

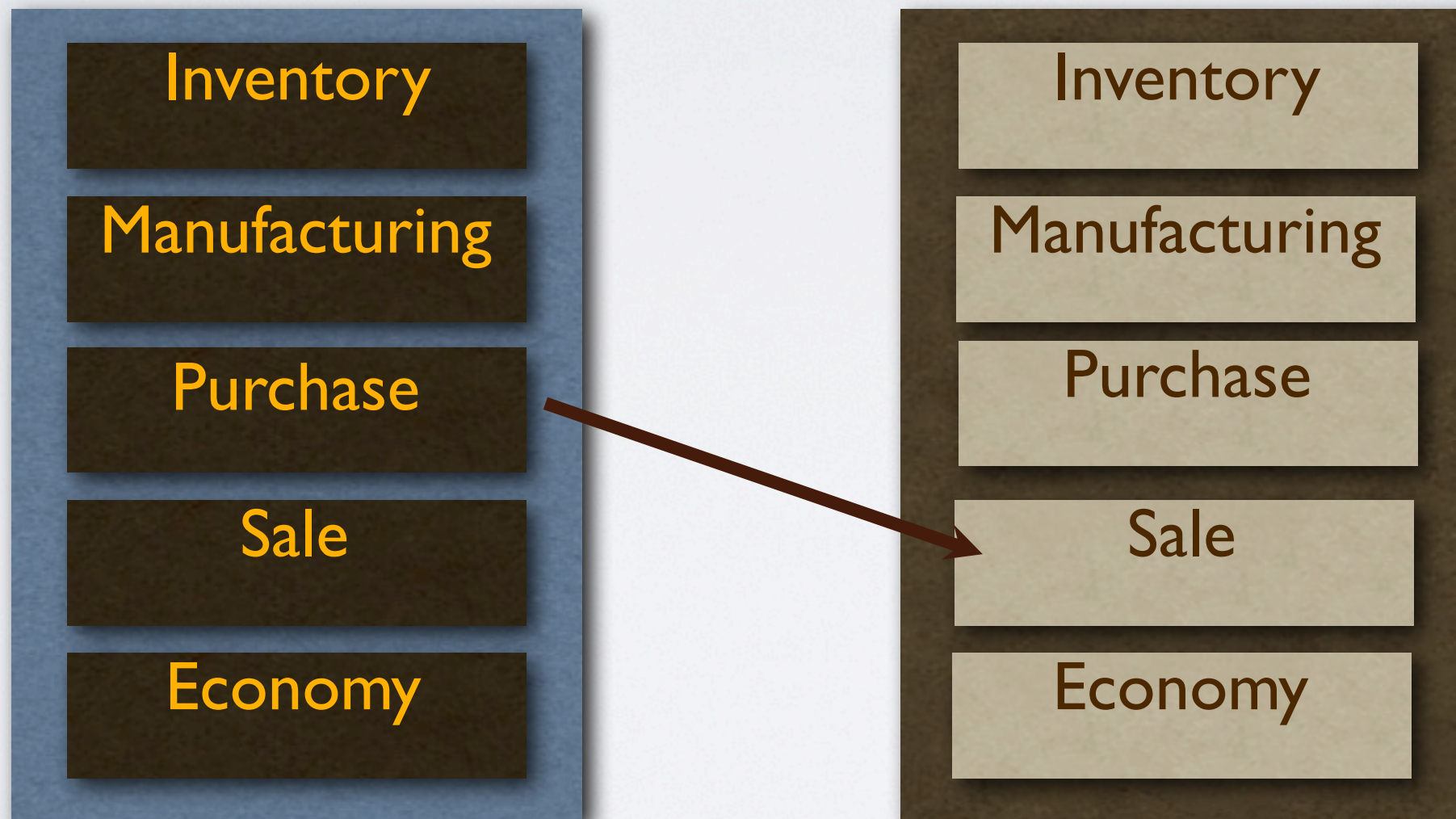
BUSINESS PROCESS

in a network society

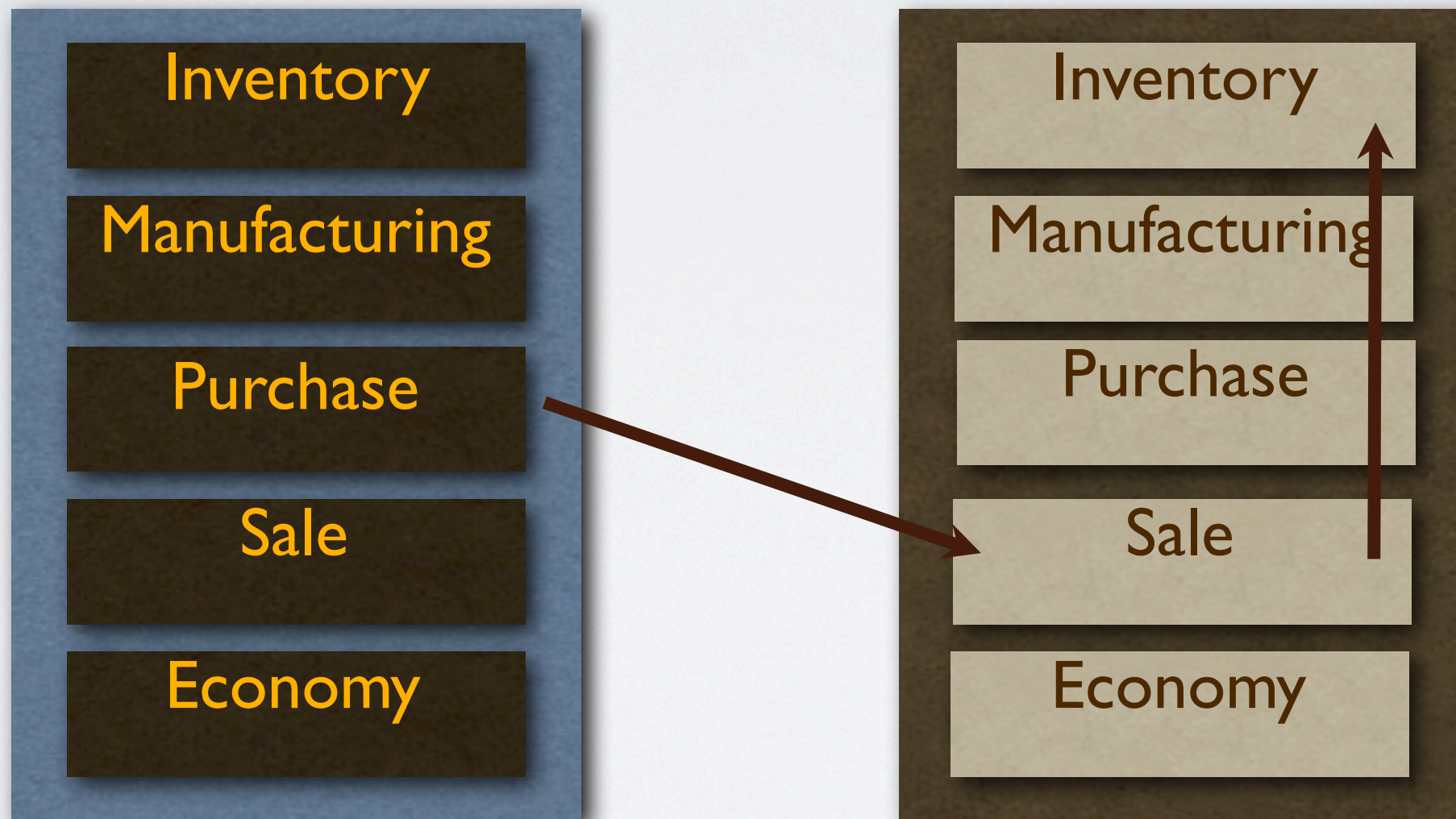
TRADITIONAL BUSINESS PROCESS



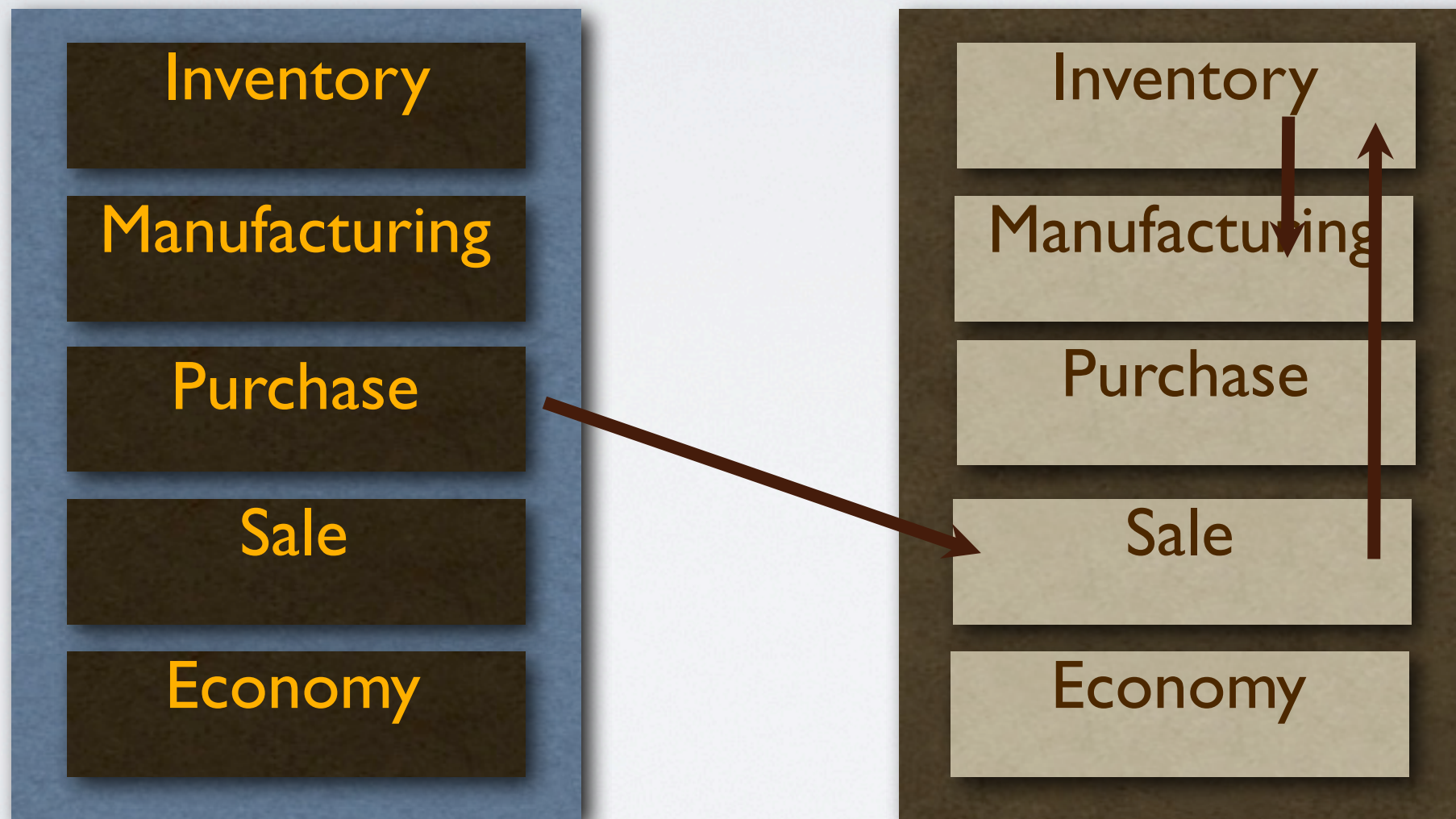
TRADITIONAL BUSINESS PROCESS



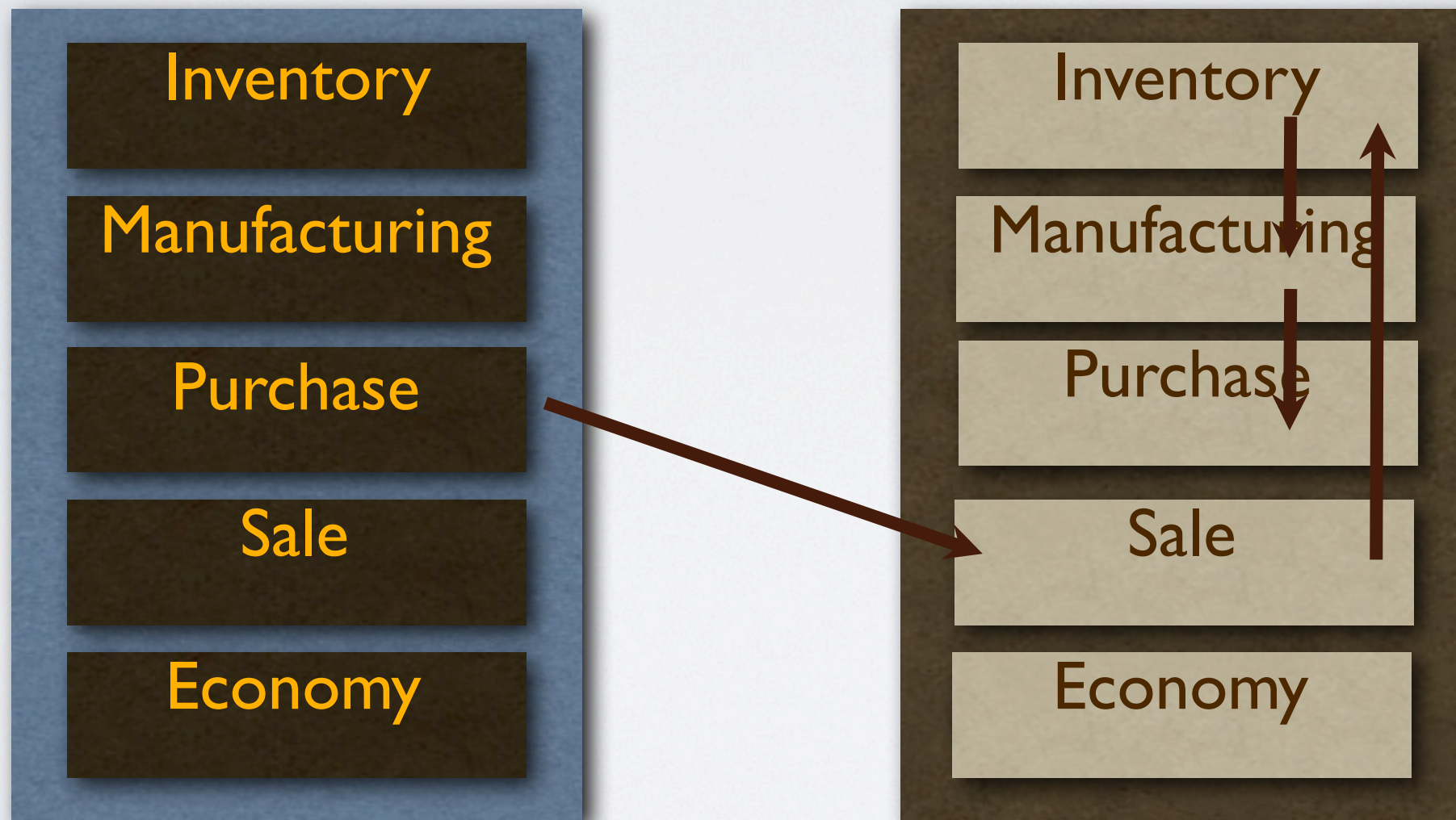
TRADITIONAL BUSINESS PROCESS



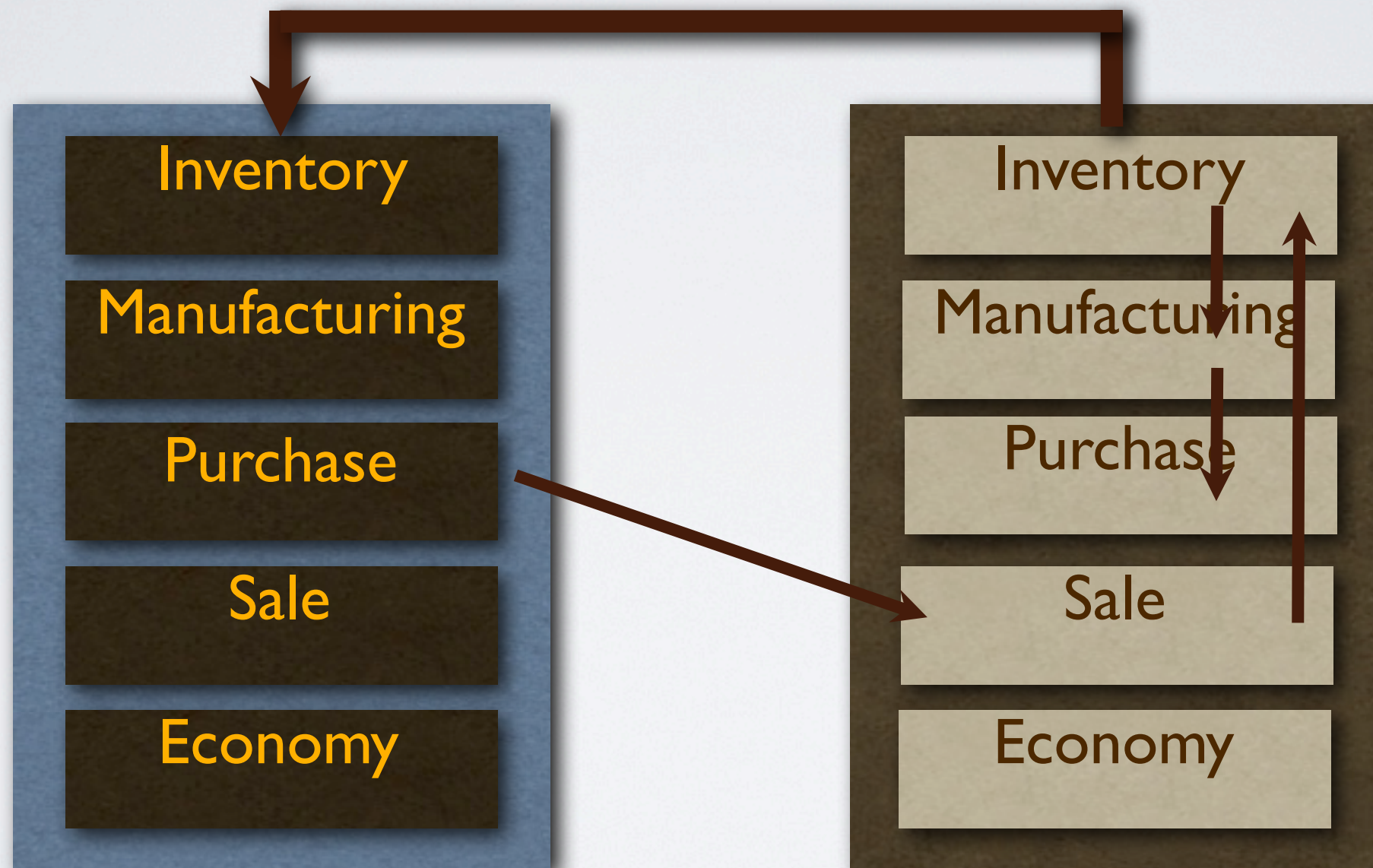
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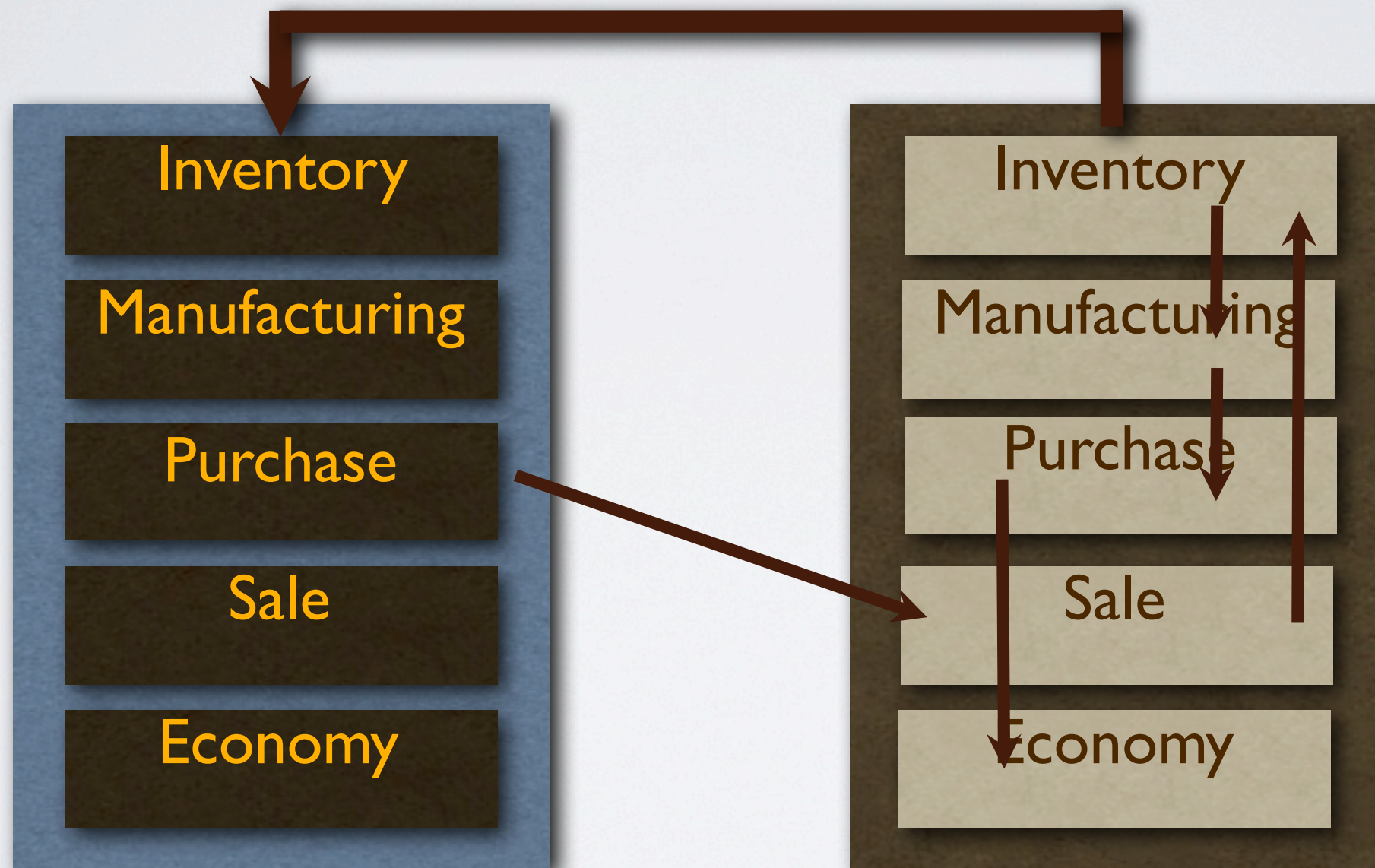
TRADITIONAL BUSINESS PROCESS



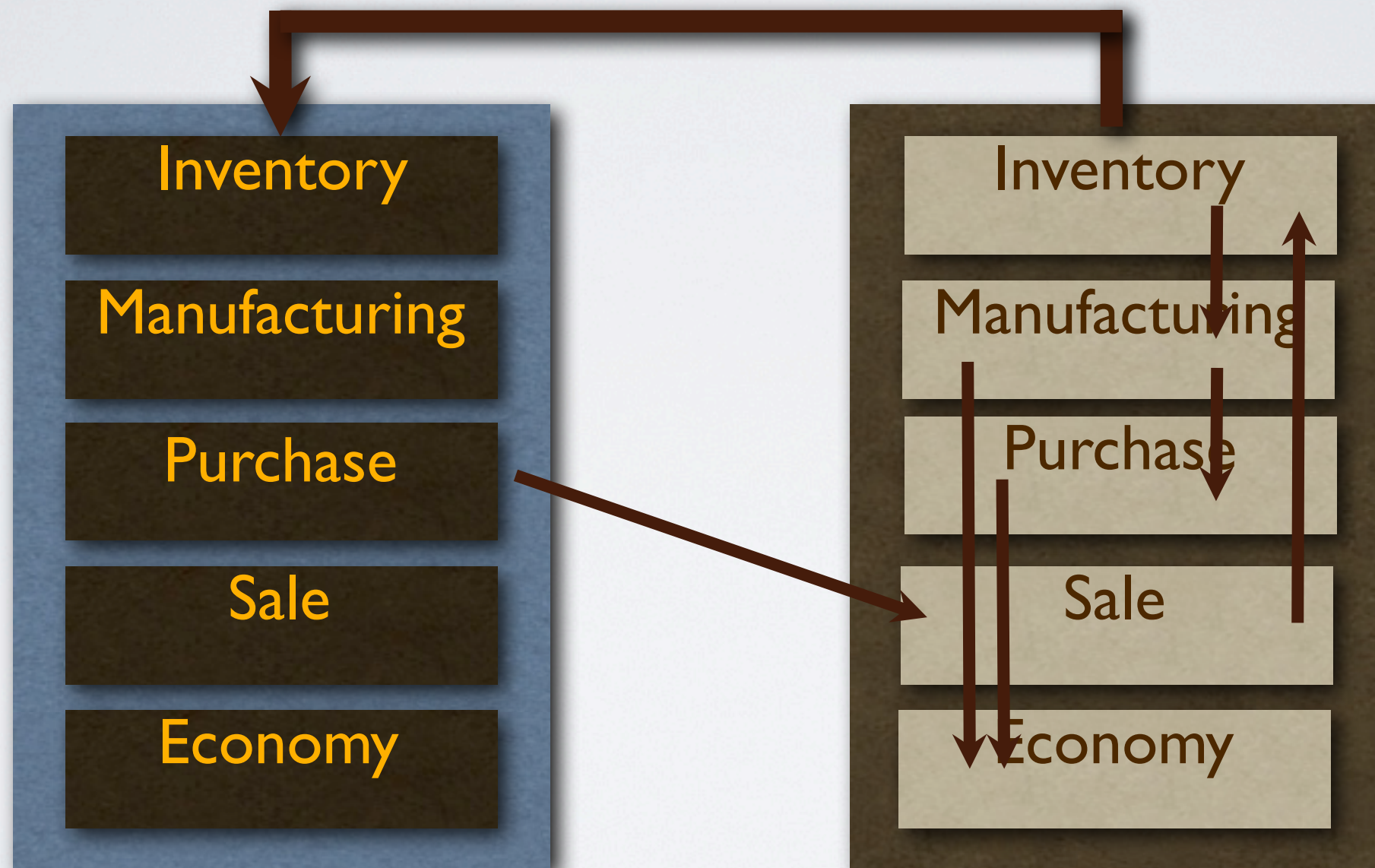
TRADITIONAL BUSINESS PROCESS



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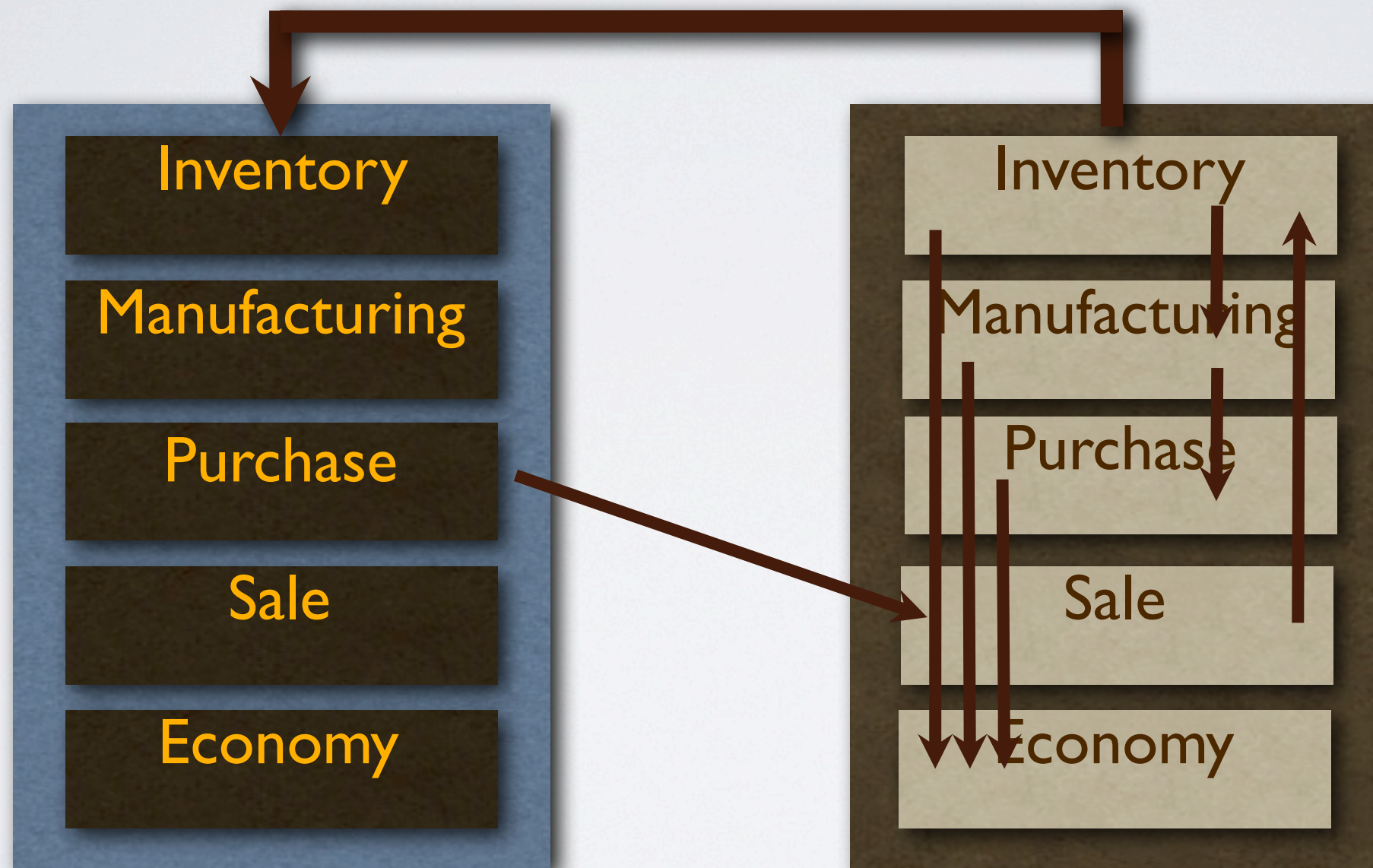


TRADITIONAL BUSINESS PROCESS

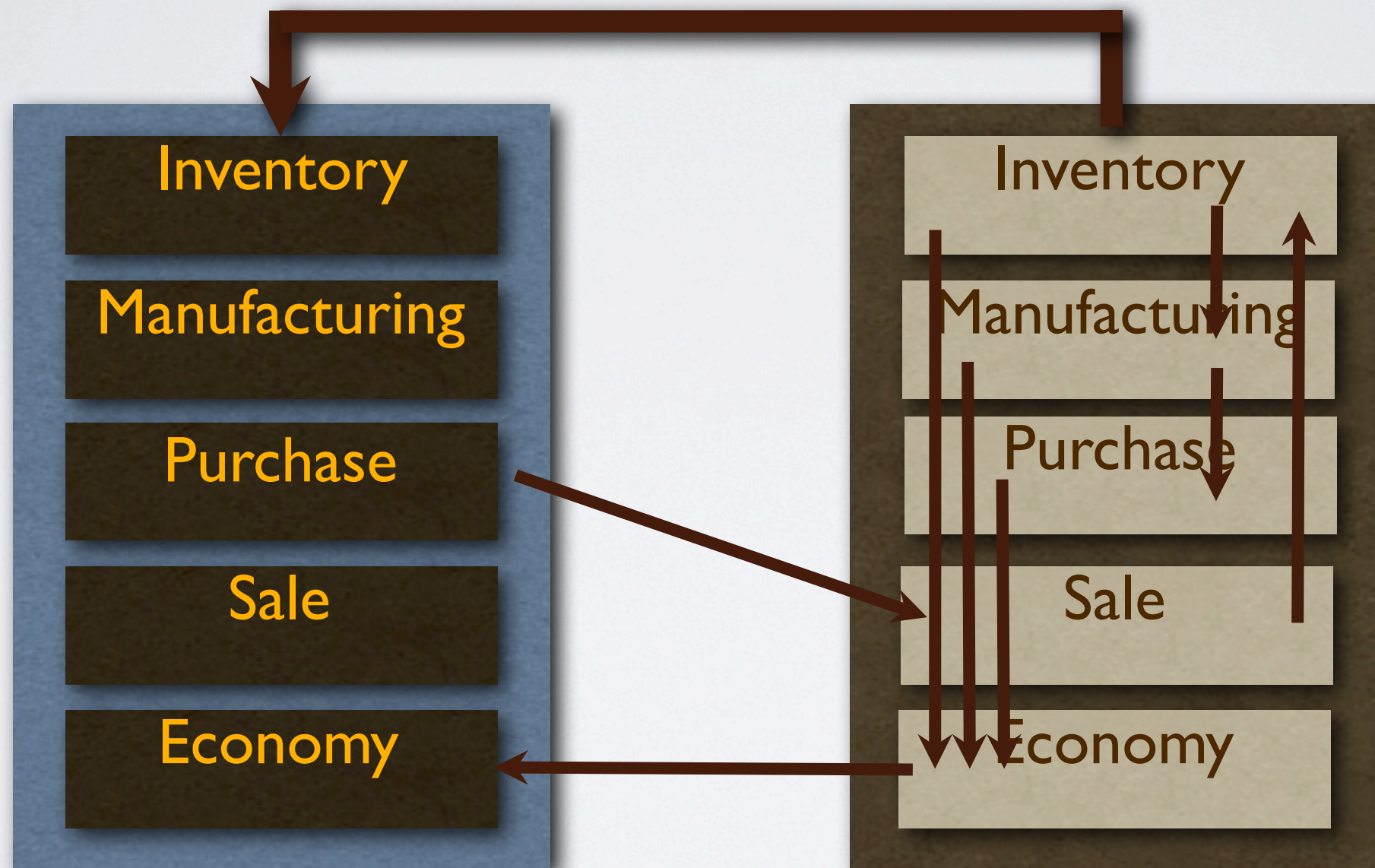


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TRADITIONAL BUSINESS PROCESS

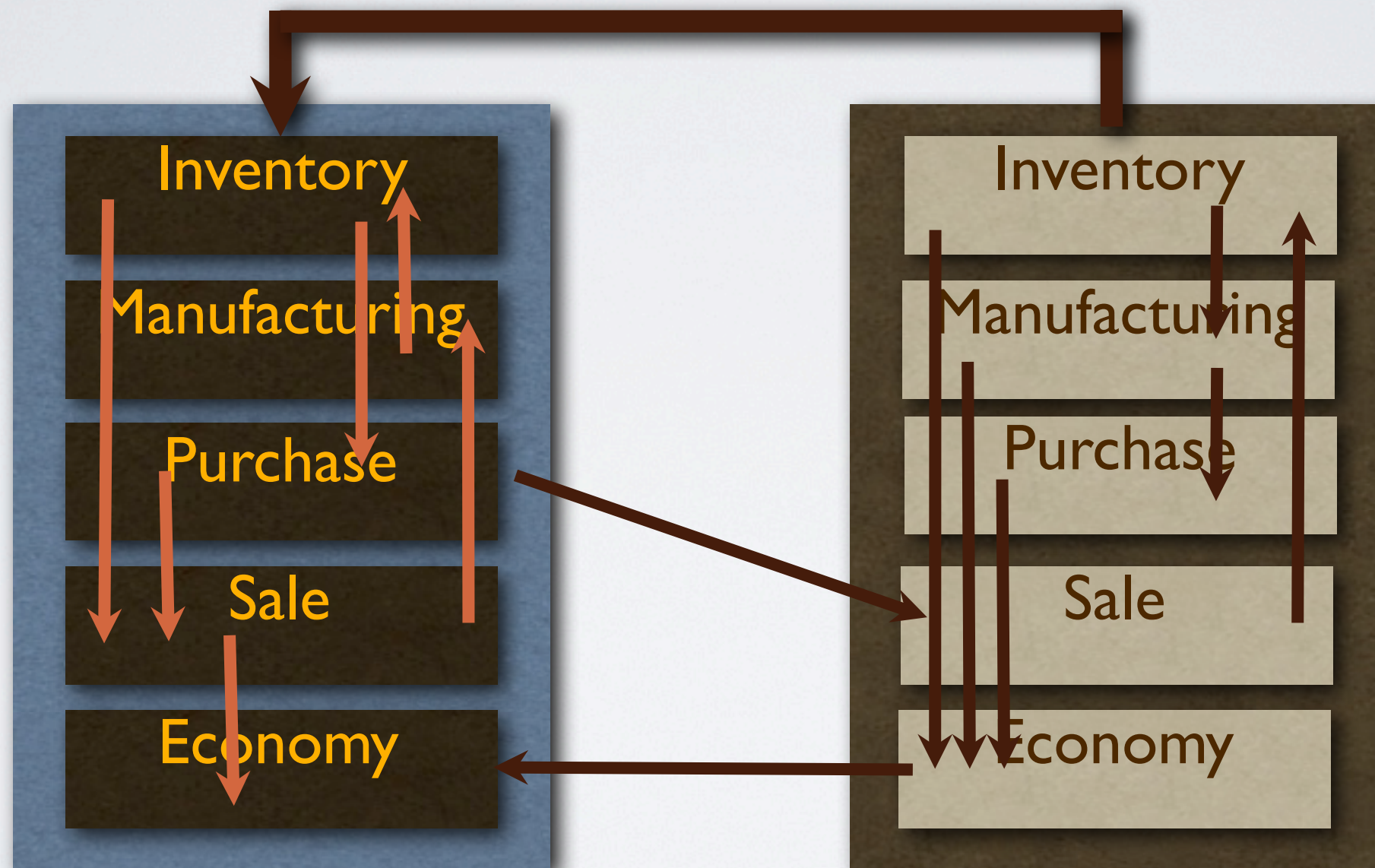


TRADITIONAL BUSINESS PROCESS



8

TRADITIONAL BUSINESS PROCESS



CHARACTERISTICS

- Maximise the profit of the company
- Reduce external transactions as much as possible
- Optimise internal routines
- Business process not yet invented

TRANSACTION COSTS

- Order is written on paper – check!
- Sent to the vendor
- The vendor types it into the business system – check!
- Order confirmation printed on paper – check!
- Sent to the customer
- The customer types it into the business system – check!
- Invoice is printed on paper – check!
- Sent to the customer
- The customer types it into the business system – check!

TRANSACTION COSTS

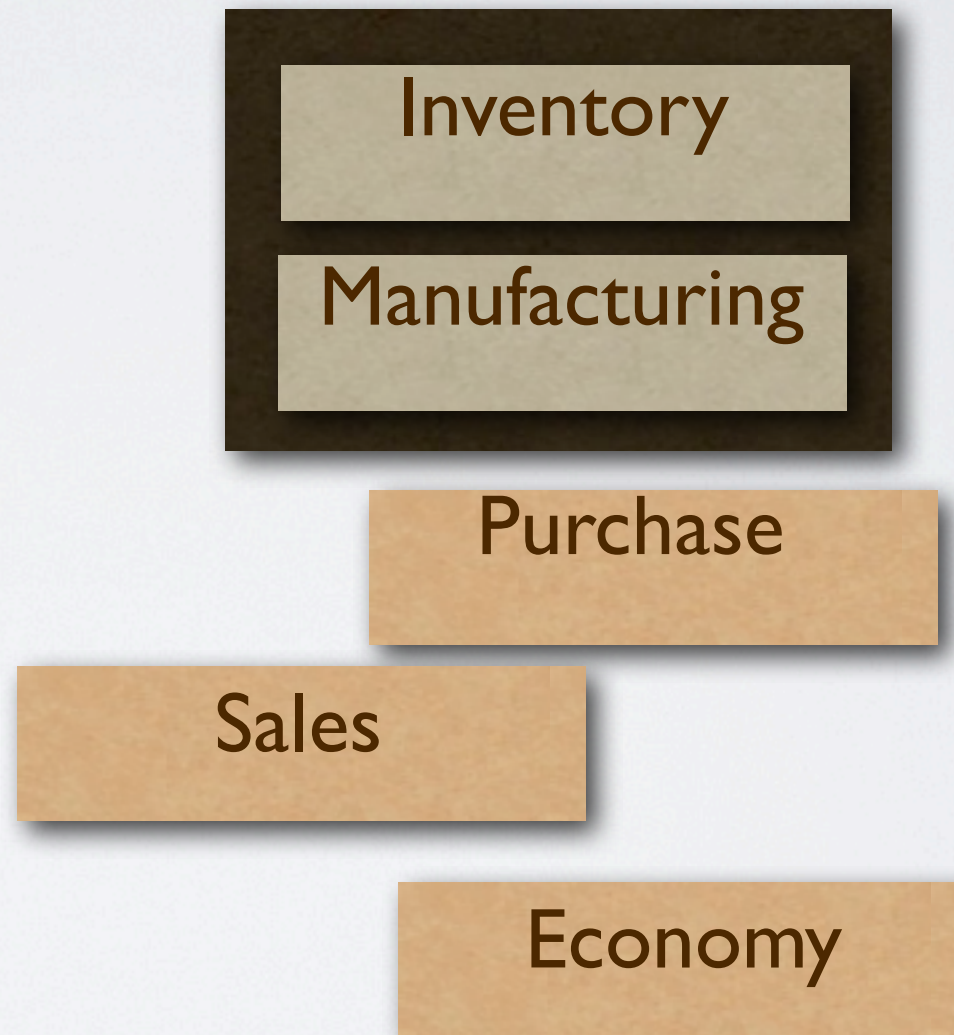
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TRANSACTION COSTS

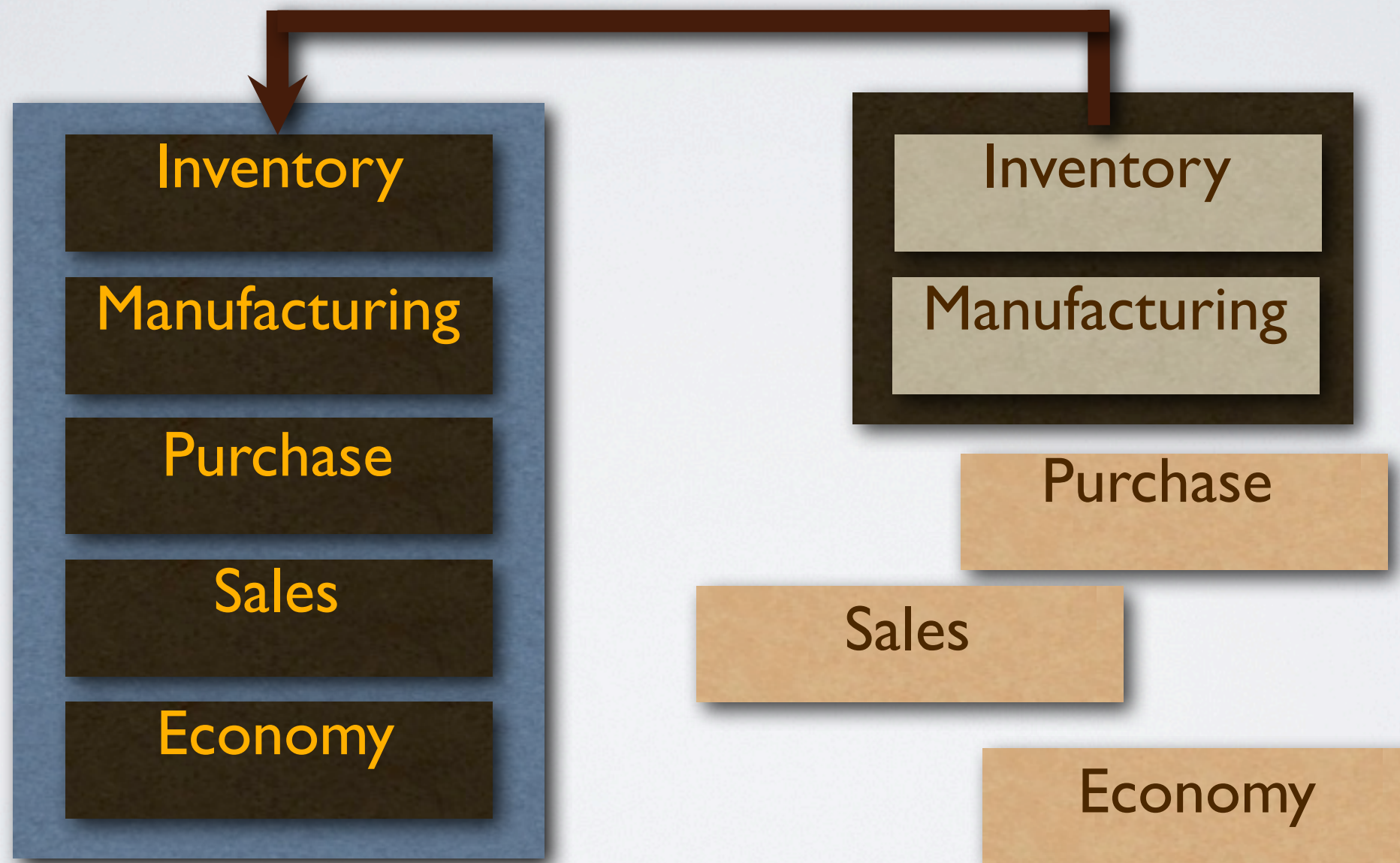
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This is totally insane!

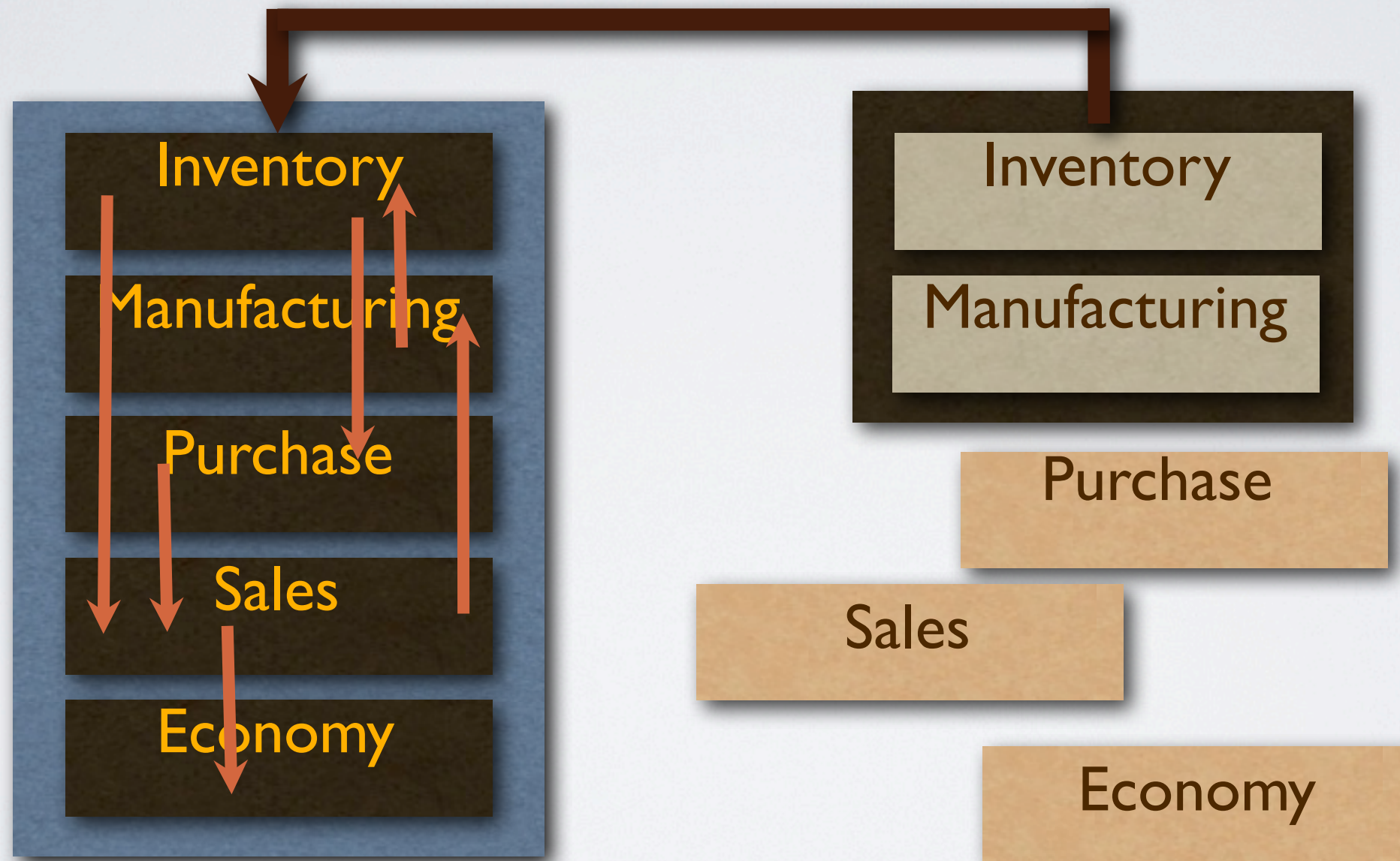
OUTSOURCING



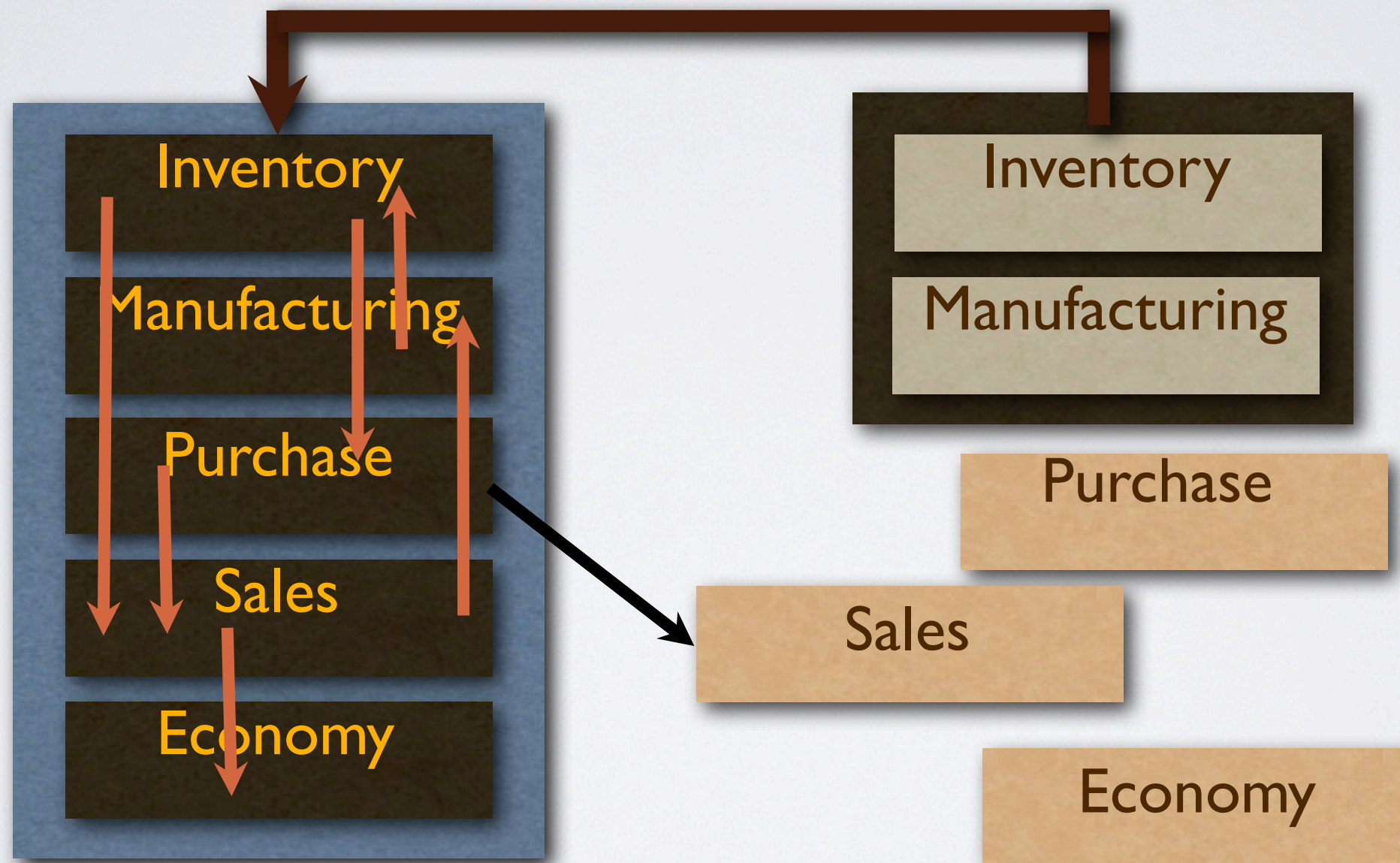
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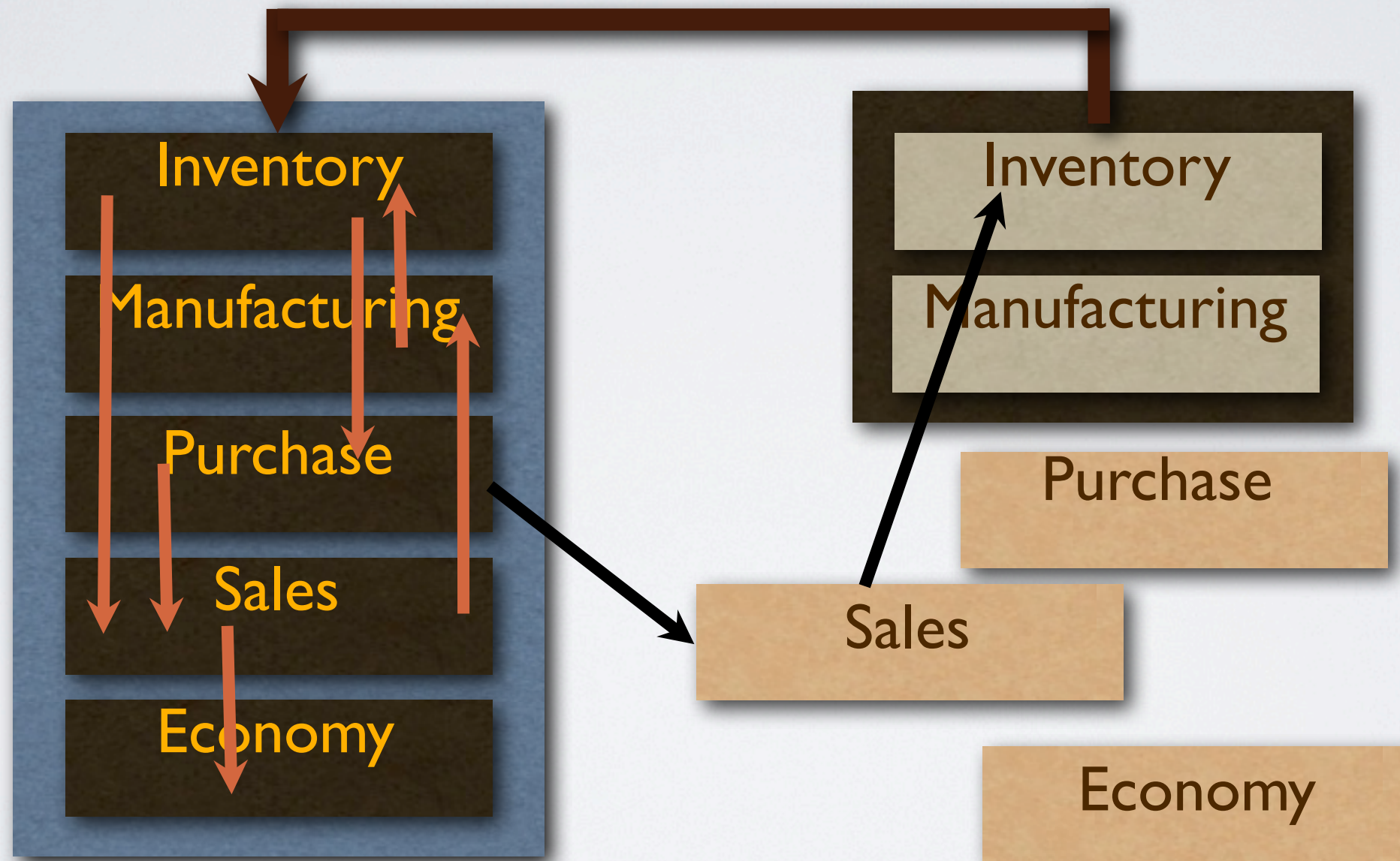
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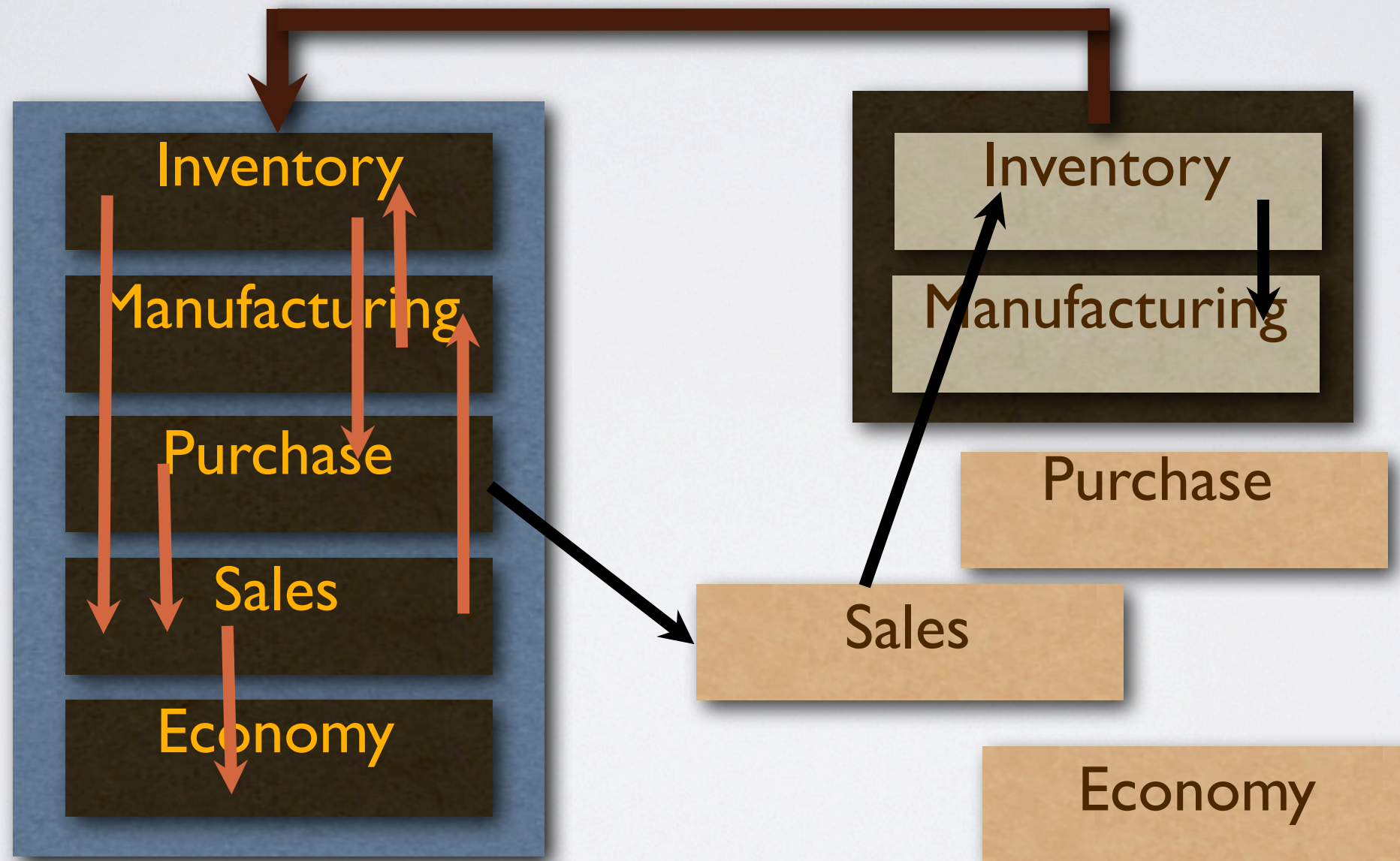
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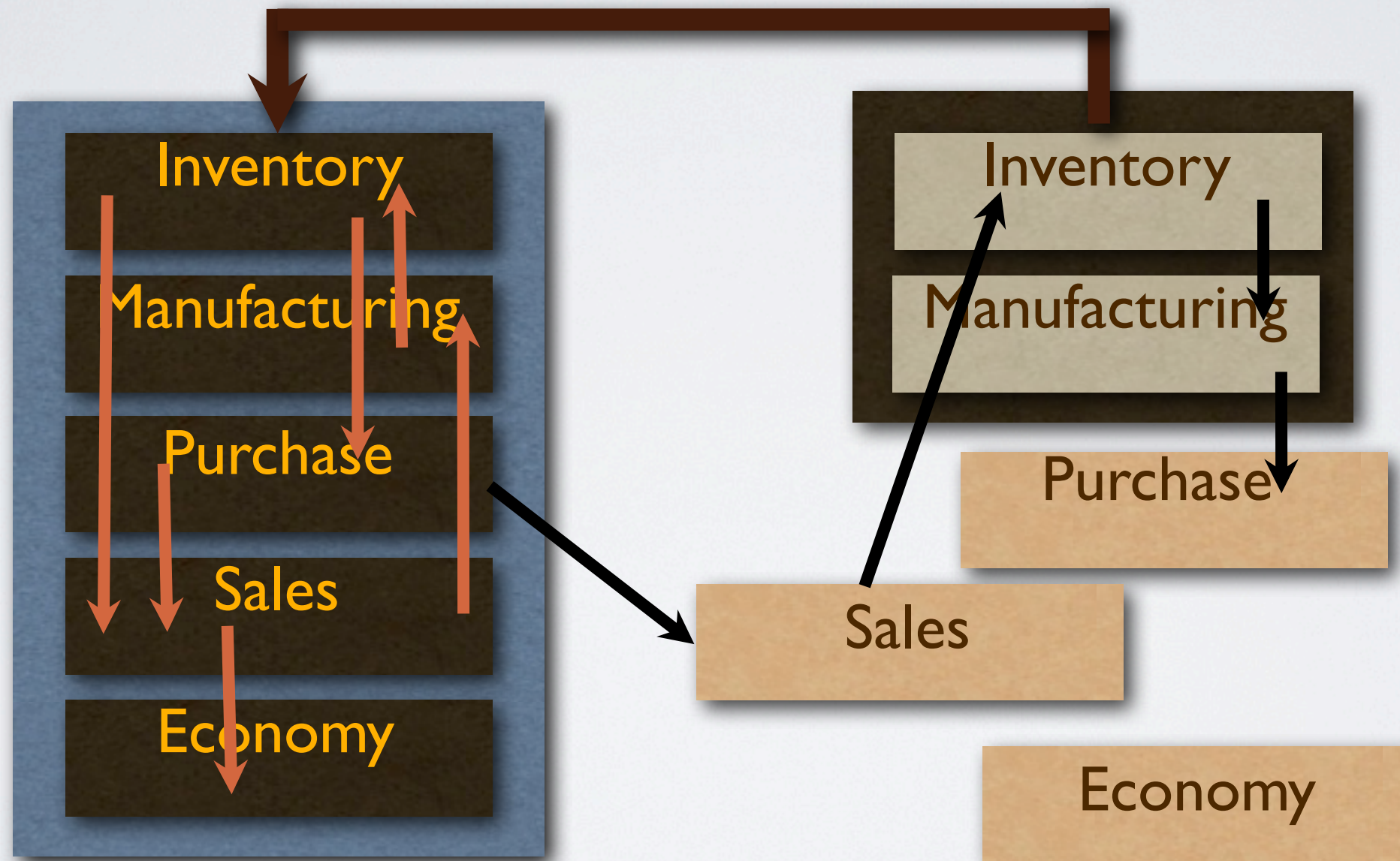
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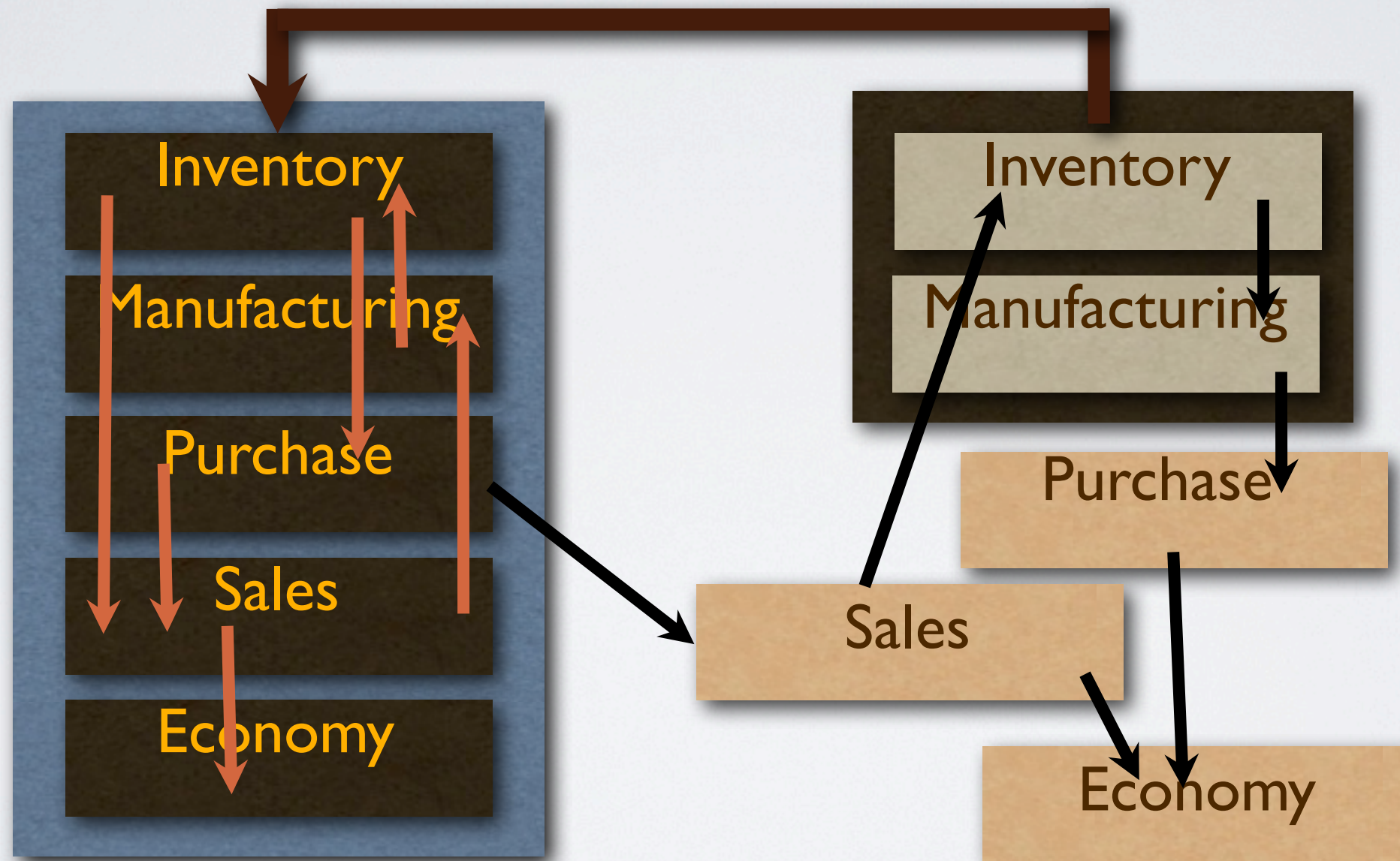
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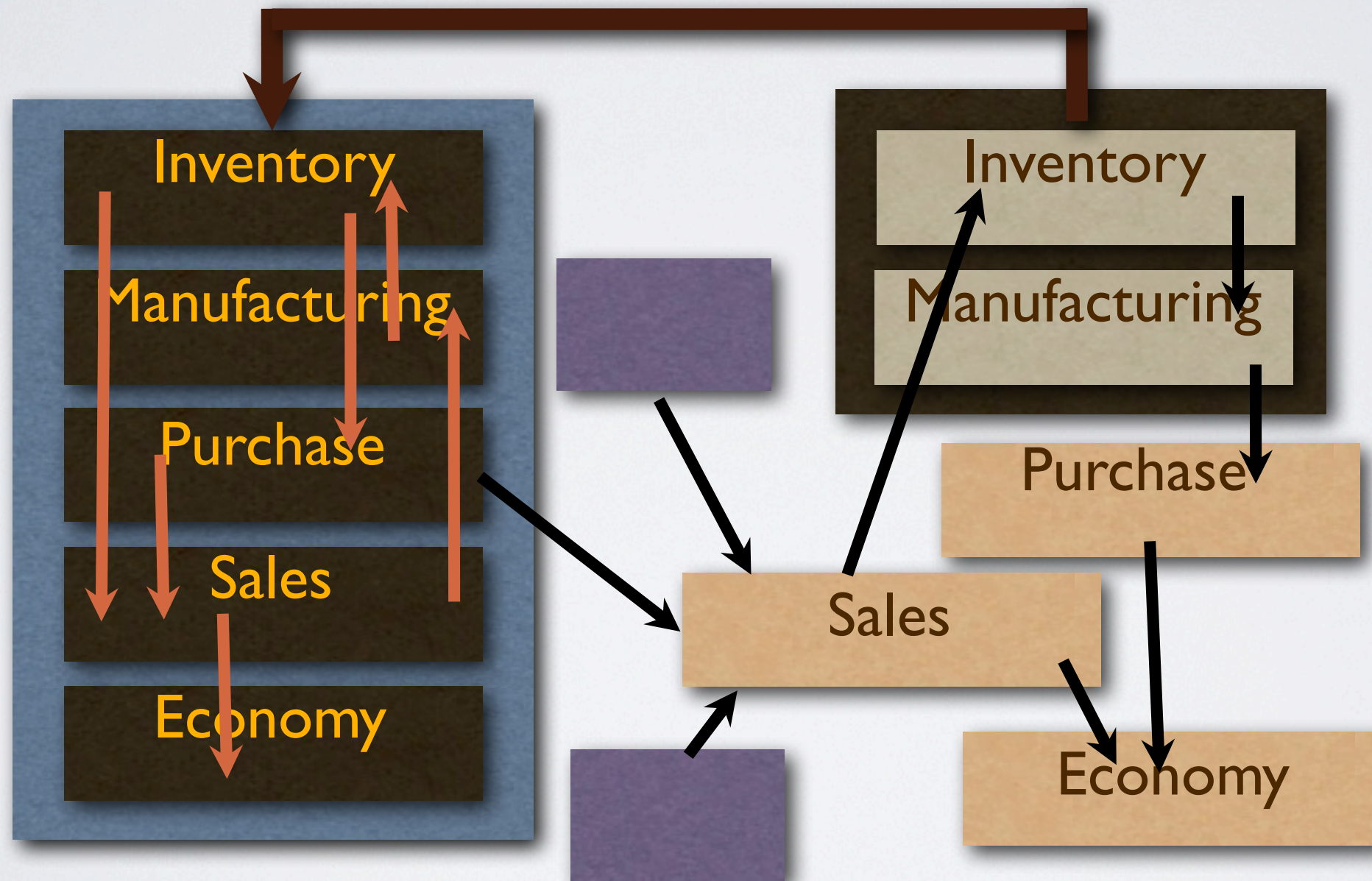
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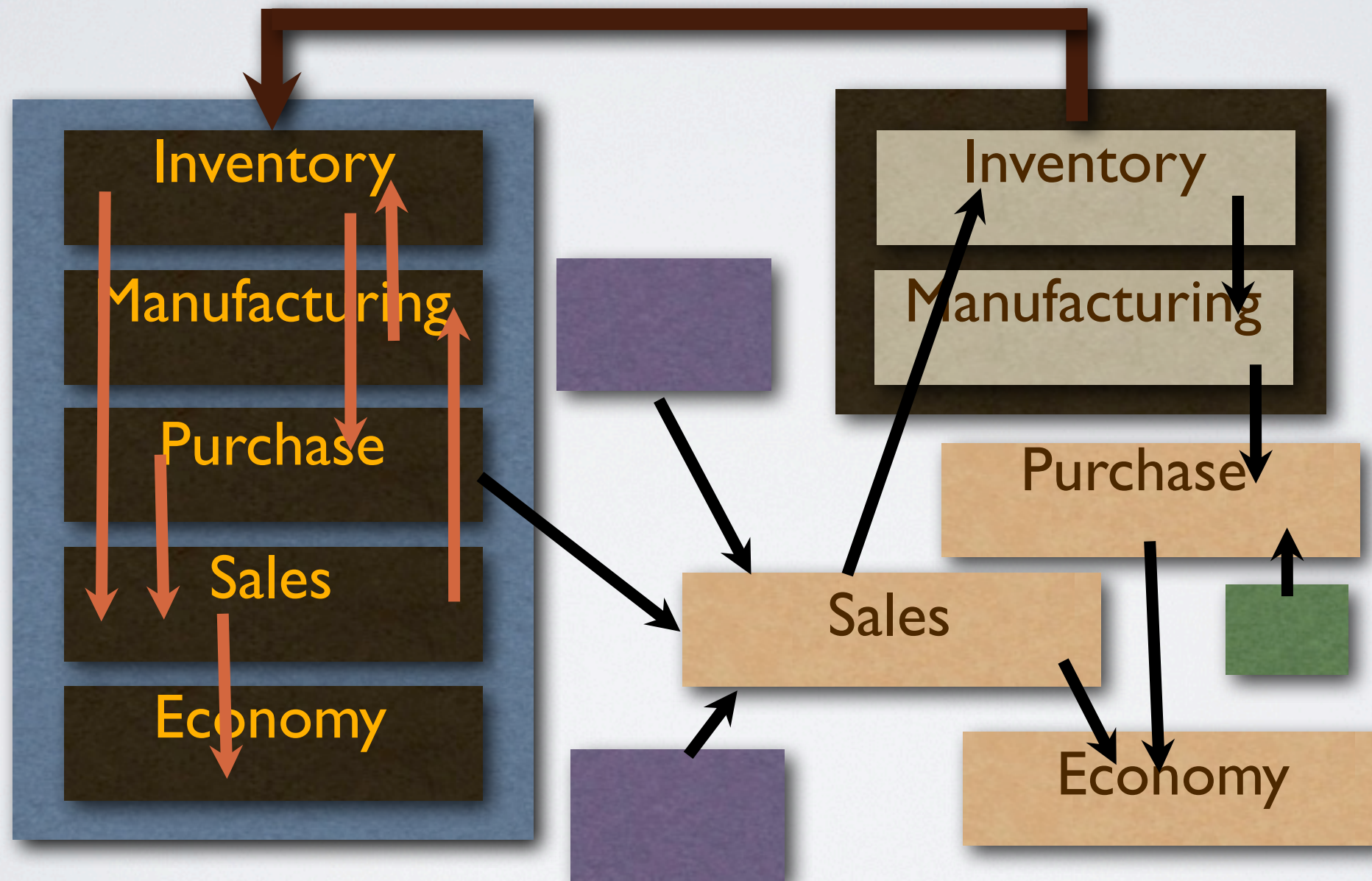
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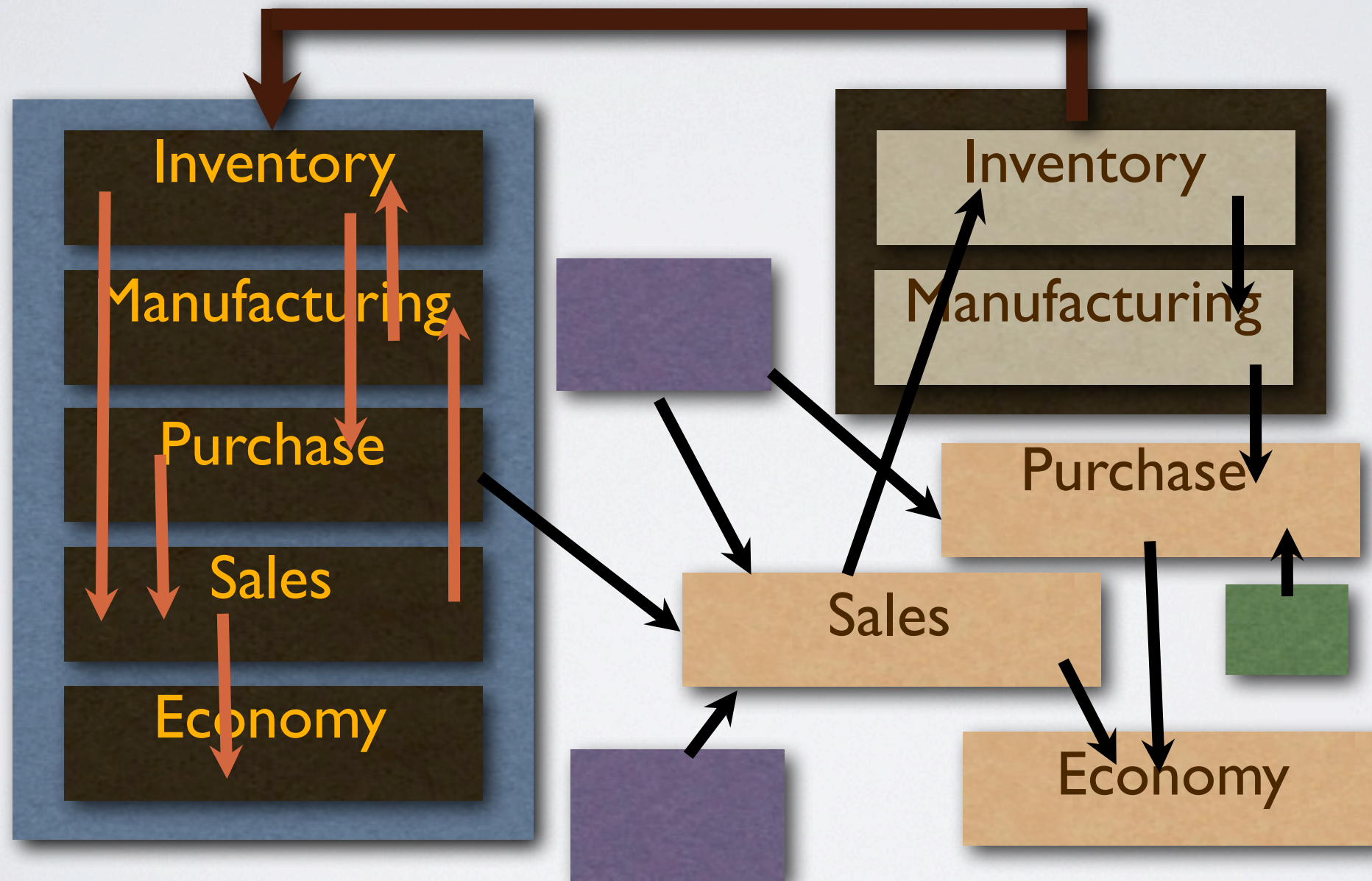
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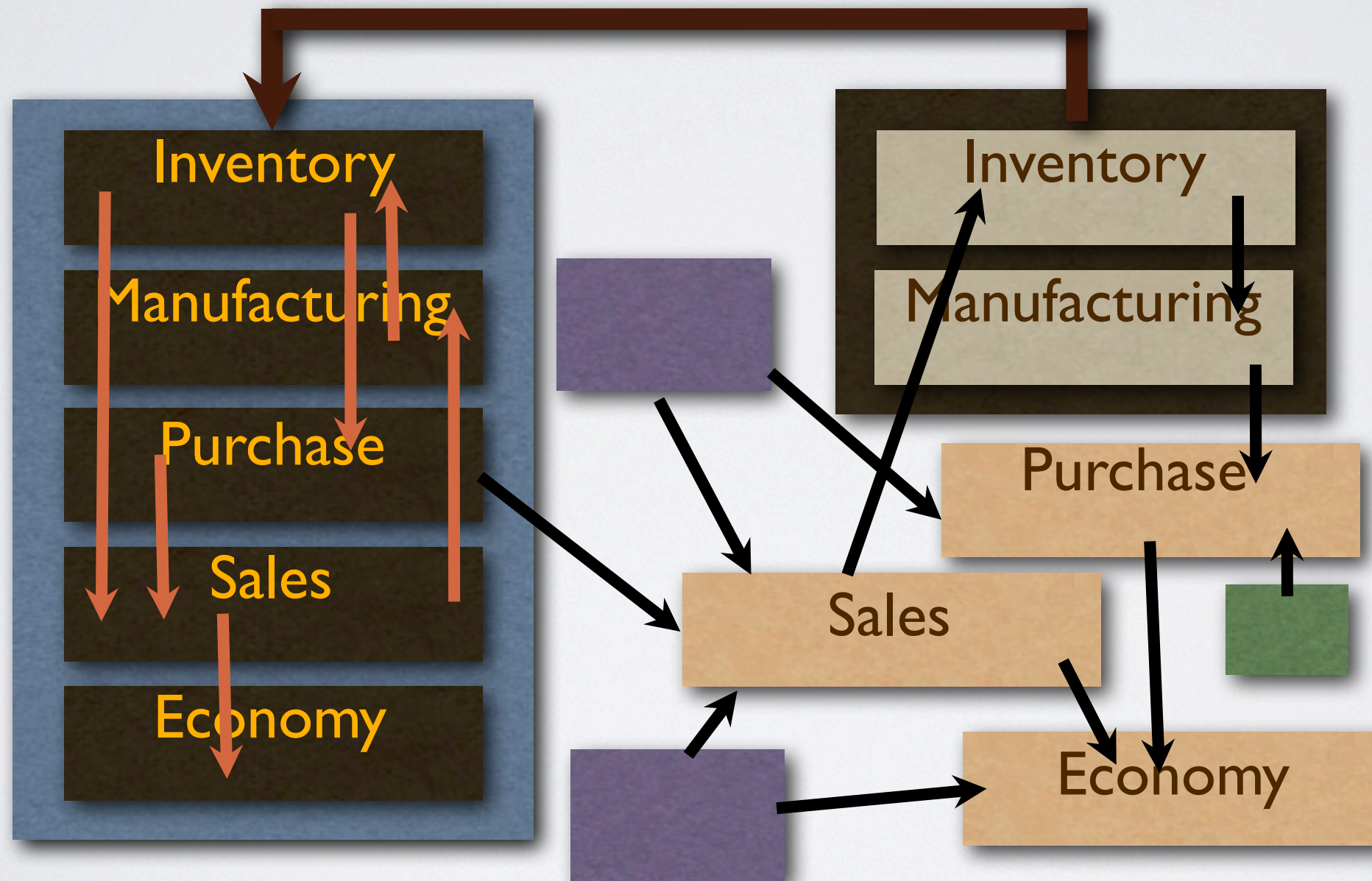
OUTSOURCING



OUTSOURCING



OUTSOURCING



CHARACTERISTICS

- Well defined business process
- The business process controlled by one company
- Specialised companies
- Need for automatic transfer of information between different companies
- Need for mutual trust and loyalty

THREE KINDS OF BUSINESS PROCESSES

- Business to Business (B2B)
- Business to Customer (B2C)
- Customer to Customer (C2C)

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- Business to Business (B2B)
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MAPPING BETWEEN BUSINESS PROCESSES

- If B2B is to function the business of both companies must be able to exchange information.
- It must be 100% clear what this information means.
- Ex: Parts in store: Physical quantity
- Ex: Parts in store: That part of the physical quantity which is possible to sell

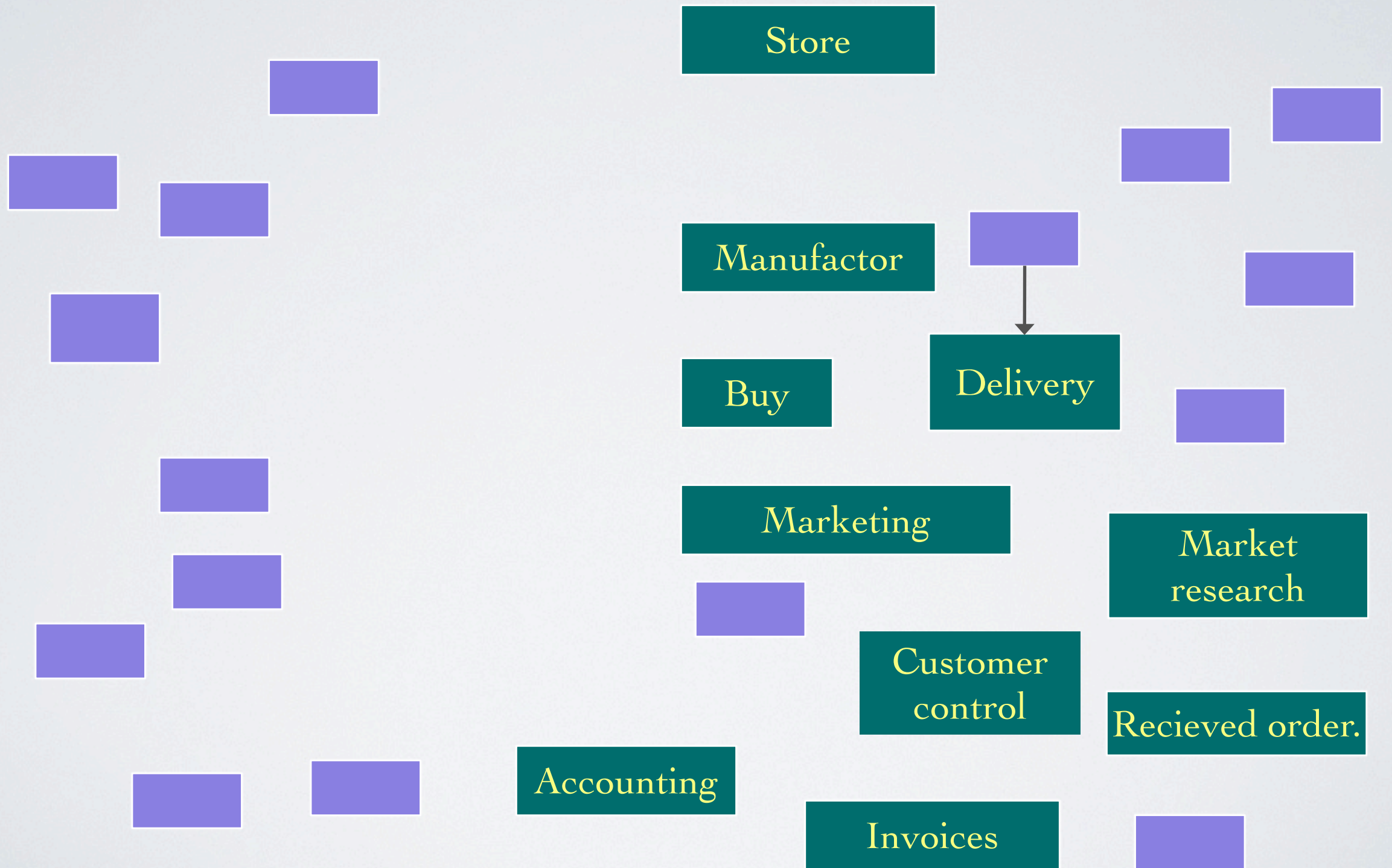
E-BUSINESS – NOTHING NEW

- E-business is nothing new, For example it has been prevalent in the car manufacturing industry since the 80s.
- But in those they no common network was available. Instead hired phone lines was used.
- It was very expensive and customised for every company.

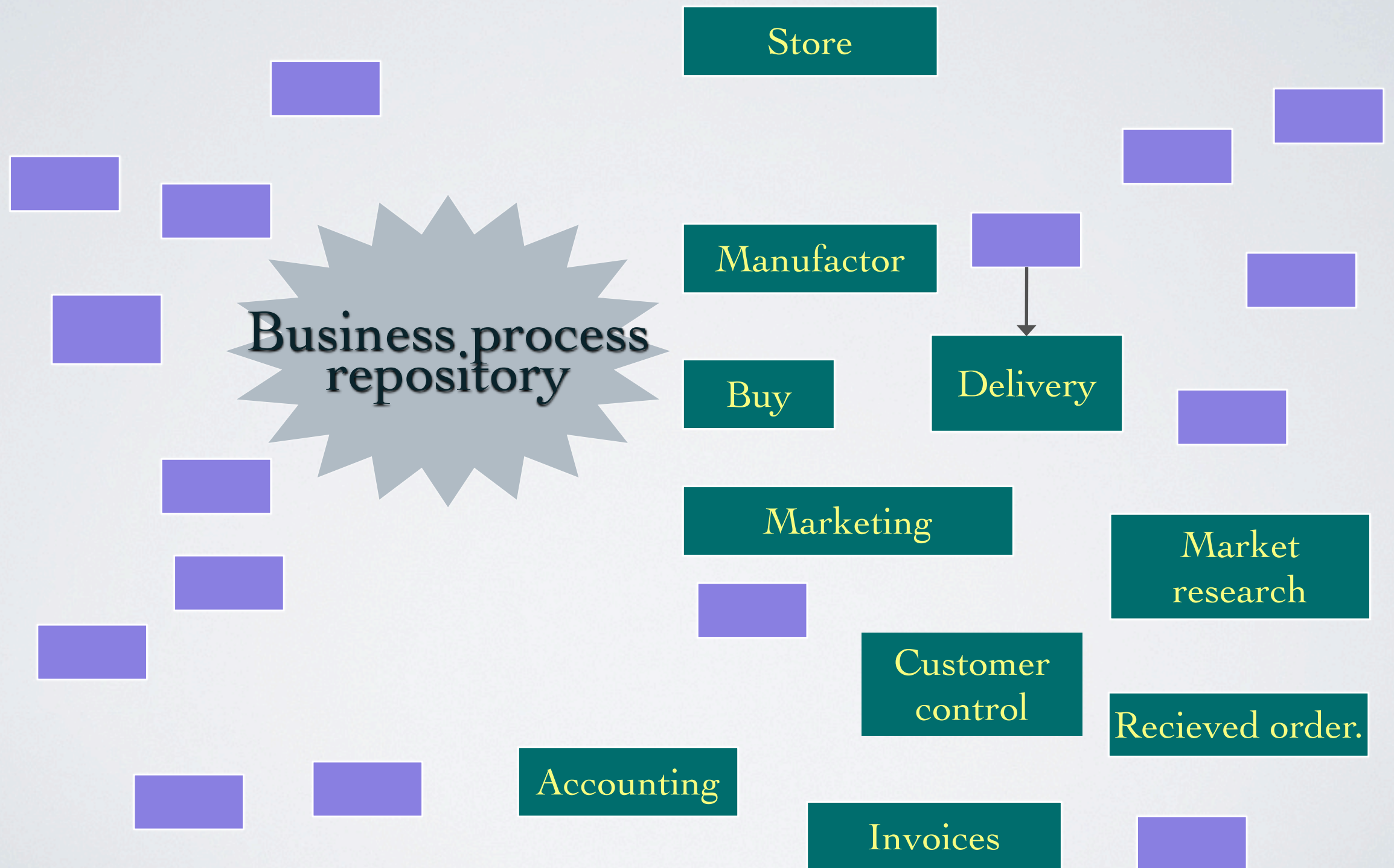
BUSINESS AND INTERNET

- With internet the additional cost for every computer controlled transaction is almost zero, irrespective of source.
- This is in fact the very base for “the new economy”, the network economy.
- The ultimate outsourcing is thus possible

BUSINESS STRUCTURE



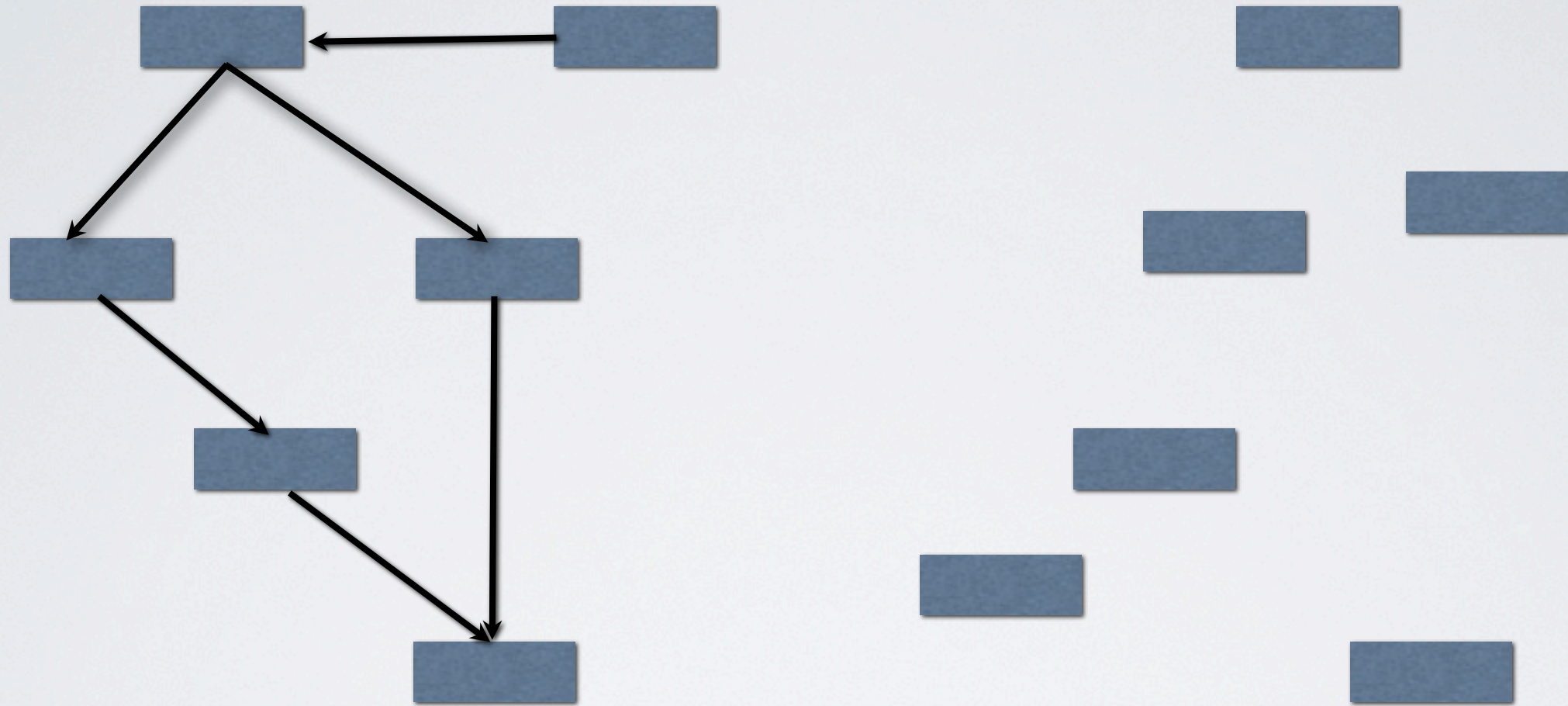
BUSINESS STRUCTURE



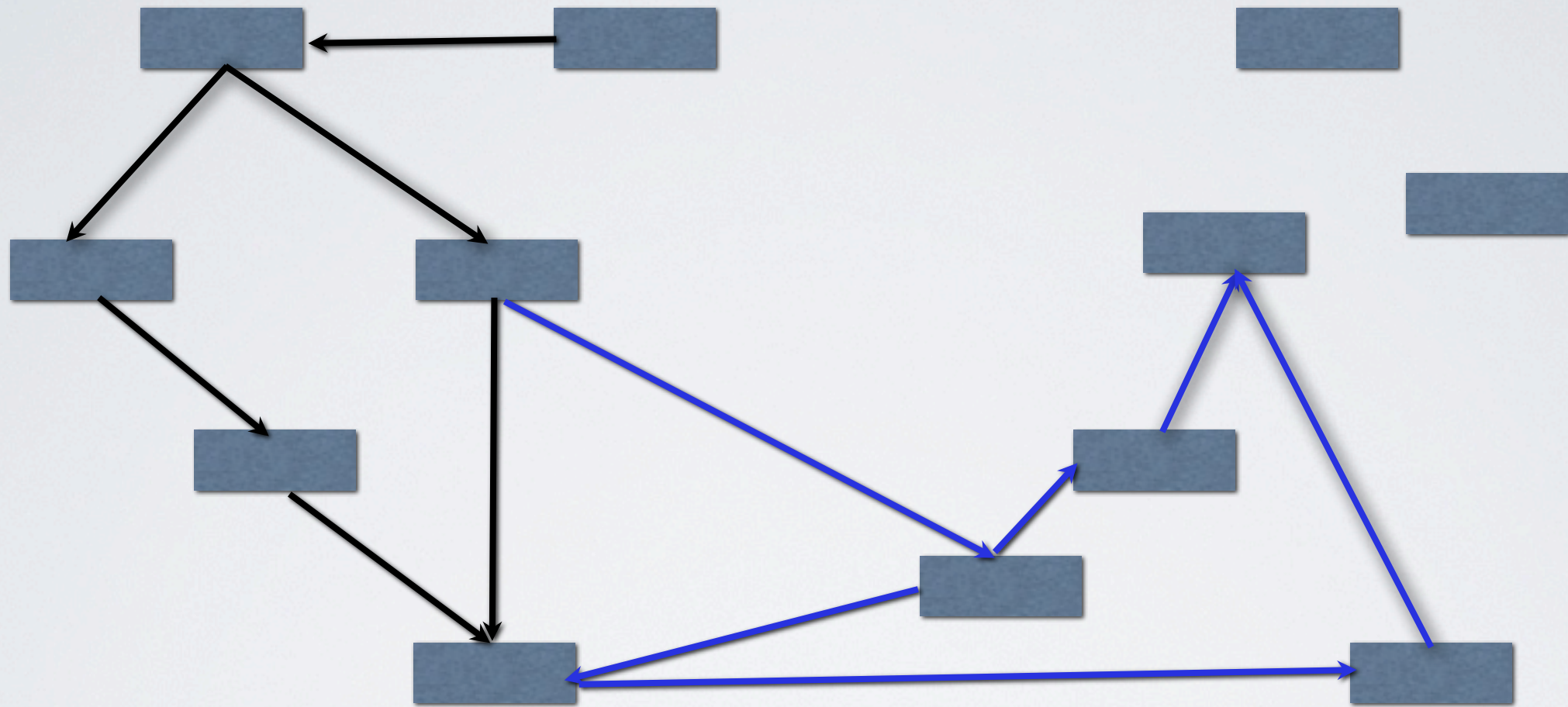
NEW BUSINESS MODEL



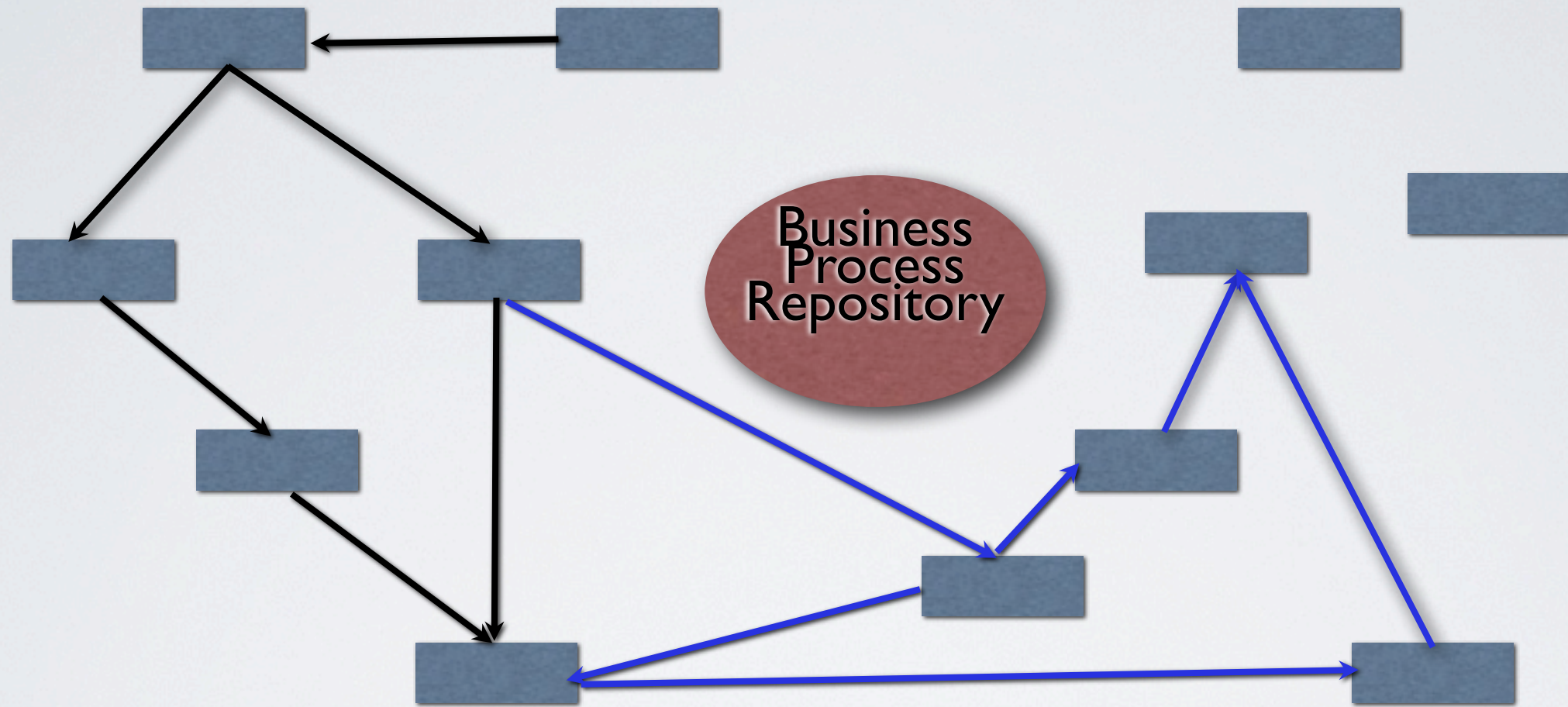
NEW BUSINESS MODEL



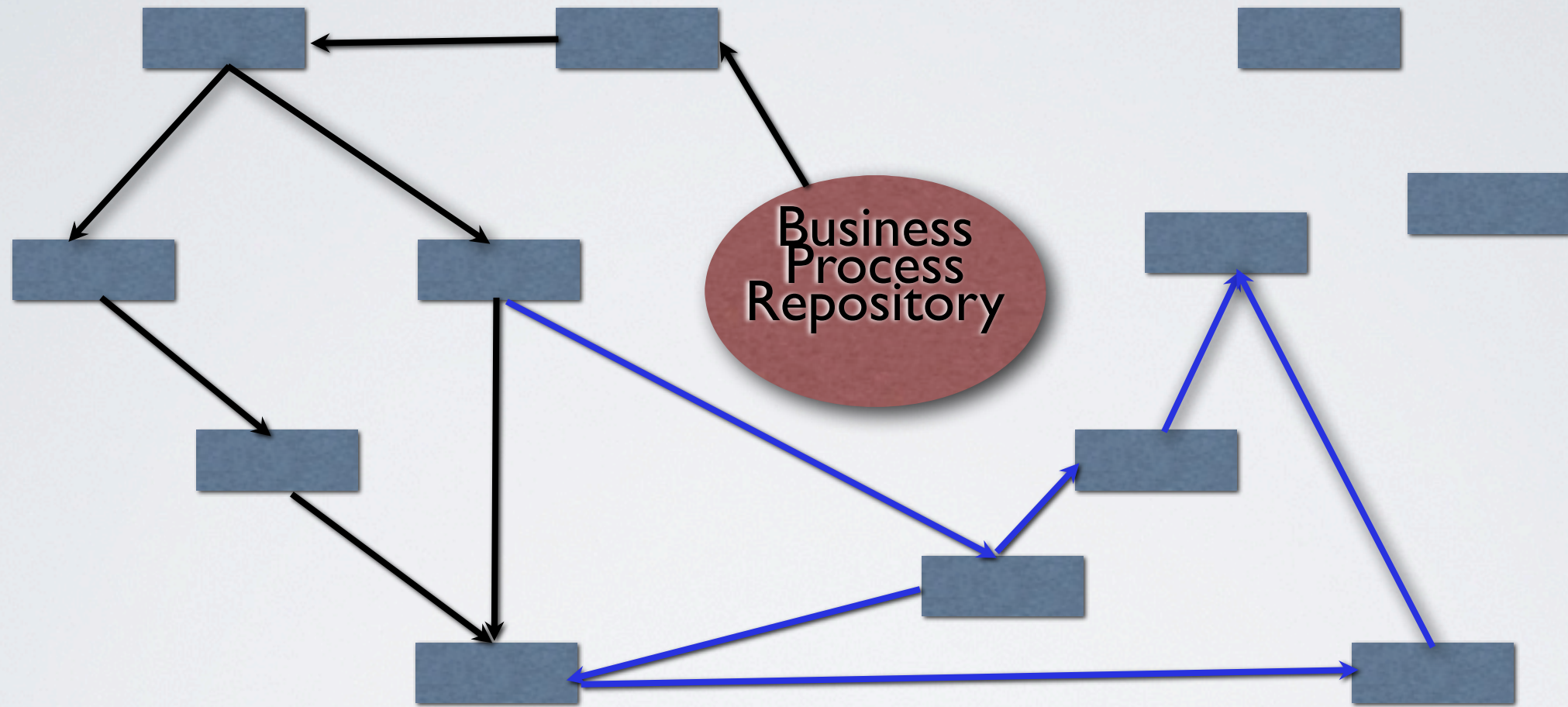
NEW BUSINESS MODEL



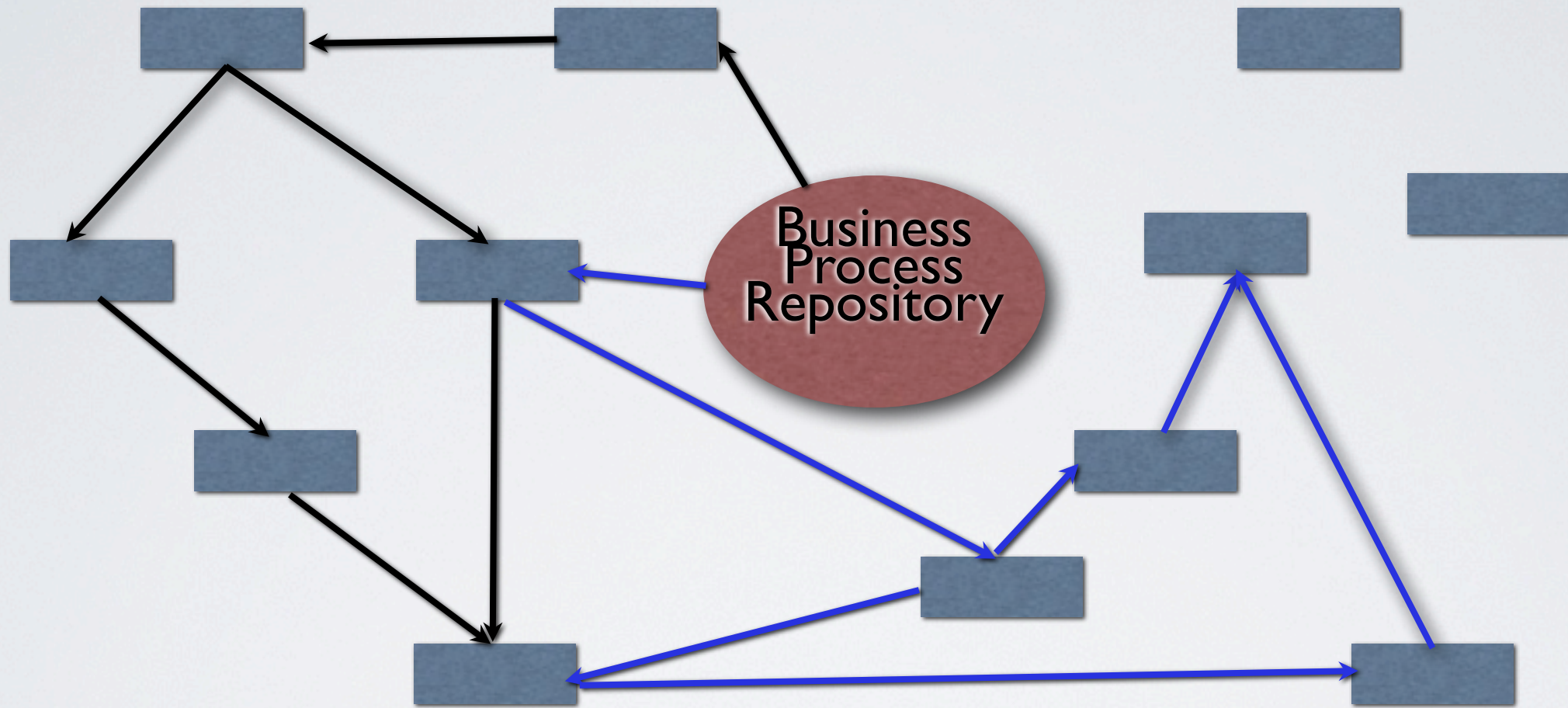
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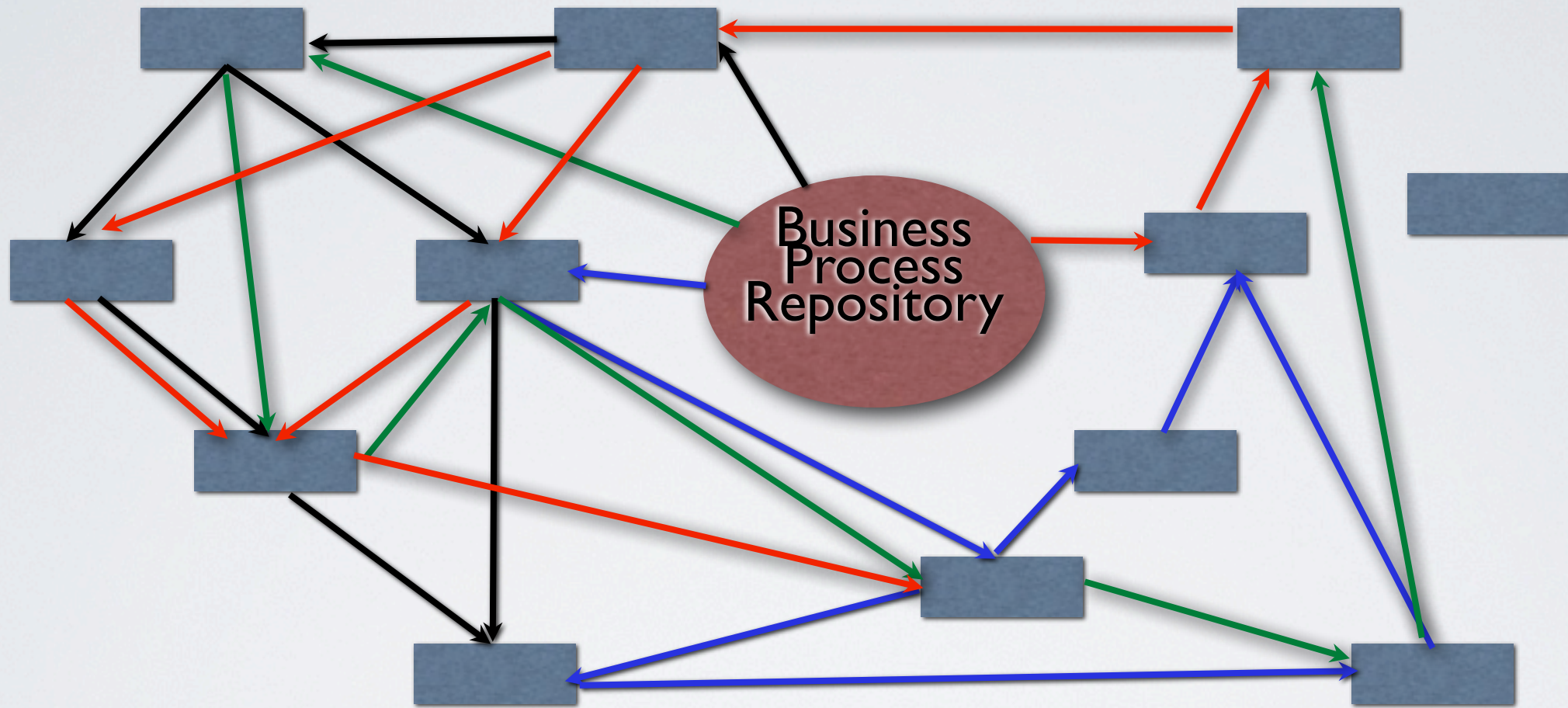
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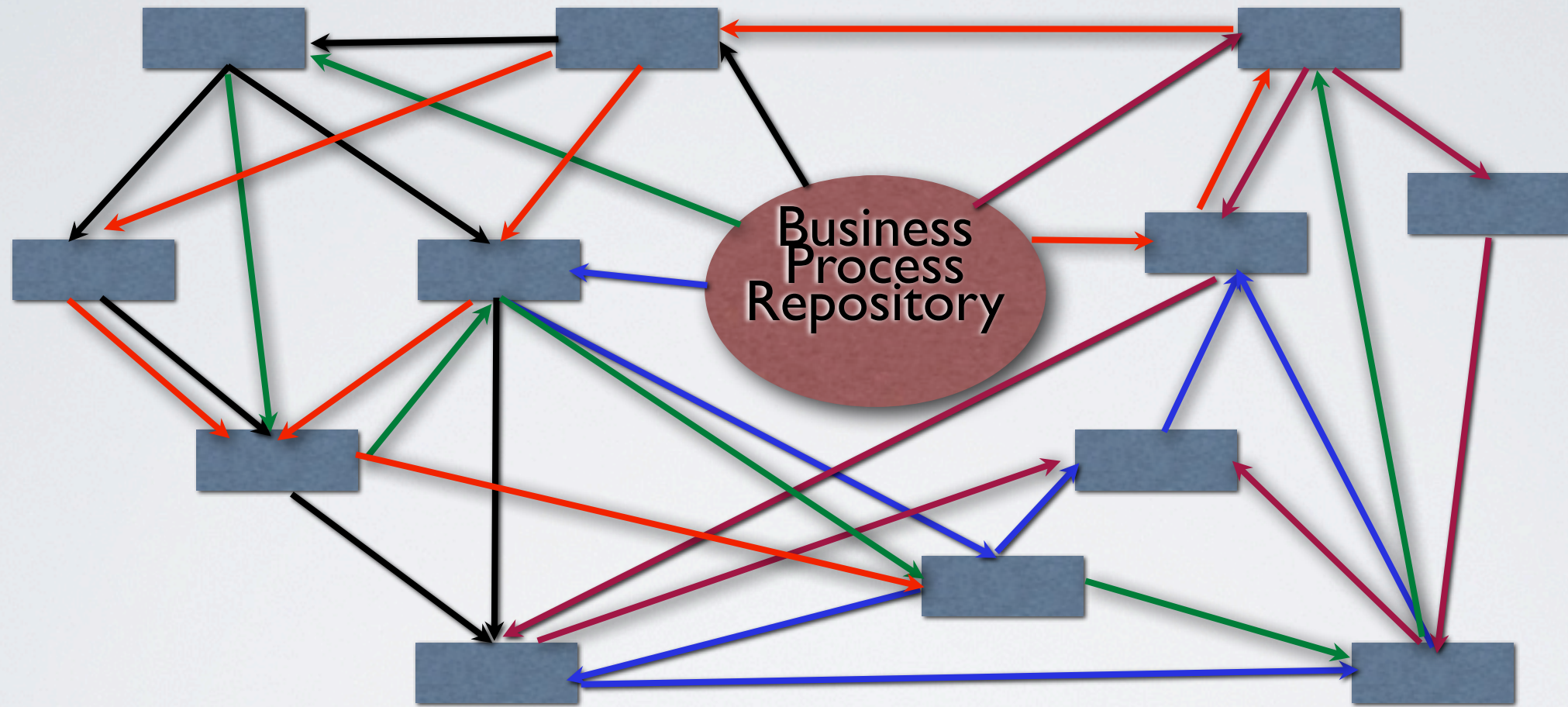
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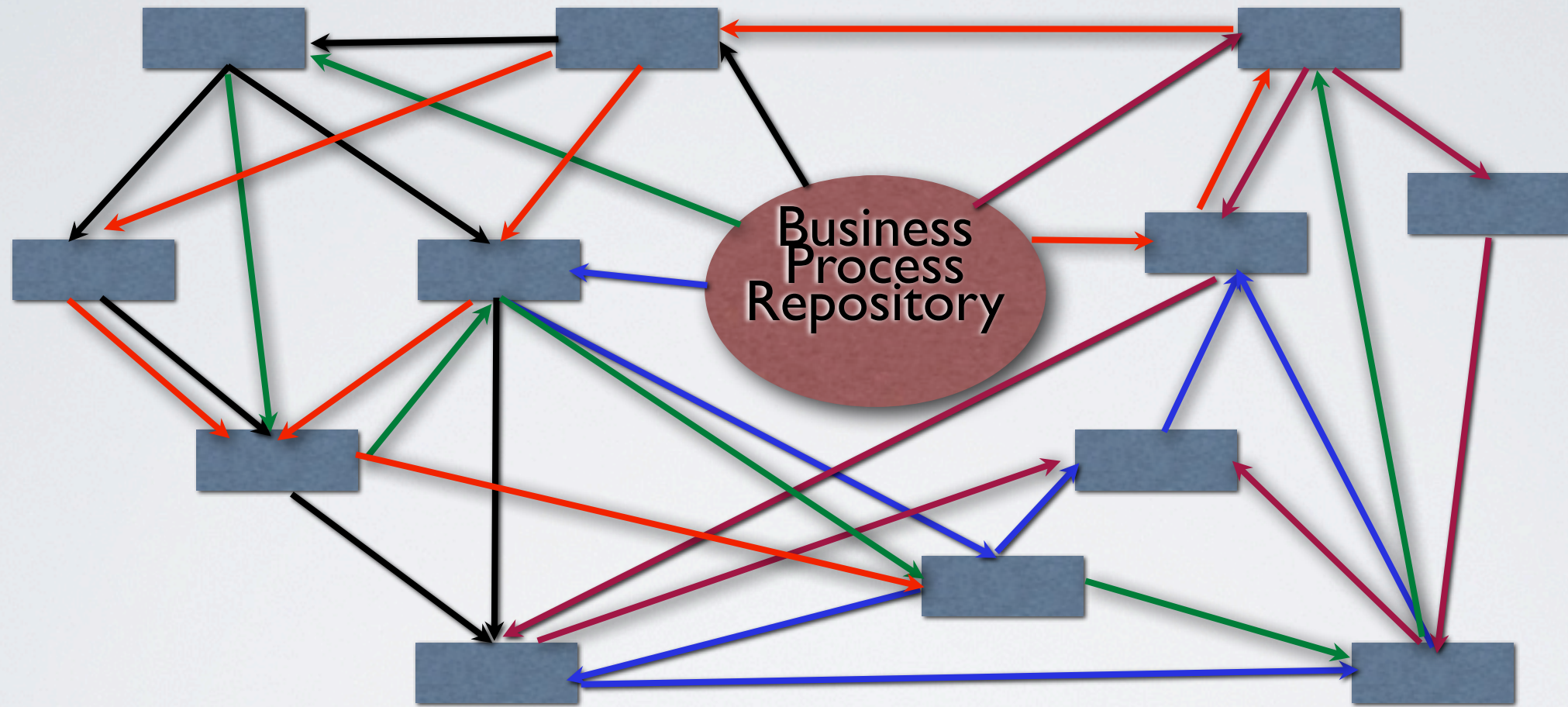
NEW BUSINESS MODEL



NEW BUSINESS MODEL



NEW BUSINESS MODEL



The network Society

CHARACTERISTICS

- Every company must be able of handling transactions from a lot of different systems
- Every transaction can be tailor made
- Easy change of business process
- The processes must be extremely well described
- The information and its meaning must be easily transferred between the partners

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What kind of information system, knowledge and IT support is needed in such a society?