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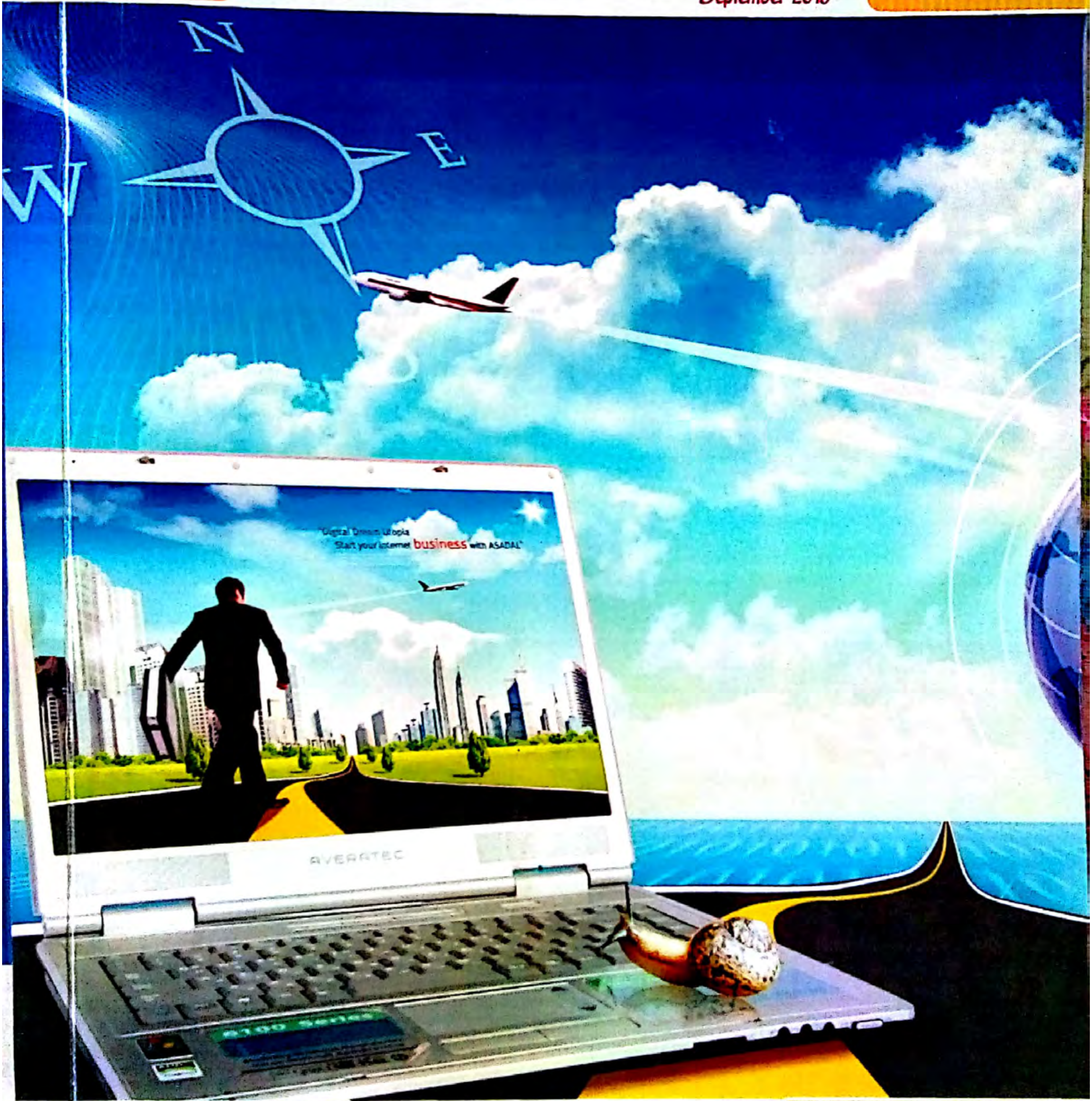

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VALUE CREATION AND BUSINESS STRATEGIES IN E-AGE

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ABSTRACT

Business is empowered through people, process, strategies, and technologies. E-Business plays a major role in empowering a business through improvement in the productivity, increase in the markets, and better value creation. In short, business empowerment refers to the improvement in the processes or business strategies that can create values for the business in terms of efficiency, market reach, cost effectiveness, etc. The connectivity and speed that are offered by new technologies create new opportunities for a business. The opportunities connected with technologies, such as distributed data access, remote payment, and information analysis, have empowered businesses. A business is built around solutions that help in solving customers, problems. Solving these problems strategically with the help of e-business is the foundation of an e-business strategy. E-business offers opportunities to bridge gaps between the expected value creation and the value that is delivered by contiguous interactions and seeking feedback through these channels. Changing trends and value proposition build the platform for conceptualization of e-businesses. Knowledge strategies deal with building the right and relevant knowledge and making it available for decision making. Value positioning is the process of positioning business with reference to the market segments it aims to penetrate. It is important for strategic planning as SWOT analyses are analyzed closely in this process.

Key Word : Business value positioning, Knowledge strategies, value creation, value frame work.

Introduction

The electronic age (e-age) has changed the way business is done and has impacted the business and marketing strategies of organizations to a great extent. E-age and new ways of doing business have opened the door to unprecedented opportunities for creating new businesses, formulating new business strategies, and increasing revenue streams. This is achieved through various means and by exploring new e-business avenues; this includes expanding the market by increasing the geographic scope, reducing operating costs, efficient procurement, higher productivity, and supply chain efficiency. The real change that has happened in e-age in the competitive environment, which has forced standardization of some business practices. Building competitive advantage through electronic means is one major part of the strategic objectives. Strategic measures that are taken to empower a business are different in the e-age than in a traditional set-up. The strategic incubation of different industries is empowered with e-business. E-business creates a platform for their strategic incubation.

Value Drivers of E-Business:

Competitive pressure and changing business requirements have provided drivers for adopting e-business and for further evolution. The business need to enhance their business processes and e-business infrastructure to cope up with this demanding environment.

- Improving efficiency expectation of faster service: Everyone needs everything to be done with one click of the mouse.
- Leveraging pre-existing resources: The pre-existing resources need to be leveraged in order to reduce the cost and effective use of knowledge, for example, the use of the same infrastructure for a new product.
- Creating, maintaining, and improving buyer-supplier relationship: There is a need for innovative ways to create, maintain and improve the relationships between buyers and suppliers.
- Offering new transaction mechanisms: With the evolution of technology, electronic means offer new transaction mechanisms.
- Providing integrated solutions to customers and capturing the value chain: Some service providers are keen to capture the complete information value chain and would like to provide integrated solutions to customers.
- Providing support at various levels: When a new product introduced to a customer, information about it is provided. While selling the product, demos are provided.
- Effective use and integration of channels. Based on availability and comfort level, different customers would like to use different channels for transactions at different points of time.
- Use of global intellects and expertise to deliver value: In house expertise for a particular problem may not always be available. E-business can, through electronic means, offer the opportunity to use global intellect and expertise.
- Personalization of products and services. Personalized marketing helps in finding out an individual's requirements and presenting such a product for the

customer. Other services such as personalized gifts, birthday and anniversary messages, along with consideration of personalized reviews are a part of personalized marketing.

Customer expectations are increasing and trend of itegrated solutions helps them get things done at one stop. his also helps suppliers or businesses to control the value hain. This has improved customer experience and brought the ost down, giving an edge to businesses.

E-businesses have made it possible to use global intellect i decision-making, diagnostic activity, and delivering value to ny place in any corner of the world.

E-Business Strategies and Strategic Challenges:

The most important in traditional businesses adopting e-business is to build a competitive advantage and create more value for their customers. E-business strategies are not limited to the external part of an organization but also include internal empowerment through e-business. Strategy is bout "mobilizing invisible assets". Strategies include corporate level strategies, business level strategies, and operational level strategies. E-business strategy formulation begins with a vision. It is the description of what a business wants to be. Once the vision is established, there is a need to set measurable objectives. Value creation is more about what value the business creates for its target customers. Strategic value creation is about the efficiency and novelty of complementing some existing popular products. The target market is decided on the basis of the utility of the products.

E-Business - Pre-Transformation and post-Transformation strategies:

Pre-transformation strategies, which are more technology centered, focus on e-readiness and net readiness of the organization. The adoption or development of e-business is built on the business strategy and the perceived impact of the electronic means. The pre-transformation strategies include strategic initiatives in selection of means and making the organization strategies ready for transformation. The post-transformation strategies are more focused on building competitive advantage and continuously adapting to the changing requirements. Post-transformation strategies should be dynamic, focused on strengthening e-business, and building competitive advantage.

Value and Strategic Positioning in E-Business:

Strategic positioning should consider the social, legal, cultural, and business contexts. It guides the prioritization and closely monitors the impact of positioning. The trends in the e-business marketplace keep changing. Value positioning deals with the decision of whether to respond to the changes in trends or not; and in case the decision is favorable, it looks into how to respond to change strategically. E-business evolution may lead to social networking and information building through social networking. The decision to respond to that change in information building is based on the value positioning of an organization.

Information and Knowledge Strategies in E-Age:

Information and knowledge strategies in the e-age are very important because technologies are evolving, the environment is dynamic, and a lot of information is available at our disposal. Building knowledge and providing intelligent moves to achieve business objectives is the purpose of knowledge strategies in the e-age. Every e-business is empowered with internal as well as external knowledge. Internal knowledge refers to knowledge about products and processes, capabilities, inter-operability, culture, skills of employees, and leadership. External knowledge refers to knowledge about market, competitors, external technologies etc.

- Knowledge acquisition strategies: These strategies include understanding the relevant information, mining that information and building or acquiring the knowledge for strategic use.
- Knowledge distribution strategies: These strategies are used to distribute right and relevant knowledge to relevant people. Relevant information should reach the right people and not others.
- Knowledge retrieval and classification strategies: Knowledge comes from various sources. There is a need to retrieve and classify it.
- Knowledge building strategies: These strategies used to upgrade and build knowledge. Knowledge needs to be upgraded to meet the upcoming challenges.

Knowledge management strategy in the e-age has two important aspects-people and technology. Better codification technologies and the ability to handle distributed knowledge further allow the building of necessary knowledge management strategies and tactics.

Conclusion

The e-age has created more and more avenues for capturing information and means for knowledge building. But cut-throat competition makes it imperative to make the right and strategic use of knowledge resources. The value delivered in e-age needs to be empowered with knowledge. Knowledge is built in various stages and during various transactions. Strategic building and use of knowledge can prove to be the most important part of the overall strategy in the e-age.

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