



UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING



DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY (EXTERNAL)
Academic Year 2008/09 – 3^d Year Examination – Semester 6

IT6303: e-Business Applications
Structured Question Paper
12th September, 2009

TWO HOURS

<p>To be completed by the candidate</p> <p>BIT Examination Index No: _____</p>

Important Instructions:

- The duration of the paper is 2 (**Two**) hours.
- The medium of instruction and questions is English.
- This paper has **4 questions** and **16 pages**.
- **Answer all questions.**
- All questions will carry equal marks.
- **Write your answers** in English using the space provided **in this question paper**.
- Do not tear off any part of this answer book. Under no circumstances may this book, used or unused, be removed from the Examination Hall by a candidate. Note that questions appear on both sides of the paper. If a page is not printed, please inform the supervisor immediately.

Questions Answered

Indicate by a cross (×), (e.g. ×) the numbers of the questions answered.

To be completed by the candidate by marking a cross (x).	1	2	3	4	
To be completed by the examiners:					

Case Study

'SHOPSMART' is an upcoming supermarket chain which started its first five (5) supermarkets in and around the Colombo city. Recently, the owner of 'SHOPSMART' Mrs Sneha Pitigala started the first 5 supermarkets in Bambalapitiya, Malambe, Dehiwala, Rajagiriya and Wattala. The success of the supermarket is giving Sneha ideas to expand the supermarket chain into other provinces in Sri Lanka.

Sneha has been in the business of selling fresh fruits and vegetables for the last 10 years. Her fresh fruit and vegetable business was thriving and she had many loyal customers in the ten (10) outlets she had in and around Colombo. Sneha has very good contacts with farmers and their agents dealing with good quality fruits and vegetables locally. She also has established solid communication links with importers of quality fruits and vegetables to the local market. She has utilized these contacts in order to establish the supply chain for fresh food items to the SHOPSMART supermarket chain. The supermarkets also have other household commodities, dairy products, plastic products, glassware, grocery items, bakery products, meat, poultry products, etc.

Sneha has a strong personality. Being a dynamic person, she has led the company to success, but the workforce finds it difficult to cope with the expansions planned for the company. She finds it difficult to find an efficient workforce like she had before as the knowledge level of the workforce is different in supermarkets and it is difficult to find dedicated staff to continue the work.

The Global recession has created a fear among most business organizations worldwide. Most companies in Sri Lanka are also concerned about how they will be affected, as well as, how their business partners or customer organizations will be affected. SHOPSMART had an issue with the products imported from other countries as they were affected by the recession. Sneha had to cut down on the products bought from other countries and had to concentrate more on local products. Since SHOPSMART just entered into this business, they have to compete with aggressive competitors such as Cargills, Keels, Laughs and Arpico supermarkets.

Sneha wants to do a change in the service they provide in the supermarkets. She feels that such a change will make more customers come to SHOPSMART even though there is high competition. One way to provide a better service is by improving the level of convenience to the customer's shopping experience. In order to do this, Sneha wants to start a new business model where she wants to deliver the grocery items to the doorstep of the customer through a web based order processing system. This will be initially implemented for customers living in the Colombo District.

The process involves the development of a web based order processing system, collaboratively linking with a delivery service, linking agents or warehouses where the stocks of products will be kept and a payment gateway or an offline payment mechanism. She also has to think of how she is going to market this new service to new customers. She wants to employ 2 young IT graduates and an experienced business development manager to handle this new venture.

1

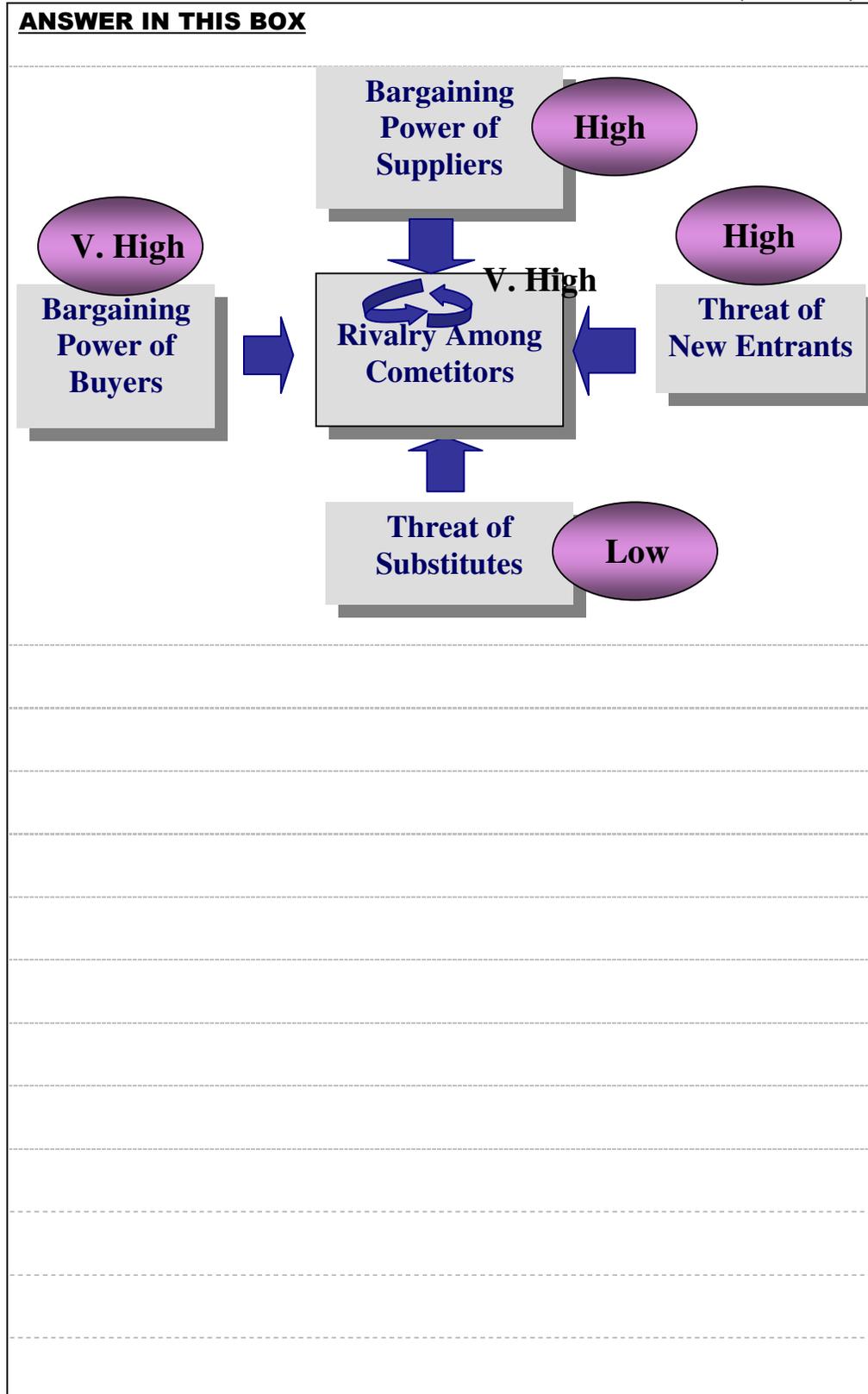
(a) Analyse the company's current situation using a SWOT analysis and identify its position in the relevant industry.

(30 Marks)

ANSWER IN THIS BOX	
Strengths <ul style="list-style-type: none"> • 10 Year old business • 10 outlets around Colombo city • Contacts with farmers • Communication links with importers • Have other house hold items • Snehas's strong personality • Sneha had knowledge about super market 	weakness <ul style="list-style-type: none"> • Difficult to find effective work force • Staff de motivate • Less foreign goods because of global recession. • Staff not dedicated
Opportunities <ul style="list-style-type: none"> • Online delivery system • Advertisement about fresh fruits • One stop shopping • Prizing strategy • Product bundling 	Threads <ul style="list-style-type: none"> • Global recession • Competitors like cargils, keels, Laughs and Arpico • Buying partners affected by recession • Customer's buying power gone down

(b) Carry out an analysis on the competitive forces working on SHOPSMART. Justify your answer.

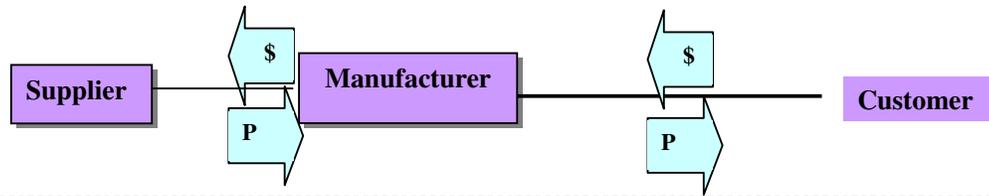
(20 Marks)



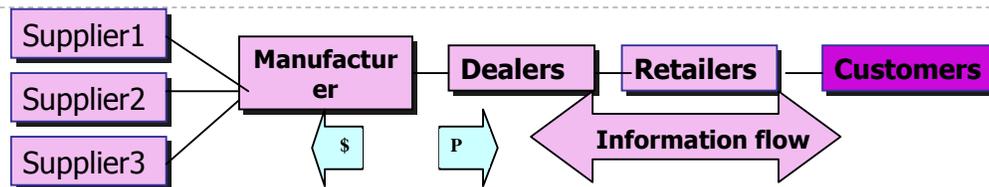
(c) Briefly discuss and illustrate two (2) new eBusiness Models which SHOPS MART can apply to re-gain its market share. Discuss the benefits of each and justify your answer.

(30 Marks)

ANSWER IN THIS BOX



- Can sell at lower prices
- Build to customer order
- Receive payment earlier
- Speed up new product release cycles
- Use customer data to provide customized value added service
- Proactive decision making



- Virtual Value Chain
- Information flow across the supply chain
- All parties have a strong electronic bond and backend systems
- Some companies do/don't own any part of the value chain
- They have access to information about all from supplier/manufacturer to the customer

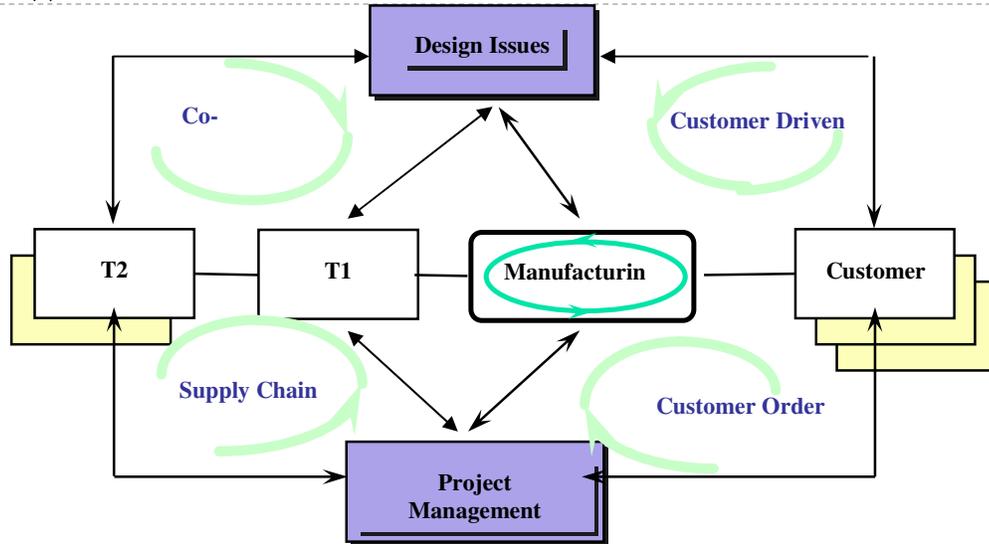
(d) If SHOPS MART is going to implement the new web based ordering system, discuss the features and facilities which should be incorporated in to this web-

- i. The Extended Enterprise
- ii. Global Trade Platform for SMEs (Small and Medium Enterprises)

(40 Marks)

ANSWER IN THIS BOX

2 (a) i

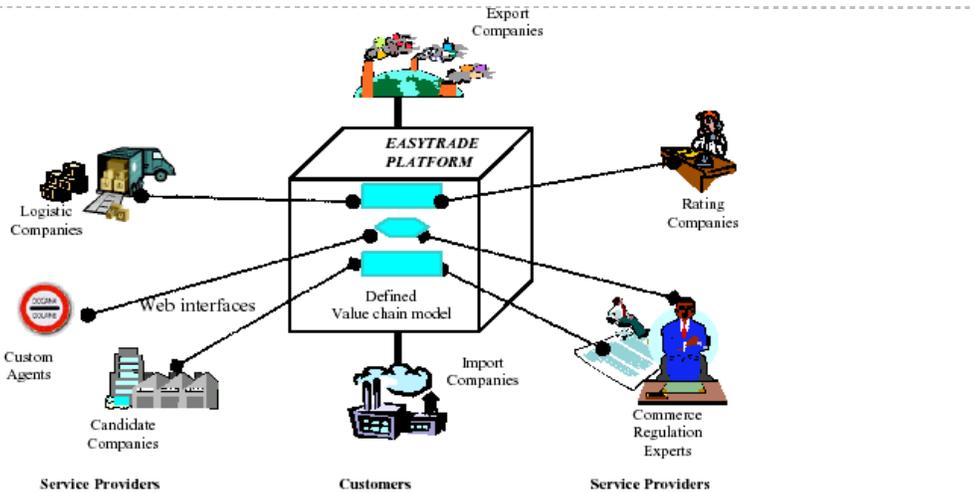


Benefits to the Manufacture / seller

1. Best designs
2. Customer Satisfaction
3. Select best quality from the whole world.

Benefits to the Buyer / Customer

1. Customer requirements incorporated
2. Global customer requirement addressed
3. Quick response to changes of customer requests
4. Individual cost goes down for buyer



2. (a) (ii)

Benefits to seller / manufacture

1. The SMEs get virtual participate in bigger global market
2. Global provider all other infrastructure facilities
3. No marketing needed individually

Benefits to the buyer

1. One stop shop concept
2. All other trade operations W.R.T. transaction trade barrier between consider are taken off

(b) What is differentiation strategy? Give an example and explain a situation where a company follows the differentiation strategy.

(30 Marks)

ANSWER IN THIS BOX

- Products can be differentiated in a number of ways so that they stand apart from standardised products:
 - superior quality
 - unusual or unique features
 - more responsive customer service
 - rapid product innovation
 - advanced technological features
 - engineering design
 - additional features
 - an image of prestige or status

- This products has good qualities and high price
- Catering to the high society and high income group

Egample : Exclusive phones

Designer wear dress

Exclusive motor vehicles

(c) Why is eReadiness important in the eTransformation process? What are the characteristics the managers need to study in order to check the eReadiness.

(30 Marks)

ANSWER IN THIS BOX

E readiness is important to see whether they are ready in e transformation

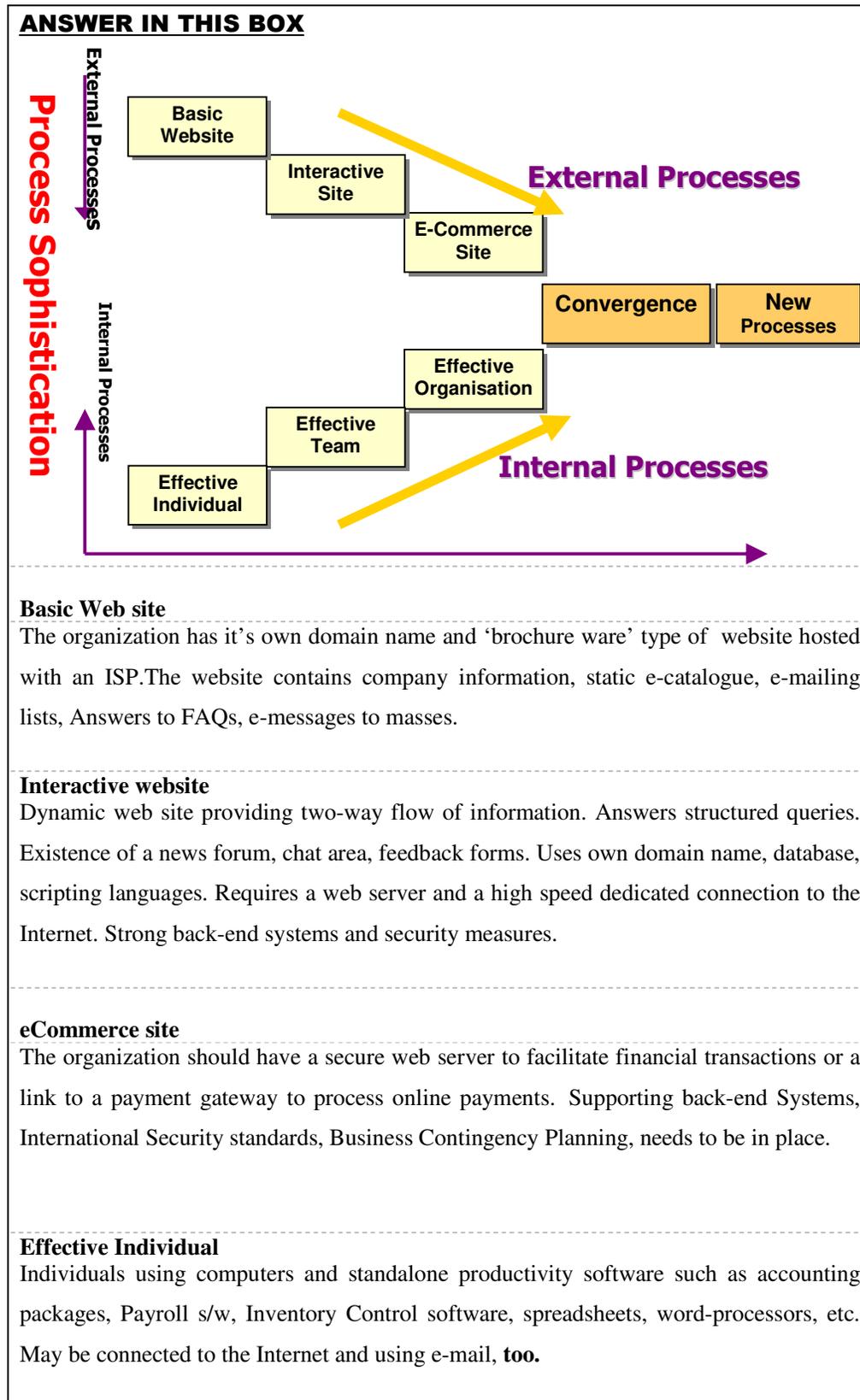
Internal:

- **Business processes – Well defined processes**
- **Applications & Infrastructure**
- **Web presence – Existence/ usage**
- **Skills –Level of IT skills of the employees**
- **Executive mgt – Commitment/Support**
- **External connectivity – Channels**
- **Future directions – Plans for expansions**

External : Do the same process for external partners too such as Customers, Suppliers, Potential users

- 3 (a) Illustrate and explain the 8 stages of the eBusiness Roadmap emphasizing on the external and internal processes of eBusiness Transformation.

(40 Marks)



Effective Team

Computer network being used in functional units such as Accounting, Production. People work in teams using networked applications, e-mail, intranet capabilities to enhance team productivity. Existence of LAN, shared I/O devices, drive space, databases, etc.

Effective organization

All computers in the organization are networked, and the databases and information systems are interlinked. Enterprise wide applications are used for purchasing, manufacturing, sales, accounting, etc. Information integration and sharing across the enterprise. Existence of a VPN, Intranet. Strict Security and password protection.

Convergence

The organization has achieved integration of all information it needs to support all business processes and to interact with it's business partners.

New Process

Such organization can handle new processes such as SCM (Supply Chain Management), CRM (Customer Relationship Management), KM (Knowledge Management), etc.

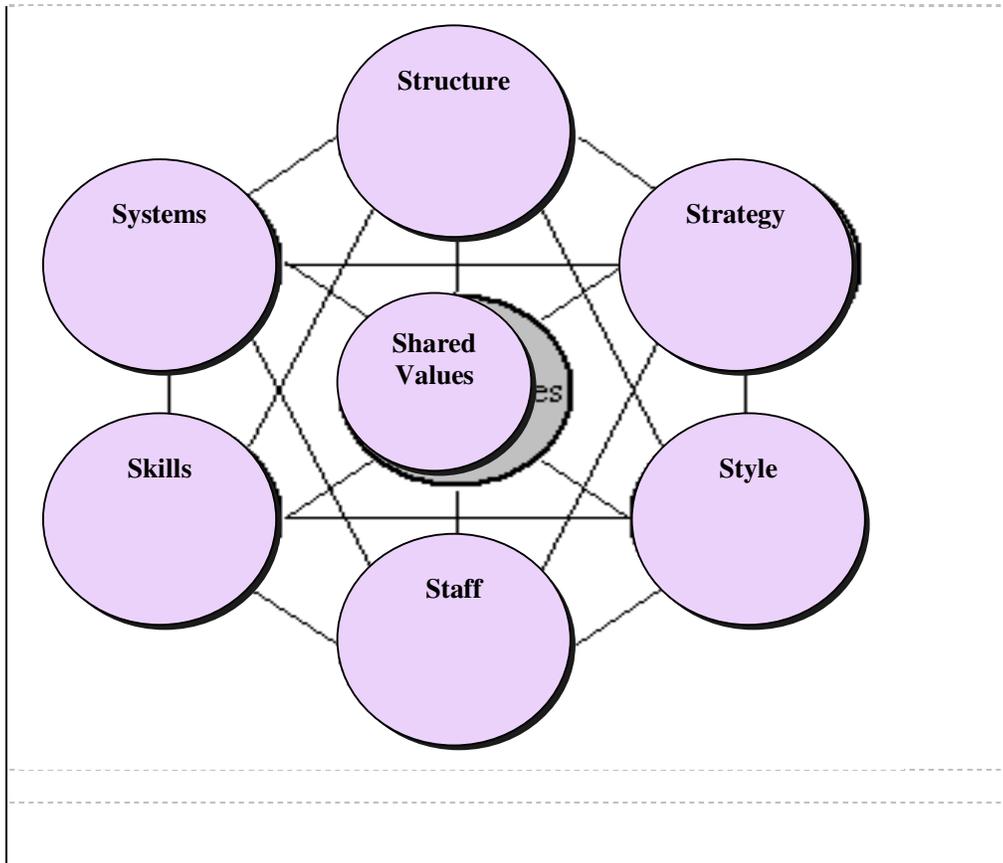
- (b) What is Change Management in eTransformation? Use an appropriate model and state the elements of Change Management.

(30 Marks)

ANSWER IN THIS BOX

Change management is the process during which the changes of a system are implemented in a controlled manner by following a pre-defined framework/model

1. **Strategy** – This defines key actions and capabilities along the major dimensions of marketing, product and service development, sales and channel distribution, business systems and processes, and management of alliances and partnerships in order to achieve organisational goals.
2. **Structure** – The way the organisation’s units relate to each other and the chain of command and formal/informal communication channels
3. **Systems** –The information flow which requires capabilities in both information technology and in organisational processes, methods, procedures and controls.
4. **Style** – The behaviour of the key managers and the way they relate to employees in order to achieve the organizational goals
5. **Staff** - The types of people employed in the organization, their positions, levels and numbers.
6. **Skills** - The skills and aptitude for developing customer relationships, service and sales For staff to develop appropriate new skills requires a learning environment.
7. **Shared Values** – The guiding concepts, values and aspirations, often unwritten, which directs all the personnel in the organization in the same direction



(c) Discuss a situation where Information and Communication Technologies and eBusiness strategies could help to improve a situation in the society. Discuss the benefits of the proposed methodology and the benefits of the same to the society and the nation as a whole.

(30 Marks)

ANSWER IN THIS BOX

ICT for developing of economical and social status of the country

e Learning – rural area people to attend to virtual class

e Health - facilitate the rural people and connect national hospital and base hospitals

e Farming – facilitate to get advice/ promote their product to market

e Finance market – make aware and easily involve in financial market in all the people.

e banking - banking from their place, less time waste.

4 (a) Briefly discuss 5 benefits of eBusiness over brick and mortar companies.

(20 Marks)

ANSWER IN THIS BOX

Any 5 discussed

Proactive decision making	Increase quality of service
Reach new customers	Reduce unnecessary costs
Gain advantage over competitors	Eliminate bottlenecks
	Improve on supply chain mgt
Increase market share	Improve on financial mgt
Improve on technology	Cut down on delays
Get more market information	Improve on efficiency
Accept online order	
Advertise globally	
Improve on customer relationship	
Improve on Customer relationship	

(b) Compare and contrast the traditional business models and eBusiness models in today's business environment.

(30 Marks)

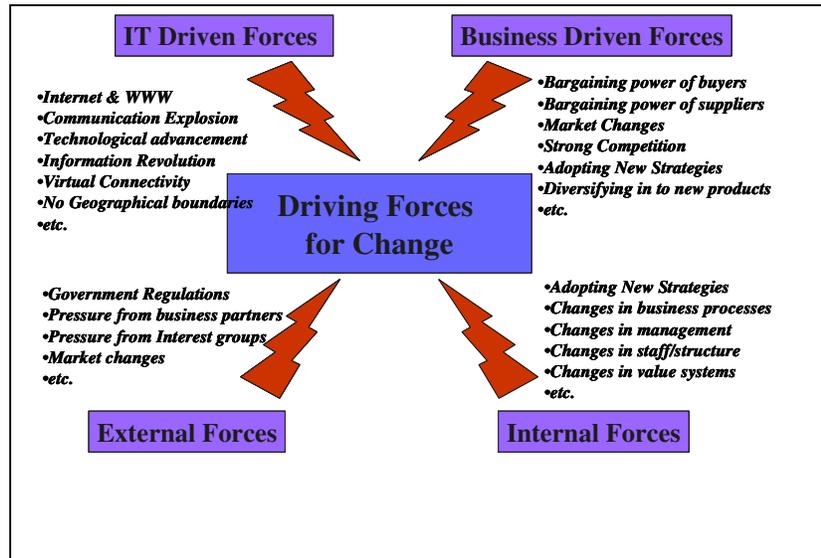
ANSWER IN THIS BOX

	Traditional business model	New business model
Production	Mass	personalized
Distribution	Middle man	direct
Communication	Chained/ closed	networked
finance	Slow/ difficult	Faster/open
Markets	Local / geographical	Global/ no boundaries
Assets	Tangible/ physical	Intangible /virtual

(c) State the driving forces for a company to change in to eBusiness.

(20 Marks)

ANSWER IN THIS BOX



(d) What are the most important aspects to consider when a company deals with a paperless, borderless and faceless world of a virtual organization. Discuss strategies briefly.

(30 Marks)

ANSWER IN THIS BOX

Establish an environment of trust.

Successful teams are built on trust — the trust between supervisor and employee or seller and buyer .

Provide security

Provide security environment and build customer trust

Develop and build relationships.

In virtual situations, relationships between manager and employee, and among coworkers, need to be especially strong

Build community.

Nurture team relationships and encourage a sense of openness. Eg. Help staff connect across levels, teams, and locations.

Encourage camaraderie.

Hold virtual celebrations, using technology and imaginative ways to bridge distance and culture.

Maintain rigor and discipline.

Set clear expectations for accountability. Make progress against goals visible to all through the use of wikis, dashboards, and other visual reporting devices.

Support good virtual work practices.

All levels of the organization should be aligned behind a virtual team.

Reliable 3rd part involvement eg: pay pal
