



**SCHOOL OF ECONOMICS
AND MANAGEMENT**

Lunds University

**2006-10-28
Autumn 2006**

INDIVIDUAL HOMEWORK FOR EXAMINATION IN

***Strategic Management and Information Systems
INF 651***

***A new eLearning course
“Strategic eBusiness Management”***

INF651

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Task A: Description of the new eLearning course “Strategic eBusiness Management”

Strategic eBusiness Management focuses on the professional qualifications needed to advance a career in the emerging field of e-business management. eBusiness effort involves an in-depth knowledge of both business strategy and technology. E-business initiatives require that leaders link cross-enterprise operations and also manage corporate resources strategically. Designing and selecting IS & ICT as well as making them fit organizations are complex matters in need of a theoretical framework and knowledge about current best-practice.

The primary objectives of this course will target entrepreneurs, employed adults and other people in need for upgrading their knowledge, skills, attitudes and general competence in the field of modern ICT for eBusiness with the knowledge and tools they need to put in place the strategies and technologies for successfully implementing e-business solutions within an organization. Therefore the participant should have at least a bachelor’s degree from a university and more than 2 years experience of working life. This is an international course and the participants will come from all over the world, so the course is held in English and will be 5 ECTS and will run in a period of 10 weeks with an intensity of at most 50% of full time study. After successful conclusion of the course a certificate will be issued to certify that the learning objectives have been achieved.

Understanding the technological and organizational factors that affect the strategic importance of information systems for organizations is very important. In this course the participants will advance their knowledge about theories of eBusiness strategy and theories about business strategies in relation to organizational use of eBusiness. They also will analyze the effect of some specific information systems on the performance of an organization.

Basic structure and key contents

- Strategy Theory / IT and Business Models
- IT Outsourcing
- eBusiness
- Value chain and ERP systems
- Open Source
- ASP and Strategic Alliances
- Data Mining

Papers, Articles, textbook and cases

The essentially didactic elements of course material were elements such as chats, forums, glossaries, journals, workshops and so on, were implemented using Microsoft SharePoint technology. The textbook “IT and Business Models” Hedman, J., Kalling, T. (2002) is useful with its content of business strategy and also the focus on eBusiness and IT models. This textbook is offered as e-book. Participants get real experience by doing 5 real case studies.

Case A: eLance.com: Projects versus Personnel

Case B: Clearwater Fine Foods: Using Group Support System for Strategic Planning

Case D: DoubleClick Inc: Gathering Customer Intelligence

And 2 other newsworthy cases selected from the participants





Relevant articles for the new “Strategic eBusiness Management” are: 1, 4, 5, 9, 10, and 12





Web offers new possibility of learning:





- develop visualization for complex contexts
- Support experimental flexible scenarios and cases
- Support explorative learning, nonlinear learning styles
- Adapt to individual learning styles, very flexible
- Online (real-time) group work and video-conferences(lectures and seminars)

This new “Strategic eBusiness Management” course will **run off-campus and totally online**. *Microsoft’s SharePoint technology* will be used as the basic ICT architecture for the course and the participants have the possibility of using a system with a lot of powerful tools. The lectures and seminars are scheduled with video-conferences every week. They could work on the cases in real-time and online with different tools. All papers and compendiums and other stuff like textbooks are offered online and can be downloaded. An advantage is that the participants can work at home or in their company, but also can see the lectures and communicate with their group members with this powerful software. The participants are already mature people, that already work or running their own e-business. Often these people have no time and possibility to gather together at the class courses. The reason for this is that the course doesn’t require the face-to-face interaction, special time for lectures, the off-job learning.

Task B: Reusability of papers from the compendiums







<p>1</p>	<p>Achtenhagen, L., D. Knyphausen-Aufsess, et al. (2002). “Open Source Software Development – An Ideal-Type Model of Deconstructing Industries?”</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>The article is about the nature of OSS and the strategic and economic dis- and advantages of using OSS or proprietary software. This can be very important for startup companies. It also covers the question concerns the problems of profitability costs of further maintains. The strategic point of view covers the possibility of upgrading the software and applications, future return on investment, impact of software.</p>
<p>2</p>	<p>Baldwin, L., Irani, Z. et al. (2001). “Outsourcing information systems: drawing lessons from a banking case study.”</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>The article covers the questions of outsourcing aspects of IT/IS. It’s a real banking case study, covering the motives and decision-making process for outsourcing. The focus is too much on the banking sector and not ideal for this course. It would be better to implement a real outsourcing case from the eBusiness.</p>
<p>3</p>	<p>Bonaccorsi, A. & Rossi, C. (2003). “Why open software can succeed”</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>This article discusses OSS and why it can succeed. The content of the article is too global, and the basic features of open source software have no relation to the strategic positioning of the company and creating the competitive advantage.</p>
<p>4</p>	<p>Bogucki Duncan, N. (1998): “Beyond opportunism. A resource-based view of outsourcing risk”</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>The article describes the question of outsourcing in relation to theoretical explanations (resource-based view). The article provides the decision which resources can and should be outsourced. Also the economic advantages and disadvantages of outsourcing and possible risks are mentioned. For startup company the chose whether and what they can outsource is very important for their strategic positioning.</p>

<p>5</p>	<p>Burstiner, K. & DeCandido, F. (2003). "The application service provider option."</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>This article discusses the pros and cons of using ASP, and it also provides main characteristics of the features. ASP's are used in different areas of an organization's information infrastructure. Especially sales-related application with e-commerce, sales and customer services is important for the participants. This article describes the ASP very easy and short and can help the participants to get easy in this field.</p>
<p>6</p>	<p>Chatterjee, D. Grewal, R. & Sambamurthy, V. (2002). "Shaping up for e-commerce: Institutional enablers of the organizational assimilation of web technologies"</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>This paper draws upon institutional theory and empirical parts for Web assimilation into company e-commerce strategies and activities. This article is very interesting but too complicated and overloaded with statistics that it's not easy to understand for the participants.</p>
<p>7</p>	<p>Kalling, T., Fazekas, L, & Tobisson, M. (2004). "It's all ebiz kids'. A quantitative study of Swedish executive's view on eBusiness between 1997 and 2001"</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>This paper gives a picture of how managers of listed Swedish companies perceived eBusiness at the peek of its development between 1997 and 2001. For this international course the focus on Swedish companies isn't really good. Also the period of this study was when e-business was best. Nowadays, 5 year later, the empirical evidence wouldn't be the same.</p>
<p>8</p>	<p>Levina, N. & Ross, W. (2003): "From the vendor's perspective: Exploring the value proposition in information technology outsourcing"</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>This paper studies the outsourcing from the vendor's perspective, and how vendors deliver value to their clients. The research is made through real cases. This article with the perspective from the vendor isn't that interesting for our participants and very complicated.</p>

<p>9</p>	<p>Porter, M. (2001): “Strategy and the Internet”</p> <p>• <u>RELEVANT !!!</u></p> 	<p>This paper is divided into several parts: Internet and its’ impact on the industry; Internet and the possible mistakes; Internet and Competitive advantage; Internet and the value-chain. This paper is one of the most important and interesting for this course because it provides orientation for startup e-business and the information and theory covers the main questions, tasks and problems that while come up while starting e-business.</p>
<p>10</p>	<p>Robey, D., Ross, F. et al. (2002). "Learning to implement Enterprise Systems: An explorative Study of the Dialectics of Change."</p> <p>• <u>RELEVANT !!!</u></p> 	<p>This paper is talking about the ERP systems, motivation to implement, the implementation process and barriers. The implementing of the ERP software is relevant to the further development of e-business. This article provides participants with a big range of knowledge to create competitive advantage. It’s also a question of outsource or implement ERP software in the business.</p>
<p>11</p>	<p>Somers, T.M. & Nelson, K.G. (2003): “The impact of strategy and integration mechanisms on enterprise system value: Empirical evidence from manufacturing firms</p> <p>• <u>NOT RELEVANT !!!</u></p> 	<p>This paper covers the implementation of the ERP system and evaluation of its value and the consequences in the value-chain. The article is talking about manufacturing company and the traditional part of the market not orientated on startup e-business.</p>
<p>12</p>	<p>Tebbourne, D. and Seltsikas, P. (2003). Partnering for Success in Application Service Provision. Business Strategies for Information Technology Management</p> <p>• <u>RELEVANT !!!</u></p> 	<p>This paper covers the ASP model, drivers of the ASP and explains the nature of ASP market. It also describes Porter’s five force model for ASP market. The article might provide participant with extra knowledge of what is ASP, what is the nature of this kind of outsourcing and how it can be related to the ERP question. Participants can use the skills they received when making decisions of strategy and organizational structure of their e-business.</p>

Relevant articles for the new “Strategic eBusiness Management”: 1, 4, 5, 9, 10, and 12





Need for revision and/or updates for relevant papers

Articles	Need to UPDATE	“Strategic eBusiness Management”- course
1		Open Source develops continuously further and possess today over very advanced software. The article should be extended with some more up-to-date information.
4		The article is from 1998, maybe there were some changes in the area of IT outsourcings. The resourced-based view is very interesting.
5		The article is very short and gives a fast insight of ASP. In combination with article 12, there’s no need to update or extend.
9		Porter’s “Strategy and the Internet” is about the strategy and theory, therefore no need to update. Good article!
10		The implementing of the ERP software is relevant to the further development of e-business. There’s no need to update or extend.
12		Good article from 2003 the content is still actual today, but the included cases should be more actual.

Sorted List of articles

Content	Articles	“Strategic eBusiness Management”- course
IT Outsourcing	2, 4, 8	4
Open Source	1, 3	1
Value chain and ERP systems	10, 11	10
ASP and Strategic Alliances	5, 12	5, 12
Strategy Theory / IT and Business Models	9	9
eBusiness	6, 7	

Task C: Reusability of cases




<p>A</p>	<p>eLance.com:</p> <p>Projects versus Personnel</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>The case explores the challenges facing eLance as the team attempts to both create a new means of exchanging professional services in the marketplace and develop an online services model that can succeed in the increasingly competitive and profit-conscious Internet economy. “Projects versus Personnel” is a very important question in the 3rd industrial epoch of Micro electronics with the new artifacts of Artificial companies and the logics of Hypermedia and Interaction.</p>
<p>B</p>	<p>Clearwater Fine Foods Inc:</p> <p>Using Group Support System for Strategic Planning</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>Using a Group Support System (GSS) for ongoing use in their strategic planning process and if should they acquire and manage the technology for themselves or make an outsource arrangement. Case with IT outsourcing is very interesting for start-up business.</p>
<p>C</p>	<p>OP4.com:</p> <p>Choosing a Web Site Design Agency</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>Case about characteristics a Web site should have to become successful and about choosing the agency. Web sites and choosing the right agency is very interesting for start-up business, but this case is about teenager portal and the process of choosing a good web agency is limited by time. Real-business participants should spend more time to implement. A new case should be included with a study about start-up companies.</p>
<p>D</p>	<p>DoubleClick Inc:</p> <p>Gathering Customer Intelligence</p> <ul style="list-style-type: none"> • <u>RELEVANT !!!</u> 	<p>Case about advantages and disadvantages of integrating DART technology and about private policy. It’s an interesting case for eBusiness companies, with private policy and how good this should be.</p>

E	<p>LearnActs.com:</p> <p>Strategy and ICT for eLearning</p> <ul style="list-style-type: none"> • <u>NOT RELEVANT !!!</u> 	<p>The case covers some special features of e-learning value chain or implementation of special technology. It was interesting for us to get in the area of eLearning, but not for the participants for the new course. They will work with this application so there’s no need to explore.</p>
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Relevant cases for the new “Strategic eBusiness Management” are: A, B, D

Need for revision and/or updates for relevant papers

Case	Need to UPDATE	“Strategic eBusiness Management”- course
A		“Project versus Personnel” is an important question. The case is very good and interesting with a company in the same area like our participants. There’s no need to update.
B		IT Outsourcing is very important. The case is a bit too much oriented in explaining the GSS and not the main point of outsourcing. That should be a bit more precise.
D		It’s an interesting case for eBusiness companies, with private policy and how good this should be.

Sorted List of cases

Content	CASES	“Strategic eBusiness Management”- course
IT Outsourcing	B	B
Data Mining	D	D
eLearning	E	
ASP and Strategic Alliances	C	
eBusiness	A	A

Usability of participants business cases in the new course

E-business is gradually taking up a bigger part of the whole market, and the time between new different applications and software for e-business is decreasing. The participant of our new course worked in this area at least 2 years, and therefore have a good up-to-date knowledge of the market and for sure a lot of interesting questions. With their background of their bachelor studies, they have the knowledge of choosing an adequate and skilful content and case for the course. Every participant should have the opportunity, or if we go a step further, the challenge to find a real business case related to the key contents of this course. I think that would be very interesting and gives the participants the possibility of taking an active part on the stage and of further optimizing the course. At least 2 cases from the participants should be integrated in the new course.

References/ used materials

- **Literature:**
 - Hedman & Kalling (2002): IT and Business Models
 - Compendium of articles
 - Casebook : Wallin (2006): “Strategic Management and Information Systems, INF651”, Pearson Custom Publishing

- **Presentations and Hand-outs:** Wallin (2006) Strategic Management & IS
- **Group Cases and Reports:** Group 6
- **Group discussion**
- **Internet Research**



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Case A: eLance

Project versus Personnel

INF651

Group 6:
Martin Aichholz
Erik Forsberg
Shlomo Franko

Case Report, eLance.com

eLance is a premier global services marketplace. They provide the resources for people to connect, collaborate, and complete their projects. Buyers can post a project description and receive bids from service providers, or buy directly from thousands of fixed price service listings. eLance's support features include a workspace for project development and remote delivery, service provider certifications, feedback ratings, and an international billing and payment system.

The main strategic issue for eLance is if they are going to become a digital marketplace exclusive for projects, or more of a general marketplace. A general marketplace containing temporary position listings, projects, and other sorts of recruiting, enable the market to make decisions as explained by one of the founders of eLance. We came to the conclusion that the best way to carry on for eLance would be to focus on becoming a leader on the global services marketplace arena. On the traditional digital marketplaces for personnel there were already well-established market leaders, and there was much more competition. If they carried on with the site as planned from the beginning they would have the opportunity to set the standards, and act as a first mover, thus becoming market leaders. Porter (2001) considers benefits from being a first mover on the Internet to be rather small. Porter implies that when it comes to Internet applications in reality, the switching costs are smaller on the Internet than in the real world. But he also mentions that there are benefits of being a first mover - you will have the chance to learn about the specific branch you are exploring, and as a result, invent new tools and give the users what they want before your competitors. According to the sources of value creation in e-business (Amit & Zott, 2001) acting as a first mover will give you advantages against your future competitors.

Another thing that would limit them if they choose a more general approach would be that they would probably limit themselves to a narrower geographic area, and would probably generate more listings from the regions around the biggest cities, where the competition seems stronger. Choosing the general approach would also risk them of having an inconsistent business model; there is a need for different tools provided for the users of the project approach than for the users of a temporary position listing. According to Porter (2001) they would also be forced to have a broader spectrum of activities to integrate with their value chain.

	Project	General approach
Pro-s	<ul style="list-style-type: none"> • First mover advantages. • More straight forward business model. • Not so hard competition. • Not limited to a specific geographical area. 	<ul style="list-style-type: none"> • Big market, annual growth of 6% • Users know how to use their system; they are used to doing business this way. • Probably more visitors, a broader spectrum of visitors.
Con-s	<ul style="list-style-type: none"> • Unproved grounds, users not used to the type of business. • How should they build trust? Users might not want to engage because of buyers and sellers are anonymous. • Probably harder to build liquidity in the initial state. 	<ul style="list-style-type: none"> • Hard competition, many well established companies. • Risk of having inconsistent integration of the value chain in their business model. • Probably limit their business to big city areas. • How should they control the grey market?

According to Timmers (1998) typology, eLance's business model can be classified as a value chain integrator. The eLance project-based site has a high degree of innovation by offering functions that are new to the market, and they will also be forced to be innovators to sustain themselves on the market. eLance seeks innovative ways to add value through information management and a rich functionality as a response management tool, as well as content and quality control tools.

Almost all of eLance offerings to customers are in one way or another, strongly connected to the use of Internet technology. Because of this we draw the conclusion that all off their activities to create their services must be integrated in their value chain, and by this it also strongly affects their value chain. According to Timmers (1998) value chain integrators focus to integrate multiple steps of the value chain, and by that they get a possibility to exploit information flow between those steps. It's mentioned in the article that eLance needed some kind of market maker, which will affect multiple steps in the value chain, from Porter (2001) operations, marketing & sales and after sales service.

It would be strategically important to develop the workspace and rating system in order to support and further develop the project site. A big obstacle for eLance would be to overcome the trust issue and the education of their customers. The case mentions that building liquidity would be a challenge, and without trust from the customers, it would be impossible. eLance thought about focusing on building trust with those people who might not be so willing to try something new, by hiring an anonymous seller. The anonymous aspect was due to the fact that they would have to prevent a grey market. One way to gain trust would be to further develop the rating system, and give the customers a possibility to see what opinions others have about a specific seller. To get more liquidity we recommend that eLance develop an affiliate program, a number of trusted buyers that get a lower fee, this would help to generate more traffic, and if the sellers could see that a buyer was an affiliate they would maybe trust it more.

The proposed features that would be important to launch in the near future and in the long run to get competitive advantage are a response management tool and also enable e-lancers to provide robust profiles. Robust profiles will also increase the trust problems. The response management tool should function as a filter for different project types, geographical areas, buyers etc. This would reduce the need for different regional sites and limit the need for a search engine.

Porter (2001) points out that to be able to gain long-term competitive advantage a company need to embrace strategic positioning. Doing things in a different way than your competitors and providing a unique value for your customers. We recommend that eLance focus on providing a complete project management suite, further develop today's functionality with milestones and project status tracking. So that their customers don't need 3rd party programs for handling their projects, the customers should think of eLance as a complete provider. If their customers need 3rd party programs they should be able to get the information from eLance's system through web services. In the beginning this would probably be overkill, but they should have this in mind when they develop new functionality. The owners were concerned about the learning process of their clients since this was a new set of tools. We propose that they develop an online help section and online demo capabilities, so the users could test the functions of the site, and through that learn how to use the system. The user interface should be very easy to use.

It's our opinion that they should drop the content plans, at least everything that's not directly connected to project management. This should be the value proposition of eLance, and it would generate a unique value. To be able to get specifications of what kind of tools they should develop in the future, we recommend that they start a survey system. Maybe enrol some of the affiliates earlier mentioned as beta-testers; this must always be strongly linked to eLance's value proposition. Actions must be taken considering the long-term goals, becoming the one stop place for handling projects, from buying and selling to handling projects. Another feature of the website that should be reduced is regional sites and multi lingual. English would probably work in most of the parts in the world, at least in the initial state.

One reminder that we would like to point out is that eLance must make their services easy to adopt by other companies business models, so it could go in to their value chains. It should be natural for the sellers to integrate eLance with their own business.



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Case B: Clearwater Fine Food

Using a Group Support System

INF651

Group 6:
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Case Report, Clearwater Fine Foods INC. (CFFI)

CCFI is one of the world's leading seafood producers with head office in Bedford, Nova Scotia, Canada. International sales offices were established in Canada, the United Kingdom, the United States and China. In 1995, the management board articulated its "CFFI Vision 2000", an extensive set of five-year and three-year corporate goals. The "Vision 2000" included yearly update meetings. The 1996 meeting clearly indicated that there were problems with communication and collaboration. They will resolve these problems with the development of a corporate Intranet (Microsoft Exchange for e-mail) and a search for brainstorming and consensus-building software to aid managers in their decision-making.

Should Clearwater Fine Foods Inc (CFFI) adopt a Group Support System (GSS) for ongoing use in their strategic planning process?

For November's strategic planning session, Leonard Landry, MIS manager, five of his colleagues, and their supervisor, vice-president of finance, used the Group Support System (GSS) for the first time, at the Queen's University School of Business Executive Decision Centre (QEDC) in Kingston. The session was very successful and the team left Kingston satisfied with the strategic planning progress they had made that day. The managers had learned much about the technology and had developed ideas and opinions on its possible use in the future.

A Group Support System appropriate for CFFI, is based on a long development and was continuously updated since it was released the first time in 1987. It is the most popular with management groups.

The meeting was faster with the GSS, so they discussed a lot of issues in the 8 hours they spent at QEDC. It seems to work more effectively and productively with a facilitating system like GSS, but sometimes the user felt a little rushed and had not enough time to mention all his or her points. Some issues may last longer with the former kind of discussions but maybe the outcome will be more thought out. You have to consider that in some cases you can't think of all influences and dependencies in a short time. They used the Electronic

Brainstorming (EBS) tool, where users can submit their ideas anonymously, so everyone has the possibility to mention his or her point of view, without personal attacks of the others. Sometimes this anonymous decision can be a problem, because the personal contact can be lost. They also used the Voting (VO) tool; they were able to make a ranking of strength and weaknesses.

Advantages with using GSS	Disadvantages with using GSS
Reach a consensus	Educating participants
More productive	The need of an independent facilitator
Able to develop more solutions	Impersonal
An independent facilitator	
Anonymous	
A broader toll set as stakeholder identification	
Face to face with computer assistance	

Companies these days become more aware that they can increase revenue and strengthen competitive advantage through investment in decision support system.

Companies that use GSS get clear view about which product or consumers are profitable. The company can come to an improved decision because they get faster and more qualitative background analysis. This enables companies to capture more cost-effective markets segment than their competitors that don't use decision support systems. GSS consists of a collection of computer-based technologies used to aid multi participant efforts in identifying and addressing problems, opportunities, and issues. GSS is used in situations where the solution may not be optimal, obvious, or even possible.

In order to use GSS a good independent facilitator with good knowledge in complicated situations is required. It would be very helpful to involve a facilitator, who is familiar with the system and who can lead the meeting and the discussions. But involving an external person in strategic planning meetings is a matter of trust, and you are dependent of external knowledge. Using GSS effectively with its powerful broad functions and according to the advantages and disadvantages we recommend CFFI to adopt GSS in their strategic planning process.

If they will adopt that kind of GSS technology, should they acquire and manage the technology for themselves or make an outsource arrangement?

Outsourcing of activities to third-party organizations has been a significant business practice from the early 1990s. Outsourcing IT is often motivated by transaction cost, resource-based explanation, neoclassical economics and political or institutional. Bogucki, D (1998) points out three factors that dominate approaches to the problem of choosing which IT resources the organization should choose to outsource: resource characteristics, transaction type and risks. The risks of outsourcing can be that CCFI will not receive enough service over time. Refer to Bogucki, outsourcing involved long term risks. The first one is that outsourcing can lead to erosion of knowledge.

According to Bogucki a company should outsource IT in the case that IT is a “commodity”. That means we can clearly define those resources. We consider GSS as “commodity” IT because that GSS is a kind of resource, which can be obviously defined and is apparently offered from many vendors. The main reason why CCFI should outsource their GSS is that they should focus on their core competencies (Barney, 1991). Some aspects of outsourcing could also be found in transaction cost theory. Keeping a physical location with the latest technology for GSS would probably be more expensive if they keep it in-house, instead of outsourcing it.

The Queen’s University School of Business Executive Decision Centre is very experienced with the technology and has good knowledge about these meetings/idea-findings/problem solving. A disadvantage or danger would be that you rely on others in a critical issue, the company should be aware that this affects important decisions in the leadership. But the GSS is not a system critical for their day-to-day work so this would probably not be a problem if they outsource.

Another issue is that CCFI must completely trust the contractor, since CCFI would during their future meetings discuss strategic questions.

Beside that you have to think about what is more expensive, maybe also take in account that wrong decisions affected by GSS cost a lot of money. GSS is not a part of CCFI’s core

activities and therefore it should be outsourced to a company that is specialized in these kinds of solutions. When they choose to outsource they should try to get a contract on a period of maximum 5 years, to get the opportunity to review the contract, if they are in need of a GSS (Duncan, 1998), without locking them up for a long period of time.

The only advantage with insourcing that we found is that at CCFI, the degree of skill and expertise regarding the specification of the system and how it should perform is adequate. However this will also serve as an advantage should CCFI choose a supplier. They will know what to demand. If we sum up our findings in the table below, outsourcing is in favor 4 to 2 against developing an in-house GSS.

Characteristics	Low	High
Impact on business positioning	Outsource	Keep
Technological maturity	Keep	Outsource
Integration of business processes	Outsource	Keep
Uncertainty of future business op.	Outsource	Keep
In-House vs. market expertise	Outsource	Keep
Direct links to business strategy	Outsource	Keep



**SCHOOL OF ECONOMICS
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Case C: OP4.COM

Choosing a Website Design Agency

INF651

Group 6:
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Stuart Saunders, a co-founder of OP4.com had the vision to start a positive Web community for kids and he is thinking strictly of the kids. Co-founder Ray Matthews and the strategic former consultant Tom Pressello were aiding in bringing the concept to fruition. They had just secured half a million dollars in private placement financing from a prominent West Coast venture capitalist contact. They have problems with their web agency MillenPro, and they are not sure if they have the same understanding of the youth space. They have another proposal from the BaseSync Inc. Agency and now they have to decide with which web agency they are going to coporate with. The time was running out for the oportunity to become the “the place for everything” (for the american youth) and OP4 was pressed to act rapidly. There was a couple of really strong competitors that already had running sites and big market shares, not a easy task for OP4 to take on.

Q1. What characteristics should OP4’s Web site have to become the portal for teenagers and make them consider OP4.com as “Our Place for Everything”?

We use the 7C-model (Rayport & Jaworski, 2001) to investigate the characteristics of the OP4 website.

Context – The general style of how the website should be set up should attract the young users, should be as the general style of teenagers magazine or journal in printed version. The website features that capture the aesthetic and functional look-and-feel for the youth should appear in a logical and appealing way and should be consistent over website pages. For the youth it should look fresh, funky and interesting enough to keep the user to explore the website and take a look at the features, and register and user all of the features.

Content – OP4.com would like to be “the place for everything” for the youth, so they have to offer interesting, pleasing content for them. It’s very important that OP4 publish teen-related topics, expert-opinions and other written content and offer articles and other media about these topics. They want to promote a good youth image and ethnical values.

The youth also want up-to-date content, so there is also a need for daily updates and being dynamic, the user should be able to interact thru the content.

Commerce –OP4.com is thinking “strictly of the kids” what means they don’t want to build up a selling site so the income should come from sponsorship, advertisements and e-commerce.

Connection – This is the main point where income stream should come in. Related sites will pay to be listed on the page and maybe cleared with the counted clicks. But the offers should exclude offers, which didn’t go with their own vision of “strictly of the kids” thinking.

Community – As a community platform where the users can chat with each others or submit articles there has to be a member account, so the users can get closer to each other with an specific profile with a list of their friends, an own picture gallery, direct messaging and email, chat rooms and other features where they can aggregate.

Communication – The user communicates with OP4.com can be in different ways. For example newsletters, feedback and maybe a ratings system for the published content.

Customization – The user should be able to change the look individual into their own style, to feel good. Mostly this would apply on their individual profiles, their own “member-page”, individual customization.

Q2. What characteristics should OP4’s Web site design agency have?

The most important question is that the agency must understand the target group (12-17 years old), and thru that, design the site in a manner that makes the target group satisfied. Probably they would have to use some kind of participatory design (Involve end-user during all the development process). They must also be able to develop secure and database driven web/content systems with an intuitive user interface. Much of the content of the OP4 site would be dynamic and require a good database driven solution. At the time when the case takes place this was very much the frontier of web-development.

Q3. As an adviser to OP4 discuss and motivate your recommended choice of agency for their website design!

OP4's business CEO pointed out that there was no time to investigate other design agencies. Because of OP4 was in a hurry of getting the site ready for launch, they were forced to work with MillenPro or BaseSync. In our point of view this seems kind of narrow, and single tracked. There is for sure an agency out there that would satisfy OP4 in more ways than MillenPro and BaseSync did. Probably a mid size agency with technical and communication knowledge, and with a portfolio containing both mid-size clients and big ones like the ones of BaseSync. But due to the time pressure we will have to choose between BaseSync and MillenPro, which we really don't think is the best solution for OP4.

Together with BaseSync OP4 developed a business requirements document (BRD) at a cost of \$25000 Cdn, a document with the requirements of the site including specific functionality, possible risks and possibilities. The BaseSync Inc. agency considered a Vancouver 'hot shop' for innovation, was really expensive, but they seemed to have loads of knowledge about OP4's target group.

In our opinion it would be a disaster to invest almost all of their money on the BaseSync solution and they had already consider to let MillenPro develop the site. From that we draw the conclusion that OP4 thought that MillenPro was a god agency when it comes to technical questions, but not in communication and analyzing the needs of the target group. One of the major reasons that made OP4 look at BaseSync was a disagreement with MillenPro regarding the landing page and the ownership of the registration data.

And now when they have bought the expertise from BaseSync in form of the BRD we think the best solution to carry on would be to use the BRD from BaseSync and let MillenPro develop the website. If they do this they must try to speed up the communication process, and give them clear directions, if they put a little pressure on MillenPro we think that's possible.

Even that MillenPro seemed kind of slow in the communication we still think it would be best if they stayed with MillenPro. The case also mentions that OP4 was concerned about the engagement of BaseSync, so we have communication mistrust in both the agencies. The

competition on the market was in our opinion really strong, and if they were supposed to last and make an impact we think they need some backup money. One thing that we noticed is that OP4 don't point out how they should get competitive advantage in their business model, or more of the lack of a consistent business model. The only thing that's pointed out when it comes to how OP4 would distinguish from their competitors is the way they advertise.



**SCHOOL OF ECONOMICS
AND MANAGEMENT**

Lunds University

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Case D: DOUBLECLICK INC.

Gathering Customer Intelligence

INF651

Group 6:
Martin Aichholz
Erik Forsberg
Shlomo Franko

DoubleClick Inc. is a primary supplier of comprehensive Internet advertising solutions for marketers and Web publishers. Combining technology, media and data expertise, DoubleClick centralizes planning, control, tracking and reporting for online media campaigns. Abacus Direct is a division of DoubleClick Inc. who manages a clustered database system containing information of consumer buying behaviour used for targeting marketing purposes on the Internet and through direct mail.

Q1. What are the advantages and disadvantages of integrating DART technology with Abacus Direct from the web browsing customer's point of view?

DART targeting technology is a web-based, enterprise – class advertising management software package. Abacus Direct is databases of consumer buying behaviour used for marketing propose over the Internet and through direct mail. Integrating those technologies can cause that non-personally-identifiable information from DART joint with information from the Abacus database such as user’s names, addresses, and online purchase histories, and other personally identifiable.

Advantages	Disadvantages
Precise identity of the person visiting any one of the sites that use DoubleClick’s cookies	Owner of those cookies is not anonymous (Internet User)
Increasing their relevance and reducing unnecessary repetition	Cookies! users who receive cookies from DoubleClick perhaps never visit your site again
Personalization features	Reliance on external partner witch can make struggle with your customers privacy policy
Quick navigation across multiple zones	Can be negative for a specific industry
Can remember user names and passwords for future visits	
Possible to focus on core business	
Advantages	Disadvantages

Allow consumers on the Internet to receive advertising messages tailored to their individual interests	
Agility: able to notice competitive market opportunities and seizing them with speed	
Lower cost	SLA contract that provides organisation with a detailed description of the level of service to be provide
Better use of IT resources	

Q2. The Federal Trade Commission (FTC) has charged DoubleClick.

For what – more precisely?

FTC has charged DoubleClick for betraying consumers by suggesting the company's technology let them remain anonymous.

1. DoubleClick's rejection to declare which internet sites were providing them the registration rolls that DoubleClick needed to link once- anonymous cookies to names, addresses, phone numbers, etc.

2. DoubleClick's collection of information about Internet users, through the placement of cookies on users' hard disk and the linkage of cookie-generated data with information contained in the Abacus database, is performed without the knowledge or permission of the big majority of Internet users who be given DoubleClick cookies.

3. Some third-party Web sites that generate DoubleClick cookies do not inform users that DoubleClick places cookies on the computers of users. At the time the case took place media all over the world had inform the public of the threats to personal integrity from the use of

cookies. In fact cookie wasn't a new invention, but thru the coverage in the press people were concerned about the security risks.

Q3. As a member of FTC would you consider the declared privacy policy of DoubleClick as good enough to close the inquiry into their ad serving and data collection practices?

DoubleClick will not combine personal identifying information from Abacus Direct with clickstream collected on client Web sites. They will also not use sensitive data for any online preference marketing product, in contravention of its stated privacy policy. The data gathered does not identify a users personal identity, and they now require its customers to post their privacy policies clearly on their Web sites. For clarification for the users of the Web site.

DoubleClick made all of theirs information practice available on their website, including in-depth descriptions of its targeting capabilities, privacy policy, and full disclosure on the use of cookies. Its also our opinion that media enlarged the personal identity threats that aroused from the use of cookies, and the actions taken by DoubleClick to inform the users is probably satisfying for the FTC. DoubleClick were also an active member of the Network Advertising Initiative, NetCoalition.com, Online Privacy Alliance, Internet Advertising Bureau, New York New Media Association and the American Advertising Federation. The fact that DoubleClick was an active member of the organizations mentioned above brings trust to the company, and clarifies DoubleClick intensions.

The Abacus Online portion of the Abacus alliance will enable consumers on the internet to receive advertising messages tailored to their individual interests. As with all DoubleClick products and services, Abacus Online is fully committed to offering online

consumer information about the collection of data, and use of personal information about them, and also give the user a choice to participate or not. Abacus Online will maintain a database consisting of personally-identifiable information about those Internet users who have received notice / accepted that their personal information will be used for online marketing purposes, and associated with information about them available from other

sources, and who have been offered the choice not to receive these tailored messages. The notice and opportunity to choose will appear on those Web sites that contribute user information to the Abacus Alliance, usually when the user is given the opportunity to provide personally identifiable information (e.g., on a user registration page, or on an order form).

Strict efforts should be made to ensure that all information in the Abacus Online database is collected in a manner that gives users clear notice and choice. Personally-identifiable information will not be sold or disclosed to any merchant, advertiser or Web publisher. Over all it's our conclusion that DoubleClick really makes an effort trying to satisfy its customers and the users of their customers Web sites. DoubleClick try to clarify their intensions with the gathered data and they way they collect this data. It's our opinion as a member of the FTC that we should stop inquiring against the way DoubleClick engage business.



**SCHOOL OF ECONOMICS
AND MANAGEMENT**

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Case E: LearnActs

Strategy and ICT for e-learning

INF651

Group 6:
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Shlomo Franko

Erik Wallin, CEO of CITY Conersity identified in springtime 2006 the new Microsoft Office Sharepoint Server 2007 (MOSS) for using “normal” working situation with new features for eLearning that can be added on to the software architecture . Therefore they established a formal partnership with Microsoft Sweden in order to learn more about the new technology. A formal business unit was created to explore further a business model for how to exploit the new technology in some of the projects that the company was involved in.

Q1. Make a suggestion of how LearnActs can establish and maintain a distinctive strategic positioning on the European eLearning market?

To maintain a unique strategic position on the eLearning market, LearnActs should sustain the following subjects:

Content – LearnActs should develop eLearning programs in partnership with various universities which provide degree based programs for a variety of universities profession. A wide collaboration connecting the education provider and the authoring club is a key matter to achieve programs that ensemble with trends and challenge around these days education.

Certification – various certifications such as IT, financial and continuing- education programs are some of the key driver of eLearning require.

According to Tom Barron (2002), alliances have acquired an added degree of signification for the reason that it’s providing a various eLearning competence. Moreover considering that consumer judge eLearning vendors by the quality and number of alliances, it is significant that LearnActs should focus on vendor- integrator alliance (offensive alliance).

Understand your learner’s culture – the concept of the typically student is rapidly changing; therefore LearnActs should adopt the learner’s educational requirements and forces. The evaluation institute is a right trajectory to achieve understanding of the learner’s culture.

Q2. What are the advantages and disadvantages of using Microsoft's software in comparison with Open Source as the basic ICT architecture for LearnActs?

One thing that many authors put forward when it comes to open source is the fast respond the developers often take to demands from the market / customers. This because the development model they are using, models that differs from models used by many commercial software vendors, which are using a sequential waterfall models (Achtenhagen et al., 2002). According to the case the Evaluation phase it's a very important phase in their way of doing business, so the system that the organisation put its trust into must be able to handle new demands from the end users. It could be demands of new technologies, better support for handheld devices etcetera. According to Achtenhagen et al. (2002) Microsoft uses a development model with many similarities to the ones often used in the open source world. Microsoft's underlying idea is that features can be added or modified during the development cycle, and thru that get the ability to quickly respond to marked demands. open source community have one thing that Microsoft does not have, a quicker and very open feedback process, the users in the community report bugs and suggestions of change, speeding up the development process.

Microsoft's software

Advantages	Disadvantages
Extended Services	Expensive products & license fees
A solid framework and architecture, application base, in this case Sharepoint and .Net.	Bigger threat to virus attacks, hacking
Many software companies could develop add-ins and new functions to Sharepoint if needed.	No access to source code, they have to rely on the capabilities of Microsoft products and can't modify the basic function of the platform.
One provider probably easier integration and a wide product portfolio that could be integrated with SharePoint. Such as, Rights Management and other	Locked to one provider of the main system.

Communication and Collaboration Services.	
Just what they wanted. Not only a accepted and wanted technological platform but the Microsoft proposal seemed well supported on the Lisbon meeting. Due to that fact a motivation factor and more likely to success.	Not platform independent
Well supported functionality for handheld devices.	

Open source

Advantages	Disadvantages
Choice to change the source code and thru that maybe develop more specialized applications.	
An evolutionary further development of the product	End-customer needs are of low interest
Quicker & open feedback process	Not a big company behind to back up, uncertainty of the future
Many software companies could develop tools and new functionality to the main system.	In some customers view, it could be regarded as a “cheap” solution, companies get attracted to products from market leaders.
Could be platform independent	

Q3. One question on an issue of strategic relevance where the answer could make a big difference for the further development of LearnActs and its business model!

Most of eLearning provider's this days, essential business model is hosting of eLearning software by vendors or third- party service firm. That raises the following matter about LearnActs upcoming business model.

How close should the business model be adapted to an Education Application Service provider model? And if so, how should they integrate in the service consumers in the evaluation phase? According to the Scandinavian school of systems development the end users is one of the most important stakeholders in computer software.