

# Hosting Portals on an E-Marketplace

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## INTRODUCTION

One of the common beliefs within business today is that a portal is required in order to link an organization to its major customers. The typical response to such an idea is to then invest a considerable amount of money on infrastructure in order to build a *portal*. The question that often follows a review on a newly implemented portal is: What is the cost of the *technology* versus the return on investment or have we just created a money pit? The business finds it has just invested in endless applications, adaptors, licenses, committed staff, and resources over a six-month planning period and a twelve-month application development phase prior to implementation; which may have cost up to US\$10 million dollars). But often the simpler and most economic approach is overlooked. Could a business literally save 97.5% of this financial outlay had they considered or chosen the alternative to an in-house portal development and partnered with an *e-marketplace* creating a cluster of e-booths and *portlets* residing on someone else's technology. This can have exactly the same effective result as an overarching multi functional "*uber-portal*" at a fraction of the build-your-own-portal scenario (Gartner, 2003). The potential savings for corporations in implementing portals via the e-marketplace philosophy can be staggering and should not be dismissed when exploring a corporate built portal. Is this a consideration commonly used amongst businesses today?

This article addresses the possibilities of foregoing the build option for the corporate portal and hosting the corporate portal on an e-marketplace. From the users perspective there is essentially no difference. From an image perspective it may mean an adjustment in culture that is required especially from those organizations who still may not accept outsourcing as an option. From a financial perspective the savings can be considerable as the e-marketplace hosting option provides the required portal infrastructure. Both authors having been involved heavily in *e-logistics* and *e-markets* respectively since 1999, discuss the e-marketplace hosting option for potential business advantages and savings.

## A PORTAL'S FUNCTION

The term "portal" is usually used as a marketing term to describe a Web site that is, or is intended to be, the first place people see when using the Web. Portals have emerged out of a need to enable users to quickly and efficiently obtain information relevant to their needs. Typically "a portal site" has a catalogue of Web sites, a search engine or both. A portal basically offers search and navigation sites, are supported by advertising and offer syndicated or user generated content (e.g., Yahoo). Portals come in many shapes and forms, but essential are accessed via an Internet, intranet, or extranet environment using a common language such ebXML, XML, SOAP (simple object access protocol) or WSDL (Web Service Description Language). Beneath portal's presentation layer lies technology that integrates and consolidates all the separate information sources, data, applications and other types of content into the single, consolidated view presented to a user. Beneath portal's presentation layer lies technology that integrates and consolidates all the separate information sources, data, applications, and other types of content into the single, consolidated view presented to a user. Portals basically are a framework or presentation layer in which the user can access data from multiple areas. It can be accessed via an Internet browser, a personal digital assistant (PDA), or a Blackberry.

A portal site may also offer e-mail and other services to entice people to use that site as their main point of entry. Customers accessing a portal have the ability to trawl through various sites but always within the environment of the original Web site—reinforcing who has brought this service to the customer. Portals like any other type of Web site, are designed with the specific needs of the user in mind. Requirements are gathered with the view to determining what users will need to do and want to do when they visit a portal. Once these requirements are understood, the portal is designed around the specific task the user will perform to accomplish its objective.

Because user objectives vary widely, portals differ in the content, functionality and applications they present to the users. Portals tend to have some general features that are common. These include:

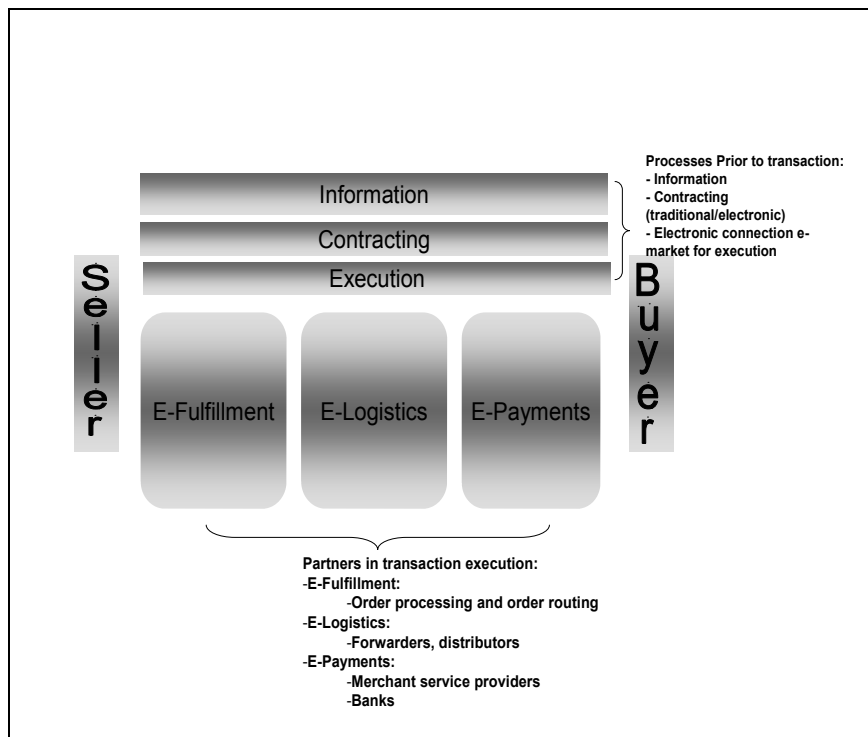
- Single point of entry
- Single sign-on to all portal areas and applications
- Consistent interface
- Consolidation, integration and aggregation of relevant content to fit user roles and tasks
- Personalization of content to individual preferences and behaviours
- Efficient support of business processes and tasks
- Logical user-centered taxonomy and structure
- Knowledge management and collaboration
- Search and retrieval of additional content

Technology trends indicate an increasing reliance on Internet portals as an economic means of access as outsourcing drives the need for remote access. Portals will succeed or fail for all the usual business reasons. No matter how integrated and automated a business becomes, it will always be driven by demand, be it that of the customers, partners, and employees. Technology does not drive a portal. The business, customers, or users set the expectation. The portal may need to be totally personalized, it may require real-time information at any time, from any place, immediately in order to access data driven by the needs of the business, customer or user. It may also be a channel to a minimalist set, or a wealth of applications. The cost of set up may not at all be proportional to customer satisfaction and utility of the portal itself.

## THE ELECTRONIC MARKETPLACE AND ITS PORTAL RELATIONSHIP

An electronic marketplace generally comprises six main activities: information based activities relating to contracting including product selection, product comparison, formulation of mutually binding contracts, transaction execution based activities, order placement, order fulfillment, settlement followed by traditional logistics (see Figure 1). These facilities may be available without the need for third party providers if it were owned by an organization that offered technology services similar to that of an e-marketplace and had the infrastructure similar to that of a postal authority which may have both distribution and fulfillment divisions (i.e., Australia Post, Duetsche Post, etc.). (Hassall, 2003). Traditional marketplace participants generally prefer to deal within a single entity relationship rather than multiple service providers. An electronic marketplace on the other hand offers a variety of functions that may be performed by multiple relationships yet appear as a single transaction to the user. For example a document exchange capability, provided by an e-marketplace, combined with the distribution and logistics broadens the offer to potential customers outside that of a purchase transaction (see Figure 1).

Figure 1. Focus of electronic transaction execution



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