introduction

In an increasingly time-compressed, knowledge-intensive, and hyper competitive global market place, efficient and well-structured E-business practices and business models serve as a source of sustainable competitive advantage. The “New economy” develops new business models where the online “entrepreneur” is not limited by time and geography in the way that existing businesses have been. The use of networking gives opportunities to develop new business models and networked organizations.

The overall objective of the BESTCOM project has been to develop best practice on implementation of E-business strategies and solutions in 11 European companies in order to improve their competitive advantages. Furthermore, the project has developed best practice guidelines for use in regional business centres in three European regions.

Working with the different technological models and solutions and organisational alterations, the companies has been enabled to a) define E-business strategy and choose the best business and technical solutions, b) handle the implementation of the chosen solution in best practice way, c) train employees at all levels in the organisational changes and the new technology.

In general the business objective for all companies involved has been to develop and implement E-business solutions in a best practice way. E-business has been implemented in 11 different European SMEs in three European countries. The companies represent different trades and sizes since the project sees its potential and strength of best practice E-business as not being directly linked to a certain trade or to a certain size of a company. The mix of companies has proved itself a major strength, due to the possibilities of exchange of knowledge and experience regardless of the characteristics of the 11 companies.

The strength of the company consortium has been based on the following:

- The mix and variety of companies has represented different competitive environments that which has been giving more details and specific challenges in the development of competitive E-business strategies. Furthermore it has been given inspiration and new possibilities across company size, clusters and line of business in the context of formulating and developing the E-business strategy and solutions.
- The mix and variety of companies has been giving an opportunity to obtain a broader best practice perspective related to E-business as more company types and sectors has been represented in the consortium
- The mix and variety of companies represent small and medium sized companies where medium sized companies have learned agility in E-business from the small companies and small companies has learned structural guidelines and tools from the medium sized companies.

The project objective has therefore been to show best practice focus on the development and implementation of E-business in the participating European companies – from the development of a digital E-business strategy to the choice of the technical solution and training of management and employees with a multi-characteristic company profile content.

The project activities have been divided into 4 phases:

- The analytical phase which has identified specific user requirements reflecting the companies' future business processes enabling them to operate in the new economy. Evaluation of adequate solutions to match the needs has been carried out. It has included available technology as well as EU RTD results.
- The planning phase in which the companies have elaborated implementation plans for each company to assure that their business and technical needs are met by the selected systems. The implementation plans have covered all the actual deployment, monitoring and evaluation and refinement of the solutions and practices. Training plans have been elaborated for all organizational levels in the companies in order to ensure the necessary qualification.
- The evaluation and dissemination phase will ensure increased awareness of the project's best practice experience with E-business implementation. It will be ensured through presentations, seminars and workshops both internally as externally to the consortium. Dissemination will be ensured through various networks, e.g. business advisory centres, chambers of commerce, labour offices as through publications on both web site and press. Meetings and targeted workshops will be organised with the above.
- The elaboration of an e-business toolbox. This phase includes the development of analytic models and guidelines for implementing E-business in SMEs. These models reflect the phases in an E-business project and is based on both the experiences obtained during the project, and other surveys connected to E-business projects. Finally a case study has been made based on the BESTCOM experiences.

This paper will focus on the lessons learned from the BESTCOM project with special attention on the e-business process and the development of best practice.

1.2 Target audience

The experiences from the BESTCOM project would be of general interest. Particularly, the project results are of interest to SMEs, branch organizations working with SMEs, consultancies and regional Business Centres, which support the SMEs, would be relevant audience and could benefit from the BESTCOM experiences.

Furthermore, the BESTCOM consortium, which includes 11 SMEs from Denmark, Czech Republic and Germany are interesting in sharing the project experiences with other EU colleagues.

2. Objectives

The objectives of the BESTCOM project have been to develop useful and employable E-business models, guidelines and processes in such a way that both the quality of business processes and company effectiveness have advanced. In general the approach of the BESTCOM project relies both on innovative individuals and the joint development and implementation of E-business in the 11 SMEs. The approach secures an innovative, individual E-business development concentrated around the single SME and its strategy demands for E-business formulated in the initial E-business strategy paper for each SME.

The companies are initially clustered in geographically based groups, but as the project develops, the objective of the project was to focus on a mixed European cluster in order to develop and improve the European dimension.

As the SMEs involved in the project are different according to branch, size, management, technical approach etc, the 11 SMEs have been following different strategies to reach their goals and have fully implemented E-business solutions. Due to different strategies to reach the formulated E-business goal, the SMEs have been able to inspire, discuss more openly and look at E-business in different ways and perspectives. The project hopes thereby to show and implement an innovative way of E-business development between the SME's involved.

From a business perspective the companies involved have found different business advantages and competitive advantages, which they have gained along with new working and learning methods. These are:

- 1. New innovative entrants/substitution possibilities**
- 2. New innovative suppliers and trade buyer possibilities**
- 3. New innovative possibilities for buyers/customers**
- 4. New innovative competitive instruments**
- 5. New innovative first mover advantages**

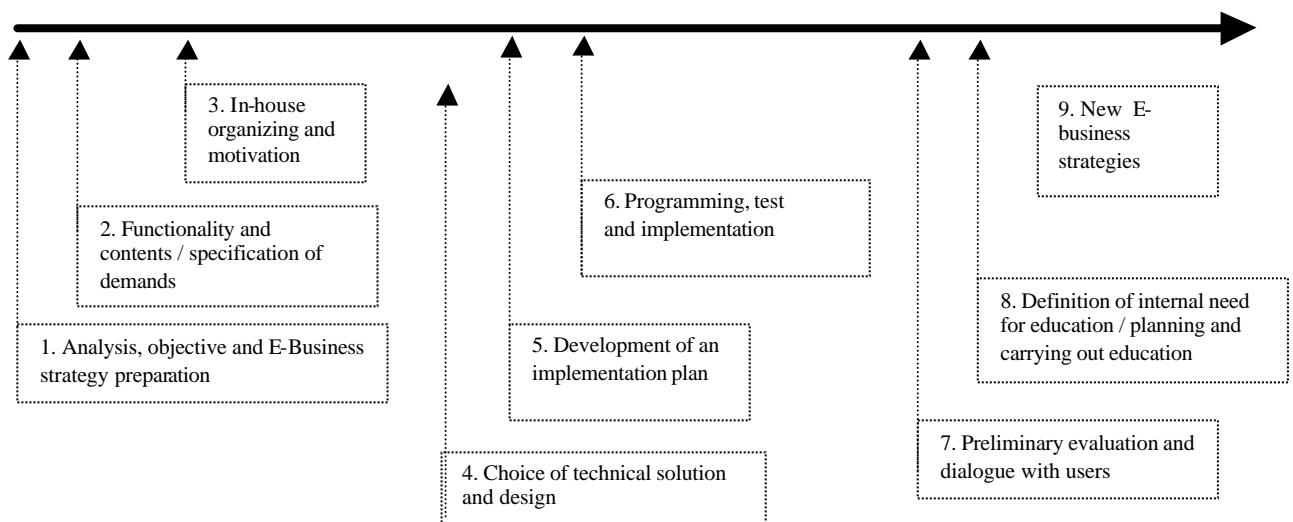
In this way, important issues for the participating companies and the different companies and organizations involved have been highlighted and in focus during the project.

3. Methodology

The objective of an E-business project is often twofold. Firstly, the company wishes to create better means of communicating or interacting with important target groups. Secondly, the company wishes to develop completely new business concepts. The aim of the process of implementing new solutions should therefore be to change the outlook of the entire company.

E-business is not a permanent fixture but rather a continuous process that is to be put in motion and kept running with a view to enhancing communication through the value chain of the company for the benefit of the company's customers, suppliers and not least the company itself.

The overall project methodology is as illustrated below. The figure shows the traditional flow of how to develop and implement an E-business project in a single company.



When working with E-business it is particularly important to focus on project planning and anchoring. This holds true for all types of business development, but it is especially true for E-business as this often implies redefining hierarchies and systems. Unless one's attention is directed at keeping control and furthering the motivation, implementing E-business can turn into a chaotic and complex process.

As E-business is to be considered an integral part of business development in general, it is thus a continuous process to the companies. Strategies and business plans must always be adjusted according to the internal as well as the external conditions under which a company operates. In the BESTCOM project the individual companies have to continuously develop their E-business strategies, both in dialogue with the users, the catalysts and in the company workshops.

The work progress and dialogue between the project partners has been established through a close cooperation between the appointed catalysts and the individual companies. The main role of the catalysts has been to give support to the SMEs on all aspects of the work activities and ensure the implementation of activities in the companies.

The catalysts have liaised with the SMEs appointed to the catalyst in order to monitor and ensure progress in the individual companies. Furthermore, the catalysts have informed each

other of the current status of activities and given recommendations for corrective actions to be taken.

The method of catalyst/SME cooperation has proven to be effective and motivating for both the SMEs, who have been “pushed” to think of new ways of working, and for the catalysts, who have been able to develop new tools for E-business implementation based on the experiences from working closely with the SMEs.

4. Technology Description

The project has not been focussing on implementing specific technological solutions. The technical implementation approach has been to give each individual SME the opportunity to analyse carefully its possibilities of E-business system depending on its specific business objectives, business requirements and technologies that it has already implemented or wish to implement.

Integration with other partners in the supply chain of the SMEs has been of vital importance. The objective has been to secure that integration between the different companies’ IT systems has taken place, and in some cases this has helped the companies to find the cause to the problems for the IT architecture and configuration systems that cannot be integrated.

The IT solutions that have been applied vary from SME to SME but have been based on standard functionalities tailored for the individual company needs for e-business solutions. Solutions employed by BESTCOM companies range from ERP systems, EDI, E-service claim systems. The following table shows the choice of solutions for the BESTCOM project participants.

Table 1:

New e-business software
New ERP-system – new sales system
New E-business service system and new EDI-system
New website, new ERP-system
New e-business sales system
New ERP-system
New web portal system
New website
New web portal
Updated website and internal e-business system
New website and improved customer service system
New customer service system – improved website

In the BESTCOM project, the focus has primarily been on the organizational processes in the companies. It involved the development of E-business strategy, management, employees’ adaptation and the altered work processes. Furthermore, the technological implementation and the complex of problems, which are experienced in this process, have been elucidated.

5. Developments

The BESTCOM project has proved the importance of strategic E-business plans for SMEs to reach their E-business goals and show how to formulate these plans.

In detail the individual SME needs to draft a strategic E-business plan based on an analysis of the SME’s strength and weakness for developing E-business – including ideas and

measurable goals for their E-business activity. Together with an analysis of opportunities and threats on the individual SME's E-business market, the project has helped and supported the SME's to develop the strategic E-business plan both in a business, technical and implementation ways.

These 4 areas are regarded as essential for the SME's in the project to secure successful E-business implementation and development. The lack of strategic E-business plan is seen as one of the major causes to dissatisfaction and disappointment among SME's in Europe on their results of E-business.

The experiences from the BESTCOM project can be seen as a showcase for the benefits of E-business for smaller European companies. The dynamic models and demonstration of tools and systems for the implementation of technology, organisational restructuring and training can facilitate the SMEs' transformation into a virtual company. The BESTCOM presentation will demonstrate the whole process involving the companies' first stage of "*as it was*" to the stage "*to be*". The process of identification of adequate solutions for the participating companies will hence involve a display of the analytical and strategic phases to implementation of systems and the training activities involved.

6. Results

Most of the companies joining the BESTCOM project did not, at the time before BESTCOM started, have an e-business strategy or any experience in the e-business area. During the project all the companies have developed e-business strategies and implemented the chosen solutions. During the process the companies have obtained knowledge about strategic planning and the process of implementing IT solutions, including the choice of ICT solution. All the companies have used the planning tools developed in the project, and furthermore the companies have made a plan for return on investment which shows that the measurements are exceeding the expectations as most of the companies have gained pay back of their investment before the end of the BESTCOM project.

At the time of writing the BESTCOM business case is being finalised. The business case will reflect on the solutions chosen by the companies and in specific the casebook will demonstrate the whole business process, which the companies have gone through in implementing e-business solutions.

7. Business Benefits

The participating companies, and in particular the smaller companies, have obtained an increased knowledge in strategic planning and strategic management. Furthermore, several of the companies have already experienced a return on their investments. The companies have been employed planning and implementation tools, which have provided an increased knowledge on change management.

In addition to the benefits obtained for the participating companies, the group of catalysts supporting the companies has developed a toolbox for the continued exploitation of results after the project has ended. Additionally, the project has been a learning process for the catalyst group who has gathered the company experience in a business case for dissemination of results as well as a learning tool for future support to SMEs. Hence the catalysts when assisting SMEs will exploit the BESTCOM toolbox. Furthermore, it is expected that the catalysts will enter business cooperation with IT suppliers in order to

promote the toolbox as an additional service to companies when seeking advice on implementation of new IT solutions.

8. Conclusions

In conclusion, it can be stated that the project BESTCOM has initiated a positive development in the participating SMEs that have gained a new approach to the implementation of ICT solutions. The experience and the best practise developed have opened the door for a new business approach of many smaller companies who have been used to doing business in one way. The process of the BESTCOM project has motivated to a new and more strategic way of doing business in order to stay in market and to meet the ever-growing competition, not only on the local market but also in relation to the global market.

Several lessons have been learned in the BESTCOM project and some of the most important ones are listed below:

- The companies approach to and work with the tools vary whether it is small or medium/big size companies. The big companies are mainly planning orientated where the big companies are more action orientated.
- The synergy effects between small and big companies have been going both ways.
- To kick-start an e-business process in small companies, the project should start with management training.
- A plan for return on investment should be developed when initiating a process for new business processes, as the implementation of e-business solutions.

The fact that the BESTCOM project has been carried out in a European cooperation should furthermore be mentioned as an add-on to the development of best practise. Not only the diversity of the company sectors and sizes are relevant when developing best practise for ICT implementation, but also the issue of culture and diversity between for instance a Danish and a Czech company has proved useful when identifying and implementing new business solutions. The project has proved that despite language barriers, the result of a European cooperation is all about the acquisition of knowledge and business practises that motivates for new working methods. It is not just about technical solutions, but also human factors when initiating tomorrow's new business methods and environment.