

# Chapter 1.1

## Identifying E-Business Options

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### INTRODUCTION

The past few years, many organizations have been using the Internet in quite arbitrary and experimental ways. This phase, which can be considered as a period of learning and experimentation, has created a need for a more systematic approach to the identification, the ordering and the assessment of e-business options. It is the objective of this paper to address this need by presenting a methodology that aims at supporting management in using alternative e-business applications in the first stage of the decision-making process.

Figure 1 shows how a systematic decision-making process can be organized by using e-business options. The steps are based on Simon's intelligence, design, and choice trichotomy (Simon, 1960). First, alternative e-business options have to be identified and ordered. Then the possible options have to be assessed and selected. After this stage the selected opportunities have to be

specified and designed. Next, implementation, operation, maintenance, and evaluation may follow. In Figure 1 this is called the "formal life cycle". We will apply the word "e-business option" referring to the possibility to use an electronic network for a business purpose. An e-business opportunity is defined here as an assessed and selected e-business option.

In practice, different intermediate feedback activities, interrupts, delays and adjustments are often necessary to reconsider earlier steps (Mintzberg, Raisinghani, & Théorêt, 1976). This is—among other reasons—because decision-making processes of this kind take place in dynamic environments and decisions are made in political contexts (Pettigrew, 2002). Moreover, participants in decision-making processes are often lacking the necessary information to make well-considered decisions right from the start (Miller, Hickson, & Wilson, 1996). In Figure 1 these activities are called "intermediate feedback".

The methodology presented in this article focuses mainly on the first stage of the decision-making process: the identification of e-business options and the ordering of these options. Further, the focus is only on e-business options in the context of an organization and its current or new external stakeholders.

The methodology helps identify e-business options, describe them in a global way by specifying each option in six dimensions, and order them according to organization-dependent priorities. Only after management has assessed and selected an option can this option be specified more precisely in order to design an application (see also Figure 1).

This methodology aims at contributing to practice as well as to theory. Practitioners, such as (e-business) managers and (e-business) consultants, can use the methodology to identify and order e-business options in a systematic rather

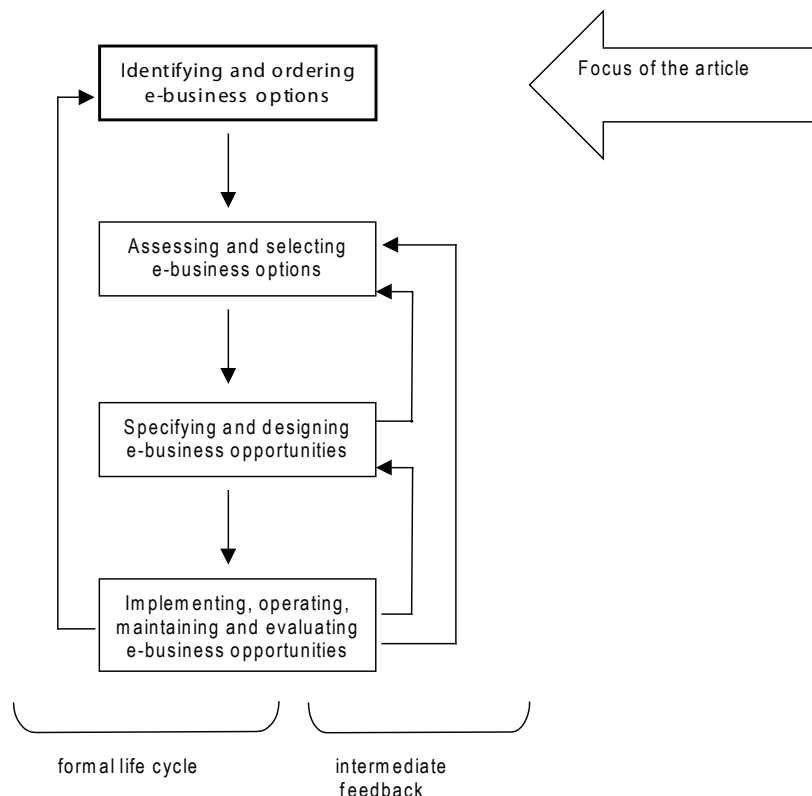
than an intuitive, imitating or precedent-based way. This methodology can also be used to challenge certain e-business strategies or to consider unconventional alternatives.

The contribution to theory is based on the fact that many existing e-business frameworks are directed at the assessment of certain e-business alternatives, but that general approaches addressing the identification of e-business options from scratch, are still scarce. This argument will be explained in the next section.

## BACKGROUND

Although Chung-Shing Lee's contribution (2001) of providing a framework to evaluate e-commerce business models is useful, evaluation can only take place after the identification of options, which is the focus of this article.

*Figure 1. Focus of the article in the light of the decisionmaking context*



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