

GLOSSARY

Auction

An e-business model that consists of an intermediary interacting with buyers and sellers

B2B

Business transactions between an organization and other organizations

B2C

Business transactions between an organization and consumers

Balanced scorecard

A performance measurement tool that adopts a balanced perspective of the organization, by considering financial, marketing, operations and organizational learning perspectives

Bandwidth

Relates to the volume of data that can be transmitted over the Internet in a fixed period of time. For Internet devices, which are digital, the bandwidth is usually expressed in bits per second (bps) or bytes per second. Conversely, the bandwidth for analogue devices is expressed in cycles per second, or Hertz (Hz)

Bear stock market

This occurs when stock markets such as the FTSE100 are falling

Boolean logic

Boolean logic consists of three logical operators – OR, AND, NOT

Bull stock market

This occurs when stock markets such as the FTSE100 are rising

C2B

Consumer-to-business transactions between a consumer and business

C2C

Consumer-to-consumer transactions between a consumer and other consumers

Capital asset price model (CAPM)

CAPM looks at risk and rates of return and compares them to the overall stock market. The basic premise is that most investors want to avoid risk but those who do take risks expect to be rewarded

Coherence design

The coherence design approach focuses on the alignment of the strategy, task, structure, reward systems and people processes

Collaboration, planning, forecasting and replenishment (CPFR)

A business model that takes a holistic approach to supply chain management

Content management

In the broadest terms, content management is a systems-based approach to indexing con-

tent, ensuring that it can be accessed through all platforms and providing direct publishing mechanisms

Cost of capital

This depends on the capital components of: ordinary shares, preference shares, bonds and retained earnings

Customer centric

This approach can be used as method of increasing the formalization of customer analysis processes and agreements

Customization

Customization allows website visitors to specify their own preferences

Cyber rules

Rules governing e-commerce

Deliberate e-business strategy

A deliberate e-business strategy is one that has been conceived by the top management team as a planned systematic response to the turbulent environment facing the e-business organization

Digital representation

Denotes the absence of physical contact in a virtual market, which can be a barrier to purchasing

Direct marketing

Relates to the advertisements of products and services directly to consumers by mail, telephone, magazine, Internet, radio or television

Disruptive technology

This is a term used to describe the innovations that create a new market through the creation of a new product or service

Domain name service (DNS)

Service that translates domain names into IP addresses. However, because domain names are alphabetic, they are easier to remember, but the Internet is based on IP addresses. Therefore, when the user uses a domain name, a DNS service must translate the name into the corresponding IP address

E-business

E-business encompasses e-commerce but goes far beyond it to include the application of information technologies for internal business processes as well for the activities in which a company engages during commercial activity. These activities can include functional activities such as finance, marketing, human resources management and operations

E-business model

An e-business model describes, as a system, how the pieces of a business fit together with emphasis on competition and organizational dynamics

E-business risk management

E-business risk management incorporates risk management and adopts a broader perspective by focusing on technology risk

E-business strategy

The online strategy used to connect with customers, partners and suppliers and the transformation of existing business processes to enhance shareholder value

E-cash

E-cash can be broadly defined as tokens of value and digital coins or other digital tokens of value

E-commerce

Relates to the buying and selling of goods and services online and concentrates on external relationships

E-services

A business concept developed by Hewlett Packard, e-services is the idea that the World Wide Web is moving beyond e-business and e-commerce. Instead of solely focusing on the issue of completing sales on the Web, organizations are now providing services for businesses or consumers using the Web

E-tailing

An e-business model that retail organizations use to transact online

EBITDA (earnings before tax, depreciation and amortization)

A good metric to evaluate profitability being Revenue less Expenses (excluding tax, interest, depreciation and amortization)

Electronic data interchange (EDI)

The electronic exchange of business documents between organizations in a standard format

Email

Short for electronic mail, which enables users to send messages over communications networks. Emails are now extensively used as they are fast, flexible, and reliable

Emergent e-business strategy

An emergent e-business strategy is one that evolves from lower down the organization without team management intervention

Enterprise Resource Planning

A term used for a broad range of activities supported by multi-module application software that assists organizations to manage salient business processes

File transfer protocol (FTP)

The standard protocol used on the Internet for moving files across the Internet

Fit

Measures the degree to which an investment complements existing processes, capabilities and culture

Five-track approach

The five-track organization design model is based on the premise that each organization has five leverage points: firm's culture, the managers' skills for problem solving, team-building approaches, strategy analysis and the reward system

Gordon's growth model

This dividend valuation model is equal to the dividend yield plus the expected growth rate in dividends

HTML

Short for **HyperText Markup Language**, the original coding scheme used for documents on the World Wide Web. HTML defines the structure and layout of a Web document by using a variety of tags and attributes. For example, the correct structure for an HTML document starts with `<HTML><HEAD>(enter here what document is about)</HEAD><BODY>` and ends with `</BODY></HTML>`

ICDT model

The ICDT model (see Figure 10.1) is a systematic approach to the analysis and classification of salient business-related Internet strategies

Individualism

How people define themselves and their relationships with others

Infrastructure Resource Management (IRM)

IRM has emerged to address the increasing need to manage effectively enterprise-wide changes while maintaining control over the total cost of ownership

Initial public offering (IPO)

IPO relates to when a security starts publicly trading

Intellectual property rights

Refers to intellectual property as the creations of the mind: inventions; literary and artistic works; and symbols, names, images and designs used in business that are often protected by intellectual property rights

Internet

The Internet is a global physical network of computers that is decentralized in design. Each Internet computer, called a host, is independent. Users can choose which Internet services to use and which local services to make available to the global Internet community

Internet Governance

Rules created that affect the growth and development of the Internet, including the creation and activities of organizations that develop technical standards, set policies, and otherwise influence the future of the Net

Internet jurisdiction

Internet jurisdiction is a legal term for the limitation on the ability of a court to determine disputes over the Internet. Given the dispersed nature of online transactions, there maybe the necessity to draft new laws similar to the separate international conventions governing the Law of the Sea and Admiralty Law

Internet portfolio analysis

A bundle of Internet projects that are selected systematically with the aim of maximizing investment return

Internet protocol (IP)

This specifies the format of packets, also called datagrams. Most networks combine IP with a higher-level protocol called Transmission Control Protocol (TCP), which establishes a virtual connection between applications

Internet service provider (ISP)

An organization that has a permanent connection to the Internet and sells temporary connections to subscribers

Invisible Web

Web pages that are excluded because search engine spiders cannot access them

Knowledge management (KM)

Knowledge management embodies organizational processes that seek synergistic combination of data and the information processing capacity of information technologies, which can be enhanced through creative strategies

Listservs

An automatic mailing list server that sends messages via email to all individuals on a specific list

M-commerce

Relates to online commerce performed from mobile phones or hand-held computers

Masculinity/femininity

How society is characterized by assertiveness (masculinity) versus nurturance (femininity)

Meta-search engines

These enable users to search simultaneously to several individual search engines and their Web pages

Middleware

Middleware, or 'glue', is a layer of software between the network and the applications. This software provides services such as identification, authentication, authorization, directories and security

NASDAQ (www.nasdaq.com)

The acronym original stood for National Association of Securities Dealers Automated Quotations. NASDAQ has quickly matured far beyond its original quote-service roots, evolving into what it is today – a major world stock market

Netoffer model

The NetOffer model developed through case study analysis has made a worthy contribution to the development of Internet offerings. The NetOffer model consists of two elements: customer participation and communication

Online fulfilment

Relates to the ability to promptly deliver what the online customer has requested

Personal digital assistant (PDAs)

PDAs are hand-held devices that combine computing, telephone/fax and networking features. A typical PDA can function as a cellular phone, fax sender and personal organizer

Personalization

Personalization does not rely on explicit user instructions, but uses artificial intelligence to identify patterns in customers' choices or demographics and to extrapolate projections from them

Portable Document Format (pdf)

This has become a popular method for electronic document distribution worldwide, as it enables files to be shared, viewed, navigated and printed exactly as intended

Portal

An e-business model that people use as a launching pad to enter the Web

Power distance

How society and its individual members tolerate an unequal distribution of power in organizations and in society as a whole

Price earnings P/E ratio

P/E ratio is a valuation ratio of a company's current share price to its earnings per share

Process approach

The process approach provides a mechanism for ongoing adaptation of the organization to the changing environment by defining and tracking the changes

Reach and richness

The new economics of information has altered the trade-off between reach and richness. Traditionally business strategy either could focus on 'rich' information, customized products and services tailored to a niche audience, or could reach out to a larger market, but with watered-down information that sacrificed richness in favour of a broad, general appeal. Now organizations can obtain high levels of reach and richness

Real options

Real-options analysis can be used to improve traditional multi-period investment decisions. Real-options analysis is superior to the ubiquitous net present value (NPV) approach

Relationship marketing

A philosophy that seeks to ensure a favourable balance among the organization, quality and customer service

Risk management

A method that adopts an enterprise approach to monitoring and managing risks, associated with competition, the organization, suppliers and customers

Self-design

The theory asserts that managers have an ongoing capability to conduct redesign activities, and that the organization can make a teacher out of the learner

Shopping agents

Sometimes called bots (short for robot), these are software programs given a specific task to locate and compare products

Sociotechnical system

The three determinants of organizations according to sociotechnical system theory are the social system, technical system and climate

Strategic planning

Strategic planning involves the entire process of defining the future direction and character of the organization, and of attempting over an adopted timetable to attain the desired state to accomplish related goals and outcomes

Strategic planning effectiveness

Planning; formality, participation, sophistication and thoroughness are important attributes of strategic planning effectiveness

Streaming audio and video

This is a technique for transferring data so that data can be processed as a steady and continuous stream. Streaming means that the client browser or plug-in can start displaying the data before the entire file has been transmitted

Subject directories

These types of directories are particularly useful for specifying websites on a variety of topics

Supply chain management (SCM)

In its simplest form SCM relates to the management of the product, information and finances flows within an organization

Techmark UK (www.londonstockexchange.com/techmark/)

This is an international market for innovative technology companies and has established itself as a leading global market for shares in businesses at the cutting edge of technological innovation

Telnet

The Internet protocol that allows users of one host to log into a remote host, so that they are seen as local users of that host

Third generation (3G)

3G promised increased bandwidth (analogue phones formed the first generation and digital phones the second) for mobile communications technology. 3G systems can handle data quickly and efficiently alongside voice calls and was initially placed to be used as one of the key technologies that will underpin m-commerce

Trust

Trust is most important in new and temporary organizations, as it acts as a substitute for the traditional mechanisms of control and co-ordination

Uncertainty avoidance

How people in a culture are made nervous by situations they perceive as being unstructured, unclear, or unpredictable

Universal Product Codes (UPC)

Universal Product Codes were the first bar code widely adopted and can be found on items purchased from retail organizations such as supermarkets

Value added network (VAN)

Value added network is a private network provider that is used by a company to facilitate EDI

Value cluster

The value cluster approach suggests that as a result of the customization capabilities available to e-commerce firms, multiple segments of customers can be addressed with a variety or combination of benefits offered

Value proposition

The value proposition requires management to consider three items: (i) choice of target segment; (ii) choice of focal support; and (iii) explanation why the firm's offering is better than competitors

Venture capitalists (VC)

Venture capitalists provide investment expertise with entrepreneurial skills to deliver funding to organizations well positioned for fast growth that have the potential to deliver outstanding returns to investors.

Viability

A proxy for the quantitative data on investment pay-off

Virtual organization

A virtual organization is primarily characterized as being a network of independent, geographical dispersed organizations with a partial mission overlap

Virtual team

A temporary, culturally diverse, geographically dispersed, electronically communicating work group

Web usability

The degree to which websites have been designed with the needs of users in mind

Web-enabled courses

The provision of education courses over the Internet, which can mean that business schools can expand distance learning and at the same time maintain healthy margins, due to low distribution costs

Weighted average cost of capital (WACC)

WACC is dependent upon the capital structure. By taking a weighted average, the cost that the company has to pay for every pound it borrows can be determined

World Wide Web

A popular method that supports specially formatted documents through web browsers. The documents are formatted in a script called HTML (HyperText Markup Language)/XML (Extensible Markup Language) that supports links to other documents, as well as graphics, audio, and video files

XML

The acronym XML is short for eXtensible Markup Language, which was created by the W3C. It allows users to produce enhanced documents, because XML provides users with the opportunity to create their own customized tags, enabling the definition, transmission, validation and interpretation of data between applications and between organizations