

# Creating a Winning E-Business

Napier ♦ Judd ♦ Rivers ♦ Wagner



# **CREATING A WINNING E-BUSINESS**

**H. Albert Napier  
Philip J. Judd  
Ollie N. Rivers  
Stuart W. Wagner**

  
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by H. Albert Napier, Philip J. Judd, Ollie N. Rivers, and Stuart W. Wagner

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Kelby Hagar's Vision	GroceryWorks.com	Entrepreneurship	Ch2, P38
No Stigma Attached to Failure	Failure Magazine	Entrepreneurship	Ch2, P39
How an Entrepreneur Gets It Done	Yesmail.com	Entrepreneurship	Ch2, P41
It Doesn't Happen by Itself	Meg Whitman and eBay	Entrepreneurship	Ch2, P49
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W. W. Grainger	W. W. Grainger and Grainger.com	E-business ideas	Ch2, P55
Will That Be Cash, Check, Credit Card, E-Mail, or PDA?	PayPal.com	Person-to-person electronic payments	Ch3, P70
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Emergency Cash to the Rescue	PocketCard	Prepaid cards and accounts	Ch3, P97
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Cautionary Tale #2: The Importance of Planning an Early Revenue Stream	Jason Wright	E-business planning and funding	Ch5, P160
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Ziping Along and Getting It Right	zipRealty.com	Pitching an e-business idea	Ch5, P172
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Reel 'Em In!	Reel.com	Data mining	Ch6, P209
A Technology Solution to a Paperwork Nightmare	NetClerk	Outsourcing technology services	Ch6, P217

<b>Title</b>	<b>E-Business/Person</b>	<b>Topic</b>	<b>Chapter and Page</b>
Selling Those Specialty Items	foodlocker.com	Web site goals, design and testing	Ch7, P234
Even Law Firms Set Goals	Birmingham Alabama law firms moving into e-business	Setting Web site goals	Ch7, P235
Critical First Impressions	eLUXURY.com	Web site review and design	Ch7, P246
Critiquing Web Usability	Jakob Nielsen, Brian Collins, and Michael Grossman	Web site design and usability	Ch7, P254
It's Better the Second Time Around	Nordstrom.com	Web site review and redesign	Ch7, P260
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Surprises on a Home Computer		Always on Internet connections and personal firewalls	Ch8, P293
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# Preface

*Creating a Winning E-Business* provides general business students, graduate students, continuing education students, executive education seminar participants, and entrepreneurs with practical ideas on planning and creating an e-business. We assume that readers have no previous e-business knowledge or experience. This book is designed to help you learn about the key business elements of planning and starting an e-business from the ground up.

When we began teaching both an executive education seminar and an MBA-level course in planning and starting an e-business, we found many textbooks that emphasized the technological aspects of electronic commerce, but we did not find an existing textbook that focused on the planning and startup phase of an e-business. *Creating a Winning E-Business* is our attempt to fill that void.

## Organization and Coverage

*Creating a Winning E-Business* takes a practical case-based and hands-on approach to planning and starting an e-business. Numerous real-world e-business examples are used in each chapter to illustrate important concepts. Additionally, a real-world startup e-business, foodlocker.com, is followed throughout the book from the idea stage through the marketing stage.

Important topics covered in the book include:

- ◆ The new e-business economy and current e-business models (Chapter 1)
- ◆ The e-business entrepreneurial process and how to exploit e-business advantages (Chapter 2)
- ◆ Traditional and electronic payment methods (Chapter 3)
- ◆ How to create an e-business plan (Chapter 4)
- ◆ E-business startup financing options (Chapter 5)
- ◆ “Back office” issues such as selecting office space, hiring employees, building the e-business brand, and selecting appropriate e-business technologies (Chapter 6)
- ◆ Web site design and usability (Chapter 7)
- ◆ E-business security and risk management (Chapter 8)

- ♦ Integrating front-end Web-based systems with back-end enterprise resource planning (ERP), customer resource management (CRM), and order fulfillment systems (Chapter 9)
- ♦ Testing and marketing a Web site and measuring Web site results (Chapter 10)

## Features

*Creating a Winning E-Business* is unique in its field because it includes the following features:

- ♦ **Opening and Closing Case:** A real-world e-business case opens and closes each chapter and provides a unifying theme for the chapter. The case establishes background elements and introduces relevant issues at the beginning of the chapter. The case concludes at the end of the chapter with a discussion of whether those relevant issues were resolved and how they were resolved.
- ♦ **E-Case In Progress:** A startup e-business, foodlocker.com, is used throughout the text to illustrate the processes involved with planning, starting, and marketing a new e-business.
- ♦ **E-Cases:** Other real-world e-business examples are used throughout the text to illustrate key concepts. A table of these e-cases appears in the front of the book.
- ♦ **Numerous illustrations:** The text of the chapter is well supported with many conceptual figures and screenshots of e-business Web sites.
- ♦ **Tips:** Each chapter has multiple margin tips that contain useful additional information about individual topics.
- ♦ **Summary:** Each chapter concludes with a Summary that concisely recaps the most important concepts in the chapter.
- ♦ **Checklist:** A Checklist of the major concepts discussed in the chapter is provided following the Summary. Students can use this list to establish reference points from the chapter concepts to their own e-business—whether it is a real-world or classroom-based e-business.
- ♦ **Key Terms:** Following the Checklist is a list of key terms used in the chapter. These key terms are bolded in the chapter text and defined in the Glossary located at the end of the text.
- ♦ **Review Questions and Exercises:** Every chapter concludes with meaningful review materials that include both objective questions and hands-on exercises. The exercises involve experiences that result in a computer output or a typed paper. One of the exercises in Chapter 10, for example, asks students to use search tools and Web browser features to review the Meta tags included in the HTML coding of multiple e-business Web pages and then compile a list of the keywords included in those Meta tags. Exercises throughout the text ask students to research an issue using the Web, answer questions, and produce a summary of research results and answers to those questions.
- ♦ **Case Projects:** Every chapter contains three case projects, each project based on a given startup e-business scenario. Students are required to apply concepts discussed in the chapter to the scenario and then write a short paper describing the application of those concepts to the case project solution. These three projects can be completed individually or in groups.

- ◆ **Team Project:** A specially designed team project is included that allows a team of two to three students to work together on the project solution and then make a formal presentation of that solution to others. Team members must work together to name and describe the startup e-business and complete the project by implementing a key concept from the chapter. This format allows multiple teams to work on the same project and arrive at different solutions. An important aspect of the team project is the requirement to prepare a 5-10 slide presentation illustrating the project solution and then use the presentation materials to formally present the project solution to other students. This allows students to both understand the practical application of key concepts and to experience and practice important presentation skills.
- ◆ **Useful Links:** A list of Web site names and URLs for Web sites providing additional information on the chapter topics is at the end of the chapter.
- ◆ **Links to Web Sites Noted in This Chapter:** An additional list of all the e-business Web sites used to illustrate chapter concepts is also included at the end of the chapter.
- ◆ **For Additional Review:** Every chapter contains a comprehensive list of references to online magazine articles and reports, print magazine articles, newspaper articles, journal papers, and books that students can read to learn more about topics discussed in the chapter. The text's MyCourse Web site will be periodically updated to include references to new reference materials available after the book is published.
- ◆ **Glossary:** A glossary containing the key terms and their definitions appears at the end of the text.
- ◆ **Appendix—Microsoft FrontPage Tutorial:** A short appendix is included that introduces how to use a Microsoft FrontPage Wizard to create a Web site. This appendix can be used to help students create a simple e-business Web site to complement their case project or team project solutions, if desired.

## Teaching Tools

When this book is used in an academic setting, instructors may obtain the following teaching tools from Course Technology:

- ◆ **Instructor's Manual:** The Instructor's Manual has been carefully prepared and tested to ensure its accuracy and dependability. The Instructor's Manual is available through the Course Technology Faculty Online Companion on the World Wide Web. (Call your customer service representative for the exact URL and to obtain your username and password.)
- ◆ **ExamView®** This textbook is accompanied by ExamView, a powerful testing software package that allows instructors to create and administer printed, computer (LAN-based), and Internet exams. ExamView includes hundreds of questions that correspond to the topics covered in this text, enabling students to generate detailed study guides that include page references for further review. The computer-based and Internet testing components allow students to take exams at their computers, and also save the instructor time by grading each exam automatically.



- ♦ **Classroom Presentations:** Microsoft PowerPoint presentations are available for each chapter of this book to assist instructors in classroom lectures. The Classroom Presentations are included on the Instructor's CD-ROM.
- ♦ **MyCourse:** MyCourse.com is an online syllabus builder and course-enhancement tool. Hosted by Course Technology, MyCourse.com adds value to courses by providing additional content that reinforces what students are learning. Most importantly, MyCourse.com is flexible, allowing instructors to choose how to organize the material—by date, by class session, or by using the default organization, which organizes content by chapter. MyCourse.com allows instructors to add their own materials, including hyperlinks, school logos, assignments, announcements, and other course content. Instructors using more than one textbook can build a course that includes all of their Course Technology texts in one easy-to-use site. Instructors can start building their own courses today at [www.course.com/instructor](http://www.course.com/instructor).

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H. Albert Napier  
Philip J. Judd  
Ollie N. Rivers  
Stuart W. Wagner

## Dedication

To Liz, my wonderful wife

**H. Albert Napier**

To Valerie, for her support, understanding, and assistance

**Philip J. Judd**

To Laura and Lucy, my two terrific daughters

**Ollie N. Rivers**

Thank you, Celeste, for your insight, wisdom, and inspiration

**Stuart W. Wagner**

## About the Authors

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Stuart W. Wagner is an e-commerce marketing manager with Compaq Computer Corporation and a lecturer on e-commerce at the Jones Graduate School of Management at Rice University. He is a founder and Vice President/Chief Technology Officer of foodlocker.com. Prior to founding foodlocker.com, he worked as the information technology manager for a subsidiary of a multi-billion dollar real estate operations company. Additionally, he has experience working with a number of startup businesses and has experience in commercial Web site design. He also conducts training classes on using on Web development software and executive education seminars on starting and operating an e-business. He has an M.B.A. from Rice University.

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