

**MONTGOMERY COUNTY COMMUNITY COLLEGE**  
**Spring 2005**

Instructor: Sergio C. Carbone  
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Office hours: By Appointment  
Class: CIS242 E-Commerce (3 Credits)  
Overview: This capstone course will introduce students who know Web systems development to the concepts of conducting business over the web and the technologies involved in creating a commercial website. Theory of E-Business models, the entrepreneurial process, payment methods, marketing, and security will be discussed in relation to real-life examples. Students will develop an understanding of what is involved in running a Web-based business, and how a Web-based business compares to a brick and mortar business.

Goals:

1. To provide students with knowledge of business factors involved in E-Business.
2. To develop an understanding of how to best market and advertise an E-Business.
3. To build on previously learned Web development experience and enhance understanding surrounding the IT infrastructure involved in E-Business.
4. To enable students to understand how to identify and start an E-Business.

Class/Lab: 01/20/2005-05/05/2005 Lec/Lab Thursday 06:00PM - 09:50PM,  
Science Center, Room 101

Text(s): eCommerce Formulation of Strategy By Robert T. Plant  
Unless directed otherwise, read at least one chapter each week.

Grading: A $\geq$ 91; B $\geq$ 83; C $\geq$ 75; D $\geq$ 70; F $\leq$ 69

Testing: A total of 3 tests will be given, and they will each be worth 1/6<sup>th</sup> of your total grade. You will have one test approximately every 5 weeks. Feel free to use paper support.

Assignments: You will complete and submit three assignments each be worth 1/6<sup>th</sup> of your total grade. The assignments and their due dates are listed below. Assignments are to be submitted through email only.

Policies: Refer the Student Handbook and College Rules for all policies including: Attendance, Withdrawal, Academic Discipline, Ethics, Cheating, Plagiarism, Students with disabilities, Conduct, Etiquette, Cancellation, etc.

Prerequisites: CIS 241 with "C" or better or equivalent Web-based programming experience.

General Topics:

Business Maturity, Business Process, e Commerce, eBusiness Components, Legal, Ethical, and Regulatory Issues, Marketing, Starting A Web-based Business, Strategy, Supply Chain, Trends

Topic Schedule (May be subject to change):

1. Lecture (see: discussion outline 1)
2. Lecture (see: discussion outline 2)
3. Lecture (see: discussion outline 3)
4. Lecture (see: discussion outline 4) **Assignment 1 due**
- 5. Test 1**
6. Lecture (see: discussion outline 5)
7. Lecture (see: discussion outline 6)
8. Lecture (see: discussion outline 7)
9. Lecture (see: discussion outline 8) **Assignment 2 due**
- 10. Test 2**
11. Lecture (see: discussion outline 9)
12. Lecture (see: discussion outline 10)
13. Lecture (see: discussion outline 11)
14. Presentations **Assignment 3 due**
- 15. Test 3**

Student Academic Code of Ethics:

“In the pursuit of knowledge and scholarship, all members of the academic community at MCCC must maintain a constant commitment to academic integrity. The College provides an environment that fosters critical thinking and judgment, and in order to safeguard the integrity of the institution, students are expected to follow the policies of the College and the faculty. To fulfill their part of that commitment, students must adhere to an academic code of ethics by refraining from participation in acts of academic dishonesty. By attending MCCC, students accept this Student Academic Code of Ethics and agree to the following:

- ?? Students must do all of their own work.
- ?? Students must not cheat.
- ?? Students must not help others to cheat.

Students who are unclear about the validity of an academic procedure they are about to undertake should ask their instructor for guidance beforehand. Violations of this code of ethics will result in sanctions, including possible dismissal from the College.” (See complete Student Code of Ethics in catalog, Student Handbook Calendar, or on line at [http://www.mc3.edu/gen/polpro/st\\_acad\\_code\\_of\\_ethics.html](http://www.mc3.edu/gen/polpro/st_acad_code_of_ethics.html))

Students with Disabilities Policy:

“Students with disabilities may be eligible for accommodations in this course. Contact the Director of Services for Students with Disabilities in the Counseling Center, College Hall, at (215) 641-6575/6577 for more information. At West Campus, contact the Director of Student Affairs, (610) 718-1839.”

Class Cancellation Policy:

Inclement weather numbers: 320 (day); 2320 (evening)

### Assignments:

1. Select a related business industry such as travel, books, music, banking, auctions, etc. Find three different Web sites for the business area selected. Write a 3-4-page (350 words per page) paper that describes how the "look and feel" differs for the three Web sites. Include an evaluation of the ease of navigation of each Web site.
2. Select a related business industry such as travel, books, music, banking, auctions, etc. Find three different Web sites for the business area selected. Write a 3-4-page (350 words per page) paper that describes the marketing tools used in each of the three Web sites. Include an evaluation of the apparent customer service provided by each site and describe how each site handles security, confidentiality, and International issues.
3. Write a 4-6-page (350 words per page) paper and prepare and present a presentation on your own E-Business idea. Address the points outlined in the "Starting A Web-based Business" section of this course.

### Discussion Questions (Do not turn in):

1. How can value chain analysis be used in formulating an eBusiness strategy?
2. Why must the legacy systems of a business be considered when developing an eBusiness strategy?
3. How can the organizational structure of a business be influenced by an eBusiness strategy?
4. What is the difference between eCommerce and eBusiness?
5. Why do some people say B2B has greater potential than B2C?
6. What type of eBusiness would benefit from disintermediation?
7. What type of eBusiness would benefit from reintermediation?
8. What are the similarities between "brick and mortar" and eBusiness marketing?
9. What are the differences between "brick and mortar" and eBusiness marketing?
10. Why do some people say portal Web sites are very similar to television channels?
11. Should information on the Internet be unrestricted?
12. Is there an ethical responsibility for accuracy on the Internet?
13. Should there be World Organization regulation of the Internet?

## Discussion outline

- 1) e Commerce
  - a) Business vs. Commerce
  - b) Business to Customer (B2C)
  - c) Business to Business (B2B)
  - d) Communication
    - i) eMail
    - ii) Conferencing
  - e) Internal Operations
    - i) Information
    - ii) Transactions
- 2) eBusiness Components
  - a) Strategy
  - b) IT Infrastructure
  - c) Marketing
  - d) Supply Chain
  - e) Legal, Ethical, and Regulatory Issues
- 3) Strategy
  - a) SWOT
    - i) Strengths
    - ii) Weaknesses
    - iii) Opportunities
    - iv) Threats
- 4) IT Infrastructure
  - a) Architecture
    - i) Internet
    - ii) Intranet
    - iii) Extranet
  - b) Reliability/Availability
    - i) Internal hosting
    - ii) External hosting
  - c) Speed
  - d) Security
    - i) Encryption
    - ii) Authentication
    - iii) Firewalls
    - iv) Virtual Private Networks (VPN)
  - e) Applications
    - i) Web pages
    - ii) Databases
- 5) Supply Chain
  - a) Logistics
  - b) Production
  - c) Distribution
  - d) Disintermediation
  - e) Reintermediation

- 6) Marketing
  - a) 4 Ps
    - i) Product
    - ii) Price
    - iii) Place
    - iv) Promotion
  - b) Promotions
    - i) Advertising
    - ii) Consumer promotions
    - iii) PR
    - iv) Direct marketing
    - v) Personal selling
  - c) Consumer Behavior
    - i) Convenience
    - ii) Price
    - iii) Value (information)
    - iv) Community
  - d) Market segmentation
    - i) Geographic
    - ii) Demographic
    - iii) Psychographic
    - iv) Cognitive
    - v) Affective behavior
  - e) E-Commerce strategies
    - i) Web rings
    - ii) Certificate icons
    - iii) Opt-in e-mail
    - iv) Standard print
    - v) Other Media
- 7) Legal, Ethical, and Regulatory Issues
  - a) Privacy
    - i) Information collection
    - ii) Protection
    - iii) Legislation
    - iv) Marketing
  - b) Intellectual Property
    - i) Copyrights
    - ii) Trademarks
    - iii) Patents
    - iv) Domain names
    - v) International aspects
  - c) Other
    - i) Contracts
    - ii) Gambling
    - iii) Fraud
    - iv) Buyer protection

- v) Third party services
- vi) Sellers' protection
- vii) Accessibility
- 8) Trends
  - a) Greater Bandwidth
    - i) Webcasting
    - ii) Streaming Audio
    - iii) Streaming Video
    - iv) Internet Telephony
  - b) Greater Regulation
    - i) Censorship
    - ii) Taxation
  - c) Convergence
    - i) Entertainment
    - ii) Communication
- 9) Starting A Web-based Business
  - a) What you need to get together
    - i) The Idea
      - (1) Honestly the word is honesty
      - (2) Have an idea book (a cheap one)
      - (3) Take notes
      - (4) Get a recorder
      - (5) What is the background of the market need
      - (6) What are we going to do to fill the need
      - (7) It is OK to do anything that is it legal were you are located, and moral for you
      - (8) What is your differentiator
      - (9) Why is it important
      - (10) Why will your customer buy from you
      - (11) What should you be doing
      - (12) Why they will not buy
      - (13) How will the money happen
      - (14) How will you price it
      - (15) Is there a repeat sale or after sale
      - (16) Are there liabilities
      - (17) Test the idea
        - (a) Question the right people
        - (b) Launch a trial
      - (18) Pour it on or cut it off
    - ii) The Customer
      - (1) What makes a qualified customer
        - (a) Know they have the need
        - (b) Have the budget
        - (c) Have the authority
      - (2) Who are they
        - (a) How can you identify them
        - (b) Where can you find the 'pool'

- (3) Who are they not
  - (a) Are you looking at the wrong people
  - (b) Is the world your customer
- (4) Who should you not sell to
  - (a) The wrong customer is wrong, wrong, wrong
  - (b) Bad payers
  - (c) Professional lookers
  - (d) Finger pointers
  - (e) Business that are risks or liabilities
- (5) How many are there
  - (a) How big could this be
  - (b) What is the opportunity
- (6) How many will buy
  - (a) What will the volume be
  - (b) How much money will you have to work with
  - (c) What should you invest in your business
- iii) The Funding
  - (1) How much will you need to get started
  - (2) Where will you get startup money
    - (a) Quick business idea
    - (b) Venture capitalist
    - (c) Angle investor
    - (d) Free labor
    - (e) Free goods, supplies, and products
    - (f) Credit
  - (3) How will you end your funding agreements
- iv) Incorporation
  - (1) How will you form your business
    - (a) Proprietor
    - (b) Partnership
    - (c) LP
    - (d) Corporation
    - (e) S Corporation
  - (2) What will you call it
    - (a) What will your market like
    - (b) Multi-naming
    - (c) Branding
    - (d) Your personal name
- v) The Advertising
  - (1) How and where will you do it
    - (a) Paper
    - (b) Mixed media
    - (c) Billboards and buses
    - (d) Networking
    - (e) Word of mouth
    - (f) Business work-site

- (g) Why will you advertise
  - (i) To sell
  - (ii) To raise an issue
- (2) What about committees and boards
- (3) What about public relations campaigns
- vi) The Support
  - (1) What equipment will you need
    - (a) What is equipment
    - (b) What is the purpose
    - (c) What is the dollarized value
    - (d) When will you need it
    - (e) How will you maintain it
  - (2) Facility
    - (a) Do you need one
    - (b) What is the dollarized value
    - (c) How about work at home
      - (i) Your distractions
    - (d) Think 'on the cheap'
  - (3) What help will you need
    - (a) Positions
      - (i) What is the purpose
      - (ii) What is the dollarized value
      - (iii) When will you need it
      - (iv) How can you fill it
        - 1. Staff
        - 2. Services
        - 3. Contactors
        - 4. Consultants
        - 5. Temporary
- vii) The Growth
  - (1) Should you grow
  - (2) How will you grow
    - (a) Company size
    - (b) Customer base
    - (c) Volume
    - (d) Product line
    - (e) Business line
    - (f) Pricing
    - (g) Test the ideas
      - (i) Question the right people
      - (ii) Launch a trial
    - (h) Pour it on or cut it off
  - (3) Sales force
    - (a) Rainmakers
    - (b) Hire, hire, hire
    - (c) Pay steak and eat hotdogs

- (4) Outsourcing
  - (a) Workforce
  - (b) Factories
- b) Business Failure
  - i) Why do businesses fail
    - (1) Most fail due to success
      - (a) Technician minded owners
    - (2) Owner pride
      - (a) Technician minded owners
    - (3) Anti-profit sales
    - (4) 'No profit zone'
    - (5) Lack of understanding of market need
    - (6) Lack of or bad idea
    - (7) Lack of or bad plan
    - (8) Focus or mind-share
    - (9) Abandonment
    - (10) Depreciation or unplanned irrelevance
    - (11) 'Outside the box' competitor
  - ii) How to prevent failure
    - (1) Honesty
    - (2) Planning for failure
      - (a) Low or no debt
    - (3) Early correction
    - (4) Change
    - (5) Selling or Closing
      - (a) Cut your loss and leave with your money
      - (b) Think stock market
      - (c) People are too scared to sell
  - iii) What if you do fail
    - (1) It is over when you say it is
    - (2) Sell anything that is worth anything and everything is worth something
    - (3) Know why you failed
    - (4) Do not be afraid to try again
      - (a) Think how long it took you to walk
- c) Purpose of starting a business
  - i) To support a lifestyle
    - (1) What do you need
    - (2) What do you want
    - (3) What will blow your expectations through the roof
  - ii) To be sold
    - (1) Do you need money from the business
    - (2) When to sell
      - (a) What do you need
      - (b) What do you want
      - (c) What will blow your expectations through the roof
    - (3) Increasing Value

- (a) Business Process
- (b) Trademarks
- (c) Patents
- (d) Customer Base
- (e) Brands
- (f) Contracts
- (g) Value Chain Position
- (h) Assets

10) Business Process

- a) Documentation
- b) Organization
- c) Vision
- d) Standards
- e) Standard operating procedures for everything

11) Business Maturity

- a) Stages of maturity
  - i) Infant
    - (1) Owner only
    - (2) No documentation or processes
    - (3) Owner is the business
    - (4) Work sits if owner is busy or not in
    - (5) Will not live on
    - (6) Sick or vacation time is no profit time
    - (7) Frustration
    - (8) Sold via hiring the owner
  - ii) Immature
    - (1) Owner plus help
    - (2) No documentation or processes
    - (3) Owner always involved
    - (4) Help sits if owner is busy or not in
    - (5) Sick or vacation time is no profit time
    - (6) Will not live on
    - (7) Dangerous for help
    - (8) Frustration
    - (9) Can be sold for value of equipment
  - iii) Mature
    - (1) Owner of an organization
    - (2) Documentation and processes
    - (3) Business runs without owner
    - (4) Branding
    - (5) Vision
    - (6) Identity
    - (7) Lives on
    - (8) Often can be sold for good money