Chapter IV

A Change Management Framework for E-Business Solutions

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ABSTRACT

Over the last decade, a significant number of companies have implemented e-business solutions because an investment in e-business technologies provides the promise of a competitive advantage through lower transaction costs and the integration of processes. Many of these companies have experienced failures, a few have closed down, and only a few have succeeded in achieving the objectives. Studies undertaken to examine the reasons for these failures have highlighted that most of these companies could not handle change. One of the major challenges with the implementation of e-business solutions is managing change. A successful e-transformation represents the greatest value-creation potential for any company. In this chapter, I present a change management framework that suggests how firms can manage their transition to e-business and prepare them for e-transformation. The change management framework may provide managers or change agents with structured and measurable implementation tools, techniques and approaches for managing and evaluating the change process.

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INTRODUCTION

The harbingers of the new economy are: new digital marketplaces, the emerging role of alliances and hyper-partnering, new market indices, the emergence of Internet protocol-based enterprise software providers, and new cultural management and organizational expectations (McGarvey, 2001; Sharma, 2000). The new players such as dot-coms, net-markets, e-business infrastructure, and service providers have emerged as part of e-business revolution (Boulton, Libert, & Samek, 2000). The past few years have seen a significant shift in the way companies are managed, organized, and, most importantly, valued (McCrimmon, 1997; Sharma, 2000). Speed, new partners, real-time customer feedback, and supplier data shared on-line are all different aspects of a new way of doing business. E-business is bringing empowerment to customers, enhancement of trade, increased business agility, extension of enterprises in a virtual manner, evolution and invention of products and services, and the development of new markets and audiences. The pressures of e-business, mergers, globalization and tough competition are accelerating the pace of business change. Organizational responses to this have often included customer relationship management technologies, web-based solutions and Business-to-Consumer and Business-to-Business e-commerce initiatives (Stewart, 2000). However, none of these have a hope of working without having an effective change management for transition.

A significant portion of the e-business solutions has emerged over the last few years and many lessons have been learned from the challenges associated with implementing e-business solutions. One of the major challenges with the implementation of e-business solutions is managing change (Stuart, 1995). The e-business change management area is defined as a multi-disciplinary field of expertise that provides a systematic approach to orchestrate all components of business transformation (people, organization, technology, and processes). One of the most challenging responsibilities for any e-business solution lies in dealing effectively with the alignment of people, processes, and systems. This can be achieved through a solid change management framework. At each step, the e-business change management framework provides an integrated set of predefined and measurable implementation tools, techniques, and approaches. These are designed to help organizations and people understand why change is necessary, how the change will impact them, and how to take responsibility for a successful implementation. This chapter presents a change management framework that will suggest how firms can prepare themselves for e-transformation and can help organizations to successfully manage e-business solutions.
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