



## Chapter XIX

# Reality vs. Plan: How Organizational E-Commerce Strategies Evolved

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## INTRODUCTION

Part of efficient management is measuring actual performance against desired metrics. In turn, actual strategic outcomes can be measured against plan. The authors show that this is also true of organizations' e-commerce performance vs. planned performance. While most organizations with successful e-commerce tend to take the view "There's no stopping us now!", the authors explore the interesting relationship between what the organizations had originally intended vs. what operations actually dictated and how those changes affected their sites' performance. To add to the literature, the authors explore the ramifications of the results of a survey conducted among some of the leading organizations in today's business and the analysis of several dot-com enterprises. Along the journey, the authors discovered changes in organizations' "desired capability" occurred as the organizations encountered various challenges to their global e-commerce, such as currency fluctuation and logistical considerations involved with order fulfillment, from industrially powerful countries vs. third world countries. The authors also explore various aspects of organizational change evidenced when organizations entered into e-commerce globally. The authors show that theoretical approaches quite

often must change with the realities of business when organizations commence e-commerce operations.

Business and industry are faced with a plethora of change in the 2000s on a scale that has not been equaled in the last century. Most of this change is being brought about by the rapid evolution of technology and equally rapid expansion of the Internet into everyday business functionality. One would expect that this evolution, or some might term it “revolution,” would have certain aspects that are evocative of organizational upheavals of the past. However, our research shows that disparate organizational structures are evolving at the speed of business and that those structures are influenced by operational performance.

Much has been written and researched regarding the evolution of the Internet and the revolution it is bringing to today’s businesses. For our research, we concentrated our effort on an area that has not been previously researched or explored too widely, and that is the adaptation of organizational structure to the strategic e-commerce plans of an organization.

Many companies are rapidly discovering that it behooves them to have an e-commerce capability for their customers. The reasons for this are both economy and survival. Economic forces driving the decision are that many companies are discovering they quickly can globalize operations by establishing a presence on the Internet, transforming themselves, quite literally overnight, from a regional business into a business with a global reach and global implications for operations (Skibo, Hughes, & Gordon, 2001a). From a survival standpoint, businesses also are realizing that, unless they take this step into e-commerce, they will fail to meet the activity and customer access of their competitors in a consumer-centric world. The message to organizations is clear, they must have an Internet presence.

The research encompassed in this chapter centered on the forms of organizations that have evolved, and are evolving, to support the organizations’ ventures into e-commerce as they begin the new millennium. Further, how do the organizations’ plans for operation change over time. The organizations were of many sizes and complexity; however, all were what can be termed “Fortune 500” organizations. The most interesting structure observed is one of widespread dispersion of departmental functions throughout the organization for the purpose of meeting the organizations’ e-commerce goals. For example, in the typical organizational structure, one would expect to see the MIS Department fulfilling its traditional technological support role by supporting the Marketing Department’s and Operations Department’s entry into e-commerce. That is, the MIS Department’s software and hardware experts would rally to the support of the Marketing Department and Operations Department by establishing whatever hardware and software requirements were necessary to run the organization’s e-commerce.

In that modality, the MIS Department would not take an active role in the management of the e-commerce of the company; rather, its role would be defined as strictly supportive in nature. That is, because, in a traditional modality, the Marketing Department would operate quite autonomously from the MIS Department, as well as other departments within the company deemed as fulfilling support roles (Skibo & Gordon, 2000a). For example, the Finance and Accounting Department would provide ancillary accounting support to include financial accounting services, billing, charge card processing, claims processing, prepayments, etc. (Skibo, Hughes, & Gordon, 2001b).

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