

Business  
The Business



# How You Can Profit from E-Business

An Introductory Handbook

innovationpei



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# E-business success story

## Introduction

E-business is the use of Internet technology to facilitate doing business. This handbook demonstrates that not all e-business activities have to be complex or costly to achieve benefits. Small businesses that are new to the world of e-business will find information and tools that will help them get started. E-business success stories are highlighted throughout the handbook and a glossary of common Internet terms is provided.

This handbook will help you answer the following questions:

- What is e-business?
- Is e-business right for my business?
- Am I ready to adopt e-business?
- What are the advantages of investing in e-business?
- What are the costs of doing e-business?
- How can I access other business information (i.e. products and services)?
- How do I find and work with e-business service providers?
- How can I overcome challenges in establishing e-business?
- How can I minimize risks with respect to privacy, security and legal issues?
- How do I establish my own website?
- How can I establish online ordering on my website?
- How can I integrate e-commerce solutions into my business?

You may wish to progress through the handbook using the “Table of Contents” topics as a guide.

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# I. Defining E-Business

## What is e-business?

Electronic business (or e-business) is more than having a website. It is using Internet technology to facilitate doing business. Sometimes the term e-commerce is used interchangeably with e-business. For the purpose of this handbook, e-commerce refers to the process of buying and selling online, while e-business is a broader term used to describe a range of electronic activities.

## Why should I care about e-business?

E-business can:

- Enhance services and access to customers beyond the local market.
- Cost-effectively market your business.
- Organize your business processes (e.g. through the use of administrative software programs).
- Give you quick access to a network of businesses.
- Allow you to compare products and prices to find good deals.
- Strengthen your competitive advantage.
- Lower the costs associated with business transactions.
- Allow your business to keep pace with your competitors. Many businesses are using some form of e-business.
- Enhance your visibility and accessibility for your customers and suppliers.
- Allow you to communicate or conduct transactions without being in the same location.

## E-business success stories

Throughout this handbook, you will find a series of e-business success stories. The success stories demonstrate the benefits to be derived from e-business, including e-business solutions that are neither complex nor costly.

## Companies use e-business to...

- Communicate internally.
- Organize their business.
- Market their business.
- Find business information.
- Buy and sell products and services for customers or distributors online.
- Schedule shipments.
- Bank online.
- Access government programs and services.

## Fast Facts: Can you afford to overlook them?

- Statistics indicate a growing trend towards e-business.
- The majority of Canadians and Islanders use the Internet.
- Of those Canadians using the Internet, many use it to find information about products and services. Over half use it for online shopping.
- The vast majority of all firms in Canada have Internet access.
- About one-third of small firms and a large majority of medium-sized firms have a website presence.
- Over one-third of small firms and the majority of medium-sized firms purchase online.
- About ten percent of small and medium-sized firms sell their products and services online.
- Canada is one of the most Internet-connected countries in the world, but the small business sector lags behind the U.S. in e-business adoption.

Fast Facts Source: Industry Canada

## Types of e-business

There are three general categories of e-business as described below:

| <b>Business to Consumer<br/>(B2C)</b>   | <b>Business to Business<br/>(B2B)</b>   | <b>Business to Government<br/>(B2G)</b>   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• B2C involves the online sales of goods, services and provision of information directly to consumers.</li> <li>• B2C can be the main business activity, (also referred to as pure play) or can supplement an existing business.</li> </ul>          | <ul style="list-style-type: none"> <li>• B2B refers to the online exchange of products, services, or information between businesses.</li> <li>• This type of e-business is growing at a rapid rate. The volume of B2B transactions is higher than B2C transactions.</li> </ul>      | <ul style="list-style-type: none"> <li>• B2G involves the exchange of products, services or information over the Internet between businesses and government.</li> <li>• All levels of government are moving towards providing online services and programs to small businesses.</li> </ul>    |
| <p>Examples of B2C:</p> <ul style="list-style-type: none"> <li>• A business targets its website to consumers.</li> <li>• A business sends e-mails to its customers alerting them about upcoming sales.</li> <li>• A business sells its products or services to consumers online.</li> </ul> | <p>Examples of B2B:</p> <ul style="list-style-type: none"> <li>• A business chooses suppliers using the Internet.</li> <li>• A business auctions off excess inventory using an online auction site.</li> <li>• A supplier sells its products to other businesses online.</li> </ul> | <p>Examples of B2G:</p> <ul style="list-style-type: none"> <li>• A business pays government licensing fees online.</li> <li>• A business accesses government forms online.</li> <li>• A business searches a government website for information about public programs and services.</li> </ul> |

## E-business success story



The following success story demonstrates the benefits that can be derived from e-business.



[www.villagepottery.ca](http://www.villagepottery.ca)

Introducing P.E.I.'s longest running pottery shop. Daphne Large established this quaint and charming pottery shop in 1973. She discovered a heritage building in New London, which had once been a general store, and opened up Village Pottery. In 1994, the building was moved down the road and full pottery studio was built onto the original shop. Conveniently, the Confederation Bridge connecting P.E.I. to New Brunswick was built, creating more traffic to pass through the tourist community. Keeping with the general store theme, Daphne housed an array of products. In addition to her handmade pottery, she sold books, knitted items, wooden toys, and artwork to name a few. A very unique aspect of the Village Pottery gallery is that the potter's wheel has always been located front and centre, giving customers and visitors alike the chance to watch a potter create the products for sale.

In 2010, Daphne took her pottery business to the next "wheel", the online kind. She felt an online presence was necessary, so as to cater to existing customers, inform 'yet-to-be' customers what the company has to offer, and create a portal for fellow artisans to showcase their work, to name a few. The "e-store" allows a customer to purchase pottery, jewellery and artwork from the comforts of home, create wedding registries, and even reserve a classic Island farm house to vacation at when travelling to P.E.I.

Social media such as Twitter and Facebook have also played an integral role in increasing the company's online presence. Frequent updates keep followers in tune with activities and events the company is involved in, as well as, offers chances to win free merchandise and coupons.

Since the inception of these various services available by the click of a mouse, Daphne indicates it has helped increase sales, attract new (and often younger) customers, and allows for ease of access for customers to purchase her products from anywhere in the world. She, however, maintains traffic to the gallery by offering only some of her inventory on the e-store, and the rest are specific pieces, only to be viewed at the gallery itself.

## 2. Assessing Relevancy and Readiness for E-Business

### Is e-business right for my business?

E-business has applications for many types of businesses and sectors. It is critical to assess whether e-business can fill a gap or need in your business.

This section will help you assess whether e-business is relevant to your business needs. It also includes a tool to help you assess your readiness for e-business.

There are three key reasons why e-business could be right for you. It can help you to:

- A. Organize your internal business and communication processes.
- B. Market your business to existing and potential customers.
- C. Facilitate interactions with other businesses.

The following assessment checklists are organized according to these three key needs.

### Using e-business to organize internal business and communication processes

A good understanding of your business needs will facilitate your assessment of whether e-business is right for you. In this section you can assess whether e-business can help you organize your business and communication processes. Note that even small companies can have internal communication challenges.

#### Checklist: Using e-business for internal communication processes

To help you assess your e-business needs with respect to internal communication processes, indicate whether you **agree** or **disagree** with the following statements.

| Using e-business for internal communication processes   | Agree                    | Disagree                 |
|---|--------------------------|--------------------------|
| <b>Does my business need to establish an e-mail account?</b>  |                          |                          |
| 1. I would like to communicate more efficiently with my staff, customers or suppliers.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Employees, customers or suppliers have indicated that they would like to use e-mail to communicate with others.  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Does my business need to establish a computer network (within the company)?</b>  |                          |                          |
| 3. I would like staff to be able to work on shared files with a central location for the most recent file.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Employees have indicated that they would like to share information and ideas more easily.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Employees often collaborate on projects or tasks.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. A computer network would help me save costs associated with purchasing new software (i.e. a business could purchase one copy of the software application with enough user licenses, instead of multiple copies). | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. A computer network would help me save costs associated with purchasing equipment (e.g. printers).  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. I would like my employees to be able to share equipment (e.g. printers, e-mail systems, modems, facsimile machines and data storage devices).  | <input type="checkbox"/> | <input type="checkbox"/> |

cont'd

| <b>Does my business need to set up an Intranet? (i.e. a website directed to employees)</b>  |                          |                          |
|---|--------------------------|--------------------------|
| 9. I would like documents and forms to be readily accessible to employees.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. I would like a convenient way of posting information for employees (e.g. weekly reports, company goals, messages, human resource information, policies, safety guidelines, etc.). | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. My company often e-mails multiple versions of the same document or presentation to employees.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Employees need quick and efficient access to information.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. I would like employees to quickly and easily complete forms (e.g. vacation requests, timesheets, purchasing orders).  | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Employees often experience difficulties finding documents, files, forms, or reports.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Employees frequently request similar types of information.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Information or knowledge sharing within the company is a critical part of doing business.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Information available through traditional channels is not reaching all employees.   | <input type="checkbox"/> | <input type="checkbox"/> |

If you agree with statements **1 or 2** consider whether you are ready to establish an e-mail account. If you agree with any of the statements from **3 to 8**, consider whether you are ready to establish a computer network within your company. If you agree with any of the statements from **9 to 17**, consider whether you are ready to set up an Intranet.

### **Checklist: Using e-business to organize business processes**

Please indicate whether you agree or disagree with the following statements pertaining to your business processes.

| <b>Using e-business to organize business processes</b>   | <b>Agree</b>             | <b>Disagree</b>          | <b>NA*</b>               |
|--|--------------------------|--------------------------|--------------------------|
| 1. I would like to make my accounting and bookkeeping practices more efficient.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. I would like to make my tax filing processes more efficient.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. My business frequently updates sales information using both an online system and a manual system.                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. My company is doing a lot of extra work to make sure its regular business systems and operations are consistent with its online system. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. It is difficult to keep track of both phone and online orders.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Online sales are an increasingly important part of my business.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. My business is experiencing problems tracking shipments.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Customers or suppliers complain that they are receiving their online orders late.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. My invoicing systems (online and offline) are creating accounting and inventory problems.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. I would like to streamline customer interactions.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*NA – Not Applicable

If you agree with either statement **1 or 2** you may want to consider whether you are ready to use e-business accounting, financial management and tax software programs. There are a number of existing software applications that can help with these tasks.

If you are already doing e-commerce and you agree with any of the statements from **3 to 10** you might want to consider strategies for integrating your business operations and web-based systems.

### Using e-business to market your company to customers

You can market your business through your own website presence or by advertising on other websites. This section will help you assess whether a website presence is right for your business.

#### Checklist: Establishing a website presence for customers

Indicate whether you agree or disagree with the following statements.

| Establishing a website presence for customers   | Agree                    | Disagree                 |
|---|--------------------------|--------------------------|
| 1. I would like to expand my business beyond the local market.                          | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. My competitors have websites.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. A website may provide me with a competitive advantage over my competitors.           | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. My customers ask if I have a website.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. My customers regularly ask me for information about my business.                     | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. I want to provide information about my business and products in an efficient manner. | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. I am looking for new marketing strategies.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. I want to enhance customer service.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. I want to enhance my business' credibility to potential customers.                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. I want my business contact information to be more accessible.                       | <input type="checkbox"/> | <input type="checkbox"/> |

If you agree with any of the above statements you should consider whether your business is ready to establish a website presence.

#### Checklist: Selling online to customers

You can start with a simple information-based website to assess your marketplace before deciding whether you should invest in a more complex website for your customers.

You can use the table below to quickly assess more advanced website needs.

| Selling online to customers                                    | Agree                    | Disagree                 |
|--|--------------------------|--------------------------|
| 1. My current customers want to order and purchase online.     | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Potential customers may be interested in purchasing online. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. I want to increase my sales beyond the local market.        | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. My competitors have websites with e-commerce capabilities.  | <input type="checkbox"/> | <input type="checkbox"/> |

If you agree with any of the above statements you should consider whether you are ready to adopt an e-commerce solution for your customers.

## Using e-business for business-to-business needs

E-business can be used to facilitate your dealings with other businesses through increased access to business information, products and services. This, in turn, has the potential to reduce procurement costs.

### Checklist: Using e-business to buy online from my suppliers

Indicate whether you agree or disagree with the following statements.

| Using e-business to buy online from my suppliers  | Agree                    | Disagree                 |
|---|--------------------------|--------------------------|
| 1. My suppliers have websites with e-commerce capabilities.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Other similar businesses are active in e-commerce.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. There are e-business marketplaces (i.e. e-commerce websites hosted by businesses or industries), which would reduce my purchasing costs. | <input type="checkbox"/> | <input type="checkbox"/> |

If you agree with any of the above statements, then you should consider whether you are ready to buy online from your suppliers.

### Am I ready for e-business?

The following table can be used to help you decide if you are ready for e-business.

| E-Business Readiness Considerations   | Comments or Status |
|---|--------------------|
| <b>Assess your company</b>  |                    |
| <input type="checkbox"/> Look at your customers and potential customers. <ul style="list-style-type: none"> <li>• Are your customers comfortable with the Internet?</li> <li>• Are your customers asking if you have a website?</li> <li>• Can you attract new customers through e-business?</li> <li>• What is the potential market for your products and services?</li> </ul> <input type="checkbox"/> Look at your suppliers. <ul style="list-style-type: none"> <li>• Do your suppliers have websites? Are your suppliers asking if you have a website?</li> </ul> <input type="checkbox"/> Look at your products or services. <ul style="list-style-type: none"> <li>• How easy would it be to describe your products or services on the Internet?</li> <li>• How easy would it be to advertise your products and services online?</li> <li>• Could you sell your products or services on the Internet?</li> </ul> |                    |
| <b>Assess different e-business options</b>  |                    |
| <input type="checkbox"/> Assess what you know about e-business. <ul style="list-style-type: none"> <li>• Do you understand the different types of options available to you?</li> </ul> <input type="checkbox"/> Consult with your local business community about e-business. <input type="checkbox"/> Look at e-business options typically used by similar businesses. You may want to consult with a business or industry association representative. <input type="checkbox"/> Look at websites of small businesses to see what e-business options they have used. <input type="checkbox"/> Assess the pricing models and costs of various e-business options.   |                    |

cont'd

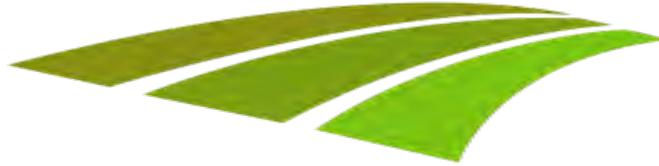
| E-Business Readiness Considerations  | Comments or Status |
|--|--------------------|
| <b>Assess your competition</b>   |                    |
| <input type="checkbox"/> Go to your competitors' websites.<br><input type="checkbox"/> Consider how your website could provide you with a competitive advantage over your competitors.   |                    |
| <b>Assess how e-business could improve your business</b>   |                    |
| <input type="checkbox"/> Consider what you want e-business to do for your business – (e.g. expand your company beyond the local market, increase efficiencies, reduce costs, provide better customer service, facilitate business dealings with other businesses, advertise your products, etc.).<br><input type="checkbox"/> Weigh the potential benefits with the costs of suitable e-business options.<br><input type="checkbox"/> Decide on an e-business option or set of options. Consider starting in small steps with a flexible solution that can be built upon as you go.  |                    |
| <b>Adopting E-business</b>   |                    |
| <input type="checkbox"/> Do you have Internet access?<br><input type="checkbox"/> Do you have an e-mail account and a domain name?<br><input type="checkbox"/> If you are considering an e-commerce solution, consider delivery methods, shipping costs and scheduling.<br><input type="checkbox"/> If you are trying to attract customers beyond your local market area consider export requirements such as permits, insurance and tariffs.<br><input type="checkbox"/> Consider your marketing strategies for attracting people to your website.<br><input type="checkbox"/> Evaluate whether you and your staff have enough knowledge to adopt your e-business solution. <ul style="list-style-type: none"> <li>• Does your staff require additional training?</li> <li>• Do you have enough staff?</li> </ul> <input type="checkbox"/> Assess whether you have the right equipment (i.e. computer hardware and software) in place.<br><input type="checkbox"/> Consider privacy and security issues. <ul style="list-style-type: none"> <li>• Do you have a system in place to back-up your information and protect you from computer viruses?</li> </ul> |                    |

## E-business success story



The following success story features a company engaged in B2B

**REAL POTATOES** Ltd



[www.realpotatoes.com](http://www.realpotatoes.com)

Real Potatoes Ltd. is a potato variety development and export company, built on experience gained through years of successful domestic and international seed production and potato variety development. Real Potatoes Ltd. was founded in September 2007 by Don Northcott and Gerard Basten whom had worked in the agriculture industry for some time.

Fortunately, a business intelligence software salesman knocked on the company's door one day attempting to make a sale. The founders made an "intelligent business" decision and asked Steve McFeeters, to join the Real Potatoes Ltd. team. He then created a management system, called Potato Business Manager (PBM), for Real Potatoes that would add more functionality to its business processes.

PBM allows the company to generate quotes, purchase orders, invoices, and shipping labels just to name a few. It is also linked to the currency exchange tables, which ensures proper pricing for foreign market sales. The software also links directly to the company's accounting system, therefore, ensuring accurate accounting records and historical data.

The PBM software has enabled Real Potatoes Ltd. to create a more professional and identifiable image, as all reports, invoices, purchase orders, etc. have the same layout and design. As emerging markets in countries across the world are the company's future customers, marketing is crucial to its continued success in seed production exporting. The decrease in processing time to close deals, and accessibility to information offsite for management, has proved to be one of the many benefits created by this tool. It has improved productivity, sales and profitability without having to increase overhead costs - which is the ultimate goal of every small and medium size business.

## 3. Investing in E-business

### What are the top ten reasons to invest in e-business?

10. **It can make business processes more efficient.** It can help improve the speed and accuracy of transactions. For example, an online ordering system can eliminate or reduce manual paper work and telephone order taking.
9. **It can reduce costs.** E-business can reduce costs by decreasing the time it takes to complete business processes. Invoices can be processed quickly and accurately. Studies show that an automated system can save two-thirds of the costs involved in manually processing a customer order.

"Technology provides smaller businesses with the same opportunities to capitalize as large corporations by simplifying or automating processes, delivering instant, insightful access to vital information, and enabling quick and efficient communication and interaction among customers, partners and suppliers. Small businesses have fewer people and resources, and I believe technology levels the proverbial playing field."

Source: Joanna Rustin, *Getting Down to Business*, Small Business Technology Magazine, May 30, 2005.

Surveys of small business owners show that 67% gained new customers as a result of their websites.

Source: *E-Biz: Strategies for Small Business Success*, SBA, Office for Advocacy, October 2002.

8. **It allows small businesses to compete with larger businesses.** From the vantage point of the customer, a professional web presence can make your business comparable to larger competitors and enhance the credibility of your business.

7. **It enables quick and widespread distribution of information.** By using a website that can be easily updated, you will be able to quickly supply customers with current information. For example, you can change your products and prices more quickly and efficiently on the Web compared to a print-based catalogue.

6. **It enhances customer service.** The Internet allows you to give customers more choices while offering them quick and easy access to information about your business. E-mail and Frequently Asked Questions (FAQs) are two examples of simple, cost-effective tools that can improve your customer relations. Plus, the Internet allows you to service clients 24/7!

5. **It can help you reach new markets.** People are increasingly using the Internet to find information and to conduct transactions. Depending on your goals, the Internet can help you target new customers, including customers beyond your local market. Even if you don't sell anything online, a website makes it easier for potential customers to find you.

4. **It enables you to improve your marketing strategies.** With the Internet, it's easier to summarize and analyze information about customers visiting and buying from your website. You can use this information to modify your promotional strategies to maximize sales.
3. **It can increase your sales.** A website can increase your sales by providing a larger market, by making it easier for customers and suppliers to look at your products and services, and by making it easier for people to buy your products.
2. **It can help you find better business deals.** You can use the Internet to find information about products, services and suppliers. It provides you with quick access to product reviews and cost comparisons.

### And the number one reason to invest in e-business:

1. **You can't afford not to.** The costs of not doing e-business include loss of customers to competitors with good websites and loss of potential revenue. There are also existing tools and software, many designed for small businesses, that offer you low-cost solutions to meet your business needs.

## What is the cost of doing e-business?

E-business can involve costs associated with website design and development, hardware and software (both capital and ongoing maintenance costs), Internet access, and security (e.g. back-up in case of data loss, protection from unauthorized access to information, virus protection).

You should familiarize yourself with features and services that are associated with the costs. With respect to website design and web hosting – you shouldn't pay for more features than you need or will likely need in the near future! For example, if you have a basic information website to complement your regular business operations, 24-hour phone support is not necessary.

The costs of e-business services and products vary considerably. **For small business, there are many existing low-cost e-business and e-commerce alternatives that are likely to meet your needs.** The following table outlines some of the key expenditures involved in e-business. Keep in mind that these are approximate costs.

| Item                      | Description  | Approximate Cost of Doing E-Business*  |  |   |
|---------------------------|--|--|--|---|
|                           |  | Low  | Medium   | High  |
| Hardware                  | The cost of computer systems, peripherals.   | \$200/yr<br>leased<br>hardware   | \$300/yr<br>leased<br>hardware   | \$800/yr<br>leased<br>hardware<br>and software<br>package   |
| Software                  | Software includes computer instructions and data that are stored electronically. Software can be proprietary or open-source (i.e. freely available to the public).   | \$0/yr<br>open-source<br>software  | \$700/yr<br>leased soft-<br>ware   | \$800/yr<br>leased<br>hardware<br>and software<br>package   |
| Technology Maintenance    | Small operations often have an on-call technology maintenance provider who will service technology and software and correct any problems. This provider may also be available on retainer for a fixed fee.   | \$0/yr<br>assumes no<br>technical<br>problems  | \$500/yr<br>needs-based<br>support,<br>\$1,200/yr<br>technician<br>on retainer | \$1,700/yr<br>needs-based<br>support,<br>assuming<br>1 hr per<br>month of<br>work needed                  |
| Internet Service Provider | To get started, you'll need access to the Internet through an Internet service provider (ISP). These costs may vary significantly, depending on whether you use dial-up (low speed) or high-speed Internet.  | \$200/yr<br>unlimited<br>dial-up<br>Internet   | \$800/yr<br>high-speed<br>Internet   | \$1,200/yr<br>high-speed<br>Internet  |
| Website Development       | You can create a simple, information-based, website for free using any of the numerous templates available on the Internet. However, this requires considerable time and learning on your part. Website design can be done by a freelancer or by a design firm. Additionally, there are some web host providers that provide these services. | \$0<br>doing it<br>yourself<br>using<br>a template;<br>takes<br>considerable<br>time | \$2,500<br>one-time<br>charge;<br>basic site<br>designed by<br>freelancer      | \$5,000 & up<br>depending on<br>your needs;<br>would likely<br>include<br>content<br>management<br>system |

cont'd

| Item                          | Description   | Approximate Cost of Doing E-Business*                        |  |   |
|-------------------------------|---|--|--|---|
|                               |   | Low  | Medium   | High  |
| Online Store                  | Includes shopping cart and payment processing features on website. There are a number of existing software packages that offer low-cost e-commerce solutions. As an alternative to custom design, you can use an e-commerce solution that takes commission on sales but does not charge other fees.   | \$0 down plus commission on sales; existing templates        | \$5,000 one-time charge; custom design   | \$10,000 & up for custom design; price varies with your needs |
| Content Creation/ Development | Costs associated with scanning pictures and hiring a writer for sections of the website may be incurred. Alternatively, you can do this yourself; or you can hire a marketing agency to create all your site's content.   | \$0 does not include cost of your time                       | \$1,000 one-time charge  | \$5,000 & up depending on your needs                          |
| Website Maintenance           | Annual maintenance of your site will be about 20% of the initial investment. Alternatively, you can use an e-commerce solution, which is maintained for you, or you can update the content yourself. Updating the content yourself is made easy by the use of a content management system. Website maintenance and updates contracts vary depending on the number of hours and the level of updates you need. | \$0/yr in-house updating. Does not include cost of your time | \$700/yr part of service agreement; Prices vary depending on complexity of updates | \$1,000/yr more complex updates                               |
| Domain Name Registration      | One domain name may only cost \$15/year, but you may choose to register several to protect your name or brand. Registration for domain names needs to be renewed based on scheduled intervals.  | \$0 with certain hosting solutions                           | \$30/yr  | \$60/yr more than one domain name                             |
| Web Hosting                   | A host provides your website with a place on the Internet. As an alternative to purchasing a Web hosting package, you can use an e-commerce solution, which will host your website for free.  | \$0/yr with some e-commerce packages                         | \$100/yr   | \$300/yr and up   |

\*These are approximate costs based on best estimates.

## 4. Finding Business Information Online

This section provides guidance on finding business information (i.e. information on products and services) on the Internet.

### How can I find business information on the Internet?

The Web is an effective tool for conducting market research. You can search the Web for information about products and services, suppliers, competitors and marketing ideas.

According to the Nielsen NetRatings Search Engine Ratings, some of the most popular search engines and directories include:

- [www.google.com](http://www.google.com)
- [www.yahoo.com](http://www.yahoo.com)
- [www.ask.com](http://www.ask.com)
- [www.msn.com](http://www.msn.com)

There are also search services (called meta-search engines) that will search through a number of search engines. According to [www.searchenginewatch.com](http://www.searchenginewatch.com), some of the top meta-search engines include:

- [www.metacrawler.com](http://www.metacrawler.com)
- [http://vivisimo.com](http://http://vivisimo.com)
- [www.dogpile.com](http://www.dogpile.com)

**Search Engine:** a program that searches documents on the Web for specific keywords.

**Keyword:** a word that best relates to the document or website you are looking for. It can be related to a subject area, a person's name, a company's name, etc.

**URL (Uniform Resource Locator):** a website address.

The search engines don't usually result in the same search results, so you may need to use more than one search engine to find the business information you are looking for.

### How to find business information online

The following table outlines some basic tips for helping you find business information.

| Search Guide: Steps for Finding Business Information Online |   |
|---|---|
| 1.  | Determine what kind of information you need (Product information? Supplier information? Information about competitors? Information about e-business service providers?)   |
| 2.  | If you need information about a supplier or a company, you can go to a general search engine and type in the name of the company. Search results should direct you to that company's website.   |
| 3.  | If you have the domain name you can type this directly into the Navigation area at the top of your browser (located at the top of your webpage).  |
| 4.  | If you need information about a general topic, product or service, you can search online by using keywords or phrases that describe what you are looking for. Encyclopaedias, phone directories, yellow pages, newspapers, magazines and libraries can be found online.   |
| 5.  | If you need more detailed product or service review information, you can use a search engine and type in the product name adding the keyword "review". Example: "review running shoes". Many online magazines and newspapers also provide online content that can help you find industry specific expert knowledge. |
| 6.  | A search should yield a number of search results. If you are likely to use the search results again, save the search results by bookmarking them (Click on 'Add to Favourites').  |
| 7.  | If you cannot find what you are looking for, consider changing the keywords and trying again.   |
| 8.  | If you still cannot find what you are looking for, consider trying another search engine or ask a question on one of the specialized discussion forums on the Internet. Chances are, people will have the same questions you do and can help you.   |

## Finding products and services for your business

There are a number of benefits to finding products and services online. It can help you to quickly identify products and services that meet your needs. It allows you to comparison shop more efficiently and to figure out the best prices.

**Business Portals:** Websites that bring buyers and sellers together. Some of these websites match buyers and sellers, while other websites auction off products and services.

Many business products are described on [www.wikipedia.org](http://www.wikipedia.org) (online free content encyclopaedia).

Many suppliers, large and small, have websites with information about their products. They may also be set up for electronic purchasing transactions. **Business portals**, on the other hand, give you access to a wide range of businesses on one website, decreasing the need to search each company website.

### Key Online Sources for Business Information

The key online sources for finding product and service information are:

- **Supplier Websites.** Company websites typically provide information about their products, services and prices. The websites also provide information about the company. Some websites also have e-commerce options, allowing you to buy the products online. If you don't know the names of the companies, you can use search engines (use keywords to describe the product or service) or you can ask other businesses about suppliers they use.
- **Product Directories.** Directories are a type of business portal. The term is sometimes used interchangeably with e-marketplaces. They can connect you to various businesses and types of products. These sites can be linked to detailed information (online catalogues) about the product including photos, specifications and prices. There are catalogues for specific industries and regions. These are best found by using a search engine and searching for the specific industry, for example "steel industry product directory". There are also product directories that can connect you to other businesses on the Web. The product directory website [www.ontario-directory.com](http://www.ontario-directory.com) is one of the few comprehensive product directories targeted to Ontario businesses. The following product directory websites have been cited as popular product directory websites as rated by Alexa Traffic Rank ([www.Alexa.com](http://www.Alexa.com)).
  - [www.made-in-china.com](http://www.made-in-china.com)
  - [www.tradekey.com](http://www.tradekey.com)
  - [www.ttnet.net](http://www.ttnet.net)
  - [www.tdctrade.com](http://www.tdctrade.com)
  - [www.exporters.sg](http://www.exporters.sg)
- **Auction Websites.** Most auction sites act as hosts for other businesses or individuals. The host organizes the site. They provide product information, display the product and process payments online. A fee is charged to list the product or service. The processes for buying and selling vary across auction sites, so make sure you familiarize yourself with these techniques by visiting these websites. Some auction sites have a feedback system allowing buyers to rate products or services. The following auction websites have been cited as some of the best auction websites (Source: Index of the web.com – [www.indexoftheweb.com/Shopping/Auctions.htm](http://www.indexoftheweb.com/Shopping/Auctions.htm)).
  - [www.uBid.com](http://www.uBid.com)
  - [www.eBay.com](http://www.eBay.com)
  - [www.alibaba.com](http://www.alibaba.com)

- **Review Sites.** These are sites on which people post reviews for products and services. According to the Wikipedia website ([www.wikipedia.org](http://www.wikipedia.org)), product review sites such as [www.epinions.com](http://www.epinions.com) and [www.productsifter.com](http://www.productsifter.com) give reviews of consumer products (e.g. electronics, appliances, books, etc.) There are also service provider reviews, which review professionals such as lawyers and accountants. Additionally, sites such as [www.canadianisp.com](http://www.canadianisp.com), [www.reviewcentre.com](http://www.reviewcentre.com), [www.internetservicelist.com](http://www.internetservicelist.com) and [www.dslreports.com](http://www.dslreports.com) provide reviews of Internet service providers. A word of caution: because many reviews are anonymous, they can often be advertisements by the company itself.

The following tips will provide some guidelines for finding credible suppliers.

| <b>Tips for Finding Credible Suppliers Online</b> |  |
|---|--|
| 1.  | A credible supplier will usually have a website.   |
| 2.  | Check to see if the website has a section that allows you to provide feedback on the product or service.   |
| 3.  | If you are buying through an auction platform, the reputation of the seller will be shown on the site itself. Check to see if the website has a review process in place to protect against fraudulent businesses.  |
| 4.  | The supplier may have been reviewed on a review site. You can use a search engine to find out as much as you can about the supplier. A search for the name of the company or product will usually result in a large amount of information including feedback from consumers of that product. |
| 5.  | You can go to the Better Business Bureau website ( <a href="http://www.bbb.org">www.bbb.org</a> ) to check if there have been any registered complaints against the supplier.  |
| 6.  | If you are thinking of purchasing online, check to see if the financial transaction process has the appropriate security features to protect data (features such as encryption and Secure Electronic Transactions or SET).   |
| 7.  | A supplier that responds to customer problems and has published information about this on their website makes a good impression.   |

## 5. Addressing E-Business Challenges

### How can I overcome challenges to adopting e-business?

The following table highlights some of the common challenges to adopting e-business. This section does not discuss privacy, legal and security challenges. These challenges are outlined in the next section.

| E-Biz Challenges   | Possible Solutions   |
|--|--|
| I don't have the time.   | <ul style="list-style-type: none"> <li><input type="checkbox"/> Plan your project in small, achievable milestones.</li> <li><input type="checkbox"/> Consider whether you can implement some aspects of e-business or whether you require a more integrated strategy.</li> <li><input type="checkbox"/> Consider that initial start-up time will be greater, but time challenges will lessen once e-business is implemented.</li> <li><input type="checkbox"/> Consider outsourcing.</li> <li><input type="checkbox"/> Investigate whether there are existing tools or software that will save you time.</li> </ul>  |
| I don't have the money.  | <ul style="list-style-type: none"> <li><input type="checkbox"/> Consider the costs of not doing e-business.</li> <li><input type="checkbox"/> Weigh the costs with the potential benefits.</li> <li><input type="checkbox"/> Investigate the costs of doing e-business (see approximate prices in Chapter 3 of this handbook). E-business may not be as expensive as you think.</li> <li><input type="checkbox"/> Consider costs of simpler solutions.</li> <li><input type="checkbox"/> Prepare an e-business plan to obtain funding.</li> <li><input type="checkbox"/> Identify specific needs.</li> <li><input type="checkbox"/> Consider whether low-cost solutions are right for your business.</li> <li><input type="checkbox"/> Consider that e-business strategies can begin with small investments and can be implemented using a phased approach.</li> </ul> |
| I don't feel comfortable with computers. I don't know enough about the Internet. | <ul style="list-style-type: none"> <li><input type="checkbox"/> Familiarize yourself with key concepts and terms.</li> <li><input type="checkbox"/> Consider whether you can build your capacity and knowledge with the aid of a third party or by networking with other local businesses and agencies.</li> <li><input type="checkbox"/> Consider taking a course offered by a local library or community college, or check with the local Chamber of Commerce or Board of Trade for possible seminars and training opportunities.</li> </ul>   |
| It's not important to my business.   | <ul style="list-style-type: none"> <li><input type="checkbox"/> Check out what your competitors are doing. Take a look at their websites.</li> <li><input type="checkbox"/> Check out whether suppliers are actively using the Internet.</li> <li><input type="checkbox"/> Consult with local business advisors to understand the potential benefits of e-business.</li> <li><input type="checkbox"/> Consider whether customer readiness for e-business is high.</li> <li><input type="checkbox"/> Build your knowledge of e-business.</li> </ul>   |

cont'd

| E-Biz Challenges  | Possible Solutions   |
|---|--|
| E-business doesn't apply to my business.                                      | <ul style="list-style-type: none"> <li><input type="checkbox"/> Consider that e-business applies to a variety of sectors and businesses.</li> <li><input type="checkbox"/> Review the relevancy checklist contained in Chapter 2 of this handbook.</li> </ul>  |
| I'm not ready to implement e-business. I don't have a complete plan in place. | <ul style="list-style-type: none"> <li><input type="checkbox"/> If you are considering simpler solutions to e-business it may not be necessary to have a complete strategy in place.</li> <li><input type="checkbox"/> Consider implementing e-business on a project-by-project basis.</li> <li><input type="checkbox"/> For more complex e-business solutions that require larger investments, you should have a comprehensive e-business strategy.</li> </ul>  |
| Managers and employees need help 'buying-in' to the concept of e-business.    | <ul style="list-style-type: none"> <li><input type="checkbox"/> Communicate the benefits of e-business.</li> <li><input type="checkbox"/> Assess the impact of e-business on your organization (e.g. changes in staffing, skill sets, communication). Determine whether training or incentives (or both) are needed. Do you need to recruit new people with specialized skills?</li> <li><input type="checkbox"/> Provide incentives to change behaviour.</li> <li><input type="checkbox"/> Distribute examples and case studies highlighting effective e-business examples (you will find such examples in this handbook).</li> <li><input type="checkbox"/> Where appropriate, present a business case for investing in e-business, particularly if you are considering a more costly e-business venture. The business case includes the reasons for e-business, expected benefits, options considered, expected costs of the project, estimated costs of not implementing e-business (e.g. loss of competitive advantage), and expected risk.</li> <li><input type="checkbox"/> Have employees take a course offered by your local business development agency or community college.</li> </ul> |

“One of the biggest challenges that most companies face in trying to implement e-business is that the number of offerings and choices in the market is overwhelming... The most important thing is to keep it as simple as possible and make the solution scalable [adaptable to changes] so that you can add to a good foundation as time and resources permit.”

Source: E-Business Means Better Business Now. Canadian Business Magazine, November 2001

## 6. Protecting Your Business — Privacy, Security and Legal Issues

### How can I minimize privacy and security risks?

**E-business service providers** generally provide a number of security safeguards to help protect information. You need to be aware of these features. Examples of typical security features and services include:

- Anti-virus installation and support.
- Firewall installation and support. (Note that a firewall separates one part of a network from another).
- Hardening servers and computers (ensuring that system and computer settings are set at appropriate security levels).
- Detecting spam or intrusions.
- Service Level Agreement that identifies how quickly the service provider will respond to security problems and the types and level of follow-up support.
- Encryption. Sensitive information should be encrypted or coded to protect it.

Security and privacy are very important considerations for e-business. It is critical that safeguards are in place to enhance protection of personal customer information and sensitive business information.

Some common security threats include:

- Spam – unsolicited e-mail messages.
- Viruses – programs that are designed to multiply and harm other programs on your computer.
- Phishing – an e-mail message is sent that looks like it comes from an official source but links in the message go to a phony site where you may disclose personal information.
- Theft of computers or information (or both).

Ensure that you and your service providers are following these guidelines:

| Checklist: Minimizing Security Risks  | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Have you checked to see what security safeguards are included in your Service Level Agreement with your ISP, Web Host, Web Developer (and other e-service providers)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have firewall installation and support to prevent unauthorized access to the computer and server?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you use spam filters?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you careful to open e-mails (and attachments) only from known sources?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you regularly back up important data? Do you regularly test your back-up system?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Do your business computers have passwords to protect against unauthorized access?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have an anti-virus program installed on your computer(s)? Is this kept up to date?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you regularly back-up your software?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have a security policy in place?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you adequately protect your laptops and computer(s) from theft?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you use the Internet safely? (e.g. browse trusted sites)   | <input type="checkbox"/> | <input type="checkbox"/> |

## Security Policy

You should have a security policy that details how personal information and critical business information will be protected. It should describe how data will be collected and used.

## Privacy

By law, your customer's privacy must be protected. For example, if you contact your customers on a regular basis (through an e-newsletter for example) you should give them the option to opt-out from receiving this correspondence.

## PIPEDA

The *Personal Information Protection and Electronic Documents Act (PIPEDA)*. PIPEDA applies to the private sector and it means that you must have consent to collect, use or disclose information. PIPEDA is based on balancing an individual's right to the privacy of personal information with the need of organizations to collect, use or disclose personal information for legitimate business purposes. If you collect, use or disclose personal information in the course of your commercial activities, this Government of Canada Act applies to your business.

Under PIPEDA, personal information must be:

- Collected for identifiable purposes and with consent.
- Used and disclosed for the limited purpose for which it was collected.
- Accurate.
- Accessible for inspection and correction.
- Safeguarded.

## What are the key legal issues?

### I. Intellectual Property

Intellectual Property (IP) is an area of law that protects ideas. With respect to the Internet there are generally four areas of Intellectual Property: Copyright, Trademarks, Domain Names, and Patents. This handbook will briefly describe the first three areas.

### Copyright

Copyright is the right to make a copy and applies to pictures and written materials on your website. In Canada, people who create original works automatically have copyright protection over their work. It can also relate to computer codes used to create computer programs.

If you are setting up a simple website that provides information about your business then one of your primary considerations is Intellectual Property.

| Checklist: Intellectual Property Considerations – Copyright   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Do you have the right to use all the materials (including text and images) on your website?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you obtained permission for the use of any copyright material (including information found on the Web)?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have an agreement with your web developer with respect to copyright? Your web developer may have copyright over the material (information and images). If you want to own the copyright to the work contained on your website, you will need to have a written agreement that transfers the copyrights to you. | <input type="checkbox"/> | <input type="checkbox"/> |

## Trademarks

Trademarks are names or marks that are associated with your products and services. While trademark rights are acquired by use, registering your trademark with the Canadian Intellectual Property Office (CIPO) will enhance your rights.

If you have a unique name for your business or product you should seek advice from an experienced trademark lawyer.

## Domain Names

Domain names should be carefully selected so that you do not violate the trademark of another business. Consult a lawyer if you think you might be infringing on another company's trademark. **Your domain name should not include the name of another company or product.**

## 2. Jurisdiction

Your business is subject to the laws of any jurisdiction in which you seek to sell your products or services.

The rules for forming a contract can vary from one jurisdiction to another, and there may be special rules for online contracts. It is important to consider those requirements when deciding where to do business online and with whom.

In P.E.I., the *Electronic Commerce Act* details some rules pertaining to the forming of contracts online.

Electronic Commerce Act: [www.gov.pe.ca/law/statutes/pdf/e-04\\_1.pdf](http://www.gov.pe.ca/law/statutes/pdf/e-04_1.pdf)

| Checklist: Jurisdiction Considerations   | Yes                      | No                       |
|--|--------------------------|--------------------------|
| Does your website define the geographical area of your sales territory?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you aware of the laws in the jurisdiction where you would like to sell?<br>For example, in some jurisdictions where a credit card is used, the purchaser can deny the agreement because the credit card is not physically present at the time of the sale. This can result in more chargebacks. A chargeback occurs when the customer asks the credit card company to reverse the charges. | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you aware of the rules for forming contracts online in the jurisdiction you would like to sell?  | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you obtained appropriate accounting, tax and legal advice?  | <input type="checkbox"/> | <input type="checkbox"/> |

### 3. Consumer Protection

Most jurisdictions have legislation in place to protect consumers from unethical business practices. In P.E.I., the *Consumer Protection Act* places obligations on suppliers and outlines consumer rights in undertaking business transactions.

#### Consumer Protection Act:

[www.gov.pe.ca/law/statutes/pdf/c-19.pdf](http://www.gov.pe.ca/law/statutes/pdf/c-19.pdf)

Under the *P.E.I. Consumer Protection Act* a key supplier obligation relates to the provision of specific and clear information about products and services. If you are selling in other jurisdictions, you will need to consider their rules and laws relating to consumer protection.

### 4. Taxation

It is important that you know what taxes apply to various products and services you may be selling.

| Checklist: Taxation Considerations   | Yes                      | No                       |
|--|--------------------------|--------------------------|
| Have you obtained tax advice on which taxes apply to the product or service you are selling to ensure that you are meeting your legal obligations? | <input type="checkbox"/> | <input type="checkbox"/> |

## 7. Working with E-business Service Providers

### What groups provide e-business services?

If you've just started thinking about e-business, it will be useful to identify the types of services that are provided by external e-business service providers. Service providers usually have a specific set of skills. Make sure you understand what those skills are and how they can best meet your needs. **One service provider may provide you with more than one type of service.** For example, an Internet service provider may also have web hosting services. It is important that you understand the service provider's area of expertise to help you decide whether they are able to provide you with one or many services.

E-business service providers offer the following types of services among others:

| E-Business Service Providers  |   |
|---|---|
| What they do  | What you should look for  |
| Internet Service Provider (ISP)   |   |
| <ul style="list-style-type: none"> <li>• Connects your computer to the Internet.</li> <li>• Gives you access to browse the Web and to use e-mails.</li> </ul>   | <ul style="list-style-type: none"> <li>• A reliable Internet service.</li> <li>• A reasonably fast Internet service (the speed of the connection).</li> <li>• The services an ISP offers (e.g. dial-up or high-speed services, or both). Dial-up is slower but less costly and limits the use of certain applications and functions.</li> <li>• A Service Level Agreement that guarantees a minimum level of performance.</li> <li>• The level and type of service support provided.</li> </ul>   |
| Website Developer/Designer/Architect  |   |
| <ul style="list-style-type: none"> <li>• Designs the look and organization of the website.</li> <li>• Programs your website to make sure that it works.</li> <li>• Formats and organizes the content (Note that you may develop the content yourself or hire someone to write the content).</li> <li>• Programs any special functions that you may want on your website.</li> </ul> | <ul style="list-style-type: none"> <li>• A website that will meet your business needs (e.g. information, marketing, selling, need to regularly revise product information).</li> <li>• A website design that suits the business purpose.</li> <li>• Security measures (e.g. protection against viruses, backup procedures, payment and data protection, etc.).</li> <li>• Terms and conditions should specify payment, services and whether online support will be provided, and should include a maintenance agreement.</li> <li>• Clarification on who will maintain and update the website (could be done in-house or by an external service provider).</li> <li>• Clarification on the overall look and feel of the website, the information to be provided on the website and any other functions available to customers.</li> </ul> |

cont'd

| <b>E-Business Service Providers</b>  |   |
|--|---|
| <b>What they do</b>  | <b>What you should look for</b>   |
| <b>Web Host</b>  |   |
| <ul style="list-style-type: none"> <li>• A host provides your website with a place on the Internet (advisable to buy your host plan once your website is designed).</li> <li>• Hosting services range from simple to more complex.</li> <li>• Web host plans can offer many features.</li> <li>• There are free and paid providers offering hosting services.</li> <li>• Most web hosting companies rent web hosting space in a datacenter.</li> </ul> | <ul style="list-style-type: none"> <li>• Hosting reliability – downtime can cost you business. Consider the percentage of time the host is accessible via the Internet (referred to as uptime).</li> <li>• Consider whether disk space, bandwidth requirements and type of server software meet your website needs. Lower cost web host plans generally have smaller amounts of disk space and low bandwidth requirements. Keep in mind basic websites do not require large amounts of disk space or high bandwidth.</li> <li>• For a basic information-based website, you will not require a web hosting plan with a lot of extra features (e.g. flash animation).</li> <li>• For a paid hosting service, a Service Level Agreement clarifies the level of service that you will receive. Some Agreements include refunds or reduced costs if level of service is not met.</li> <li>• Consider whether the plan meets your needs (e.g. e-mail for business domain, type of support provided, amount of support provided, number of e-mail accounts, Web Content Management System, etc.).</li> <li>• Consider whether free web hosting services meet your needs. These are usually not suitable for more complex sites. Free web hosting services may also include advertisements. They may have reliability issues and little or no customer support.</li> <li>• Because a web host usually will have more than one web hosting plan, you will need to review all web hosting options so that you can choose the plan best suited to your needs.</li> </ul> |
| <b>Application Service Provider (ASP)</b>  |   |
| <ul style="list-style-type: none"> <li>• They provide online access to software applications for a fee.</li> <li>• The service provider fully owns and operates the software application(s).</li> <li>• They operate and maintain the servers that support the software.</li> <li>• An ASP can provide one type of service (e.g. online credit card payment processing) or a broad range of application services.</li> </ul>                           | <ul style="list-style-type: none"> <li>• Maintenance of up-to-date services.</li> <li>• Sufficient technical support.</li> <li>• Security measures in place.</li> <li>• Service Level Agreement that guarantees a certain level of service.</li> <li>• Billing that will meet your needs (“per-use” basis or on a monthly or annual fee basis).</li> <li>• The more customized the software, the more expensive it will be.</li> <li>• You may not require customization. There are many existing applications that meet the needs of a variety of small businesses.</li> <li>• Some ASPs offer low cost packaged solutions through their websites.</li> </ul>  |

## How can I find the right e-business service provider?

Finding the right service provider is critical to success. Here are some tips for helping you with this task:

### Tips for finding the right e-business service provider

- Clarify your e-business needs. Determine what services, products and skills you need.
- Ask! Ask other businesses what companies they have used. You can also ask local business associations for suggestions.
- Look at examples of the company's work. A company should be able to provide you with a number of examples and references of their work.
- Get references. Call up references to see how they rate the company and the service they received.
- Consider obtaining bids from a number of service providers to compare prices and pricing models (fixed price, by deliverable, by time spent).
- Use search engines or directories on the Internet to find service providers. If you type **web hosting directories** into a search engine, you will find listings of web hosting services. There are some websites such as [www.thelist.com](http://www.thelist.com), and [www.wikipedia.org](http://www.wikipedia.org) that have Internet service provider listings. The Yahoo website, <http://dir.yahoo.com>, provides listings of service providers, by province and by country.
- Use search engines to read reviews of service providers. Try to assess whether the review is independent or sponsored by an advertiser.
- Assess the potential service provider in terms of the following:
  - What are their key skills?
  - Are their clients satisfied with their work?
  - Can you review the service providers' products? Do these products meet your needs?  
Has the service provider developed a product similar to the one you require?
  - Does the service provider try to understand your business and e-business needs?
  - How long has the service provider been in business?
  - Is the service provider clear about how the work will be carried out?
  - Can the service provider describe what the product or services will look like and how much they will cost?
  - What pricing model is the service provider using (fixed price, by deliverable or by time spent working)?  
If you are able to clearly outline your requirements a company may be able to quote a fixed price.

## How can I work effectively with my e-business service provider?

The key to working effectively with your service provider is to stay actively involved in the project. Your involvement is important to ensure that the service provider adequately understands your needs and that you receive quality service. Clearly communicating your expectations is critical to this process.

The following table highlights some key tips for working successfully with your e-business service provider.

| <b>Tips for working successfully with e-business service providers</b>   |
|--|
| <input type="checkbox"/> Start with a clear contract that specifies the scope of work. The contract should clarify who is responsible for what. The contract should include costs, key deliverables and timelines.             |
| <input type="checkbox"/> Clarify your expectations. Make sure your expectations are in line with the scope and budget of the project.  |
| <input type="checkbox"/> Ask the service provider to develop a project plan (or work plan) that outlines how the work will be carried out and that clearly describes the deliverables and timelines.                           |
| <input type="checkbox"/> If the service provider is providing you with a product (e.g. website) make sure you test the product. Have customers test out the website and provide their feedback before the project is complete. |
| <input type="checkbox"/> Talk to the service provider about what will happen if commitments are not met.   |
| <input type="checkbox"/> Provide the service provider with any necessary information and materials.  |
| <input type="checkbox"/> Regularly communicate with the service provider. Actively monitor the progress to ensure project targets and deliverables are being met.  |

## 8. Creating a Web Presence

This section outlines the key tasks in establishing and maintaining a basic web presence.

### How can I use my website to improve my business?

Websites can range from very simple information-based websites to more complex e-commerce websites that are well integrated with your business.

Your website should be compelling enough to increase customer interest resulting in increased revenues for your business.

### Determining your website's purpose

Before discussing how to establish a website, let's take a minute to understand the different purposes of a website. You can use the following table to help you decide what type of website is right for you.

| Type of Website Presence  | Considerations for Use  |
|---|---|
| <p><b>Informational Website:</b><br/>This website typically provides information about the following: your business; products and services; location and business hours; technical information to help customers and suppliers understand new products.</p> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Appropriate for providing information about your business, products and services.</li> <li><input type="checkbox"/> Typically requires a small investment.</li> <li><input type="checkbox"/> Appropriate starting point for adopting e-business using a phased approach, starting with a basic website.</li> <li><input type="checkbox"/> A good vehicle for promoting your business.</li> <li><input type="checkbox"/> A good vehicle for expanding your business beyond the local market.</li> <li><input type="checkbox"/> A good method for improving customer service for your existing clientele.</li> <li><input type="checkbox"/> There are effective marketing strategies to ensure enough people visit your website.</li> <li><input type="checkbox"/> There are cost-effective solutions for maintenance of information-based websites.</li> </ul> |
| <p><b>Interactive Website:</b><br/>Examples of interactive features include: a "Contact Us" section that allows users to send e-mails to the company; online forms; a section where customers can provide regular commentary (e.g. forum, blog).</p>        | <ul style="list-style-type: none"> <li><input type="checkbox"/> Customers and suppliers would be receptive to these features.</li> <li><input type="checkbox"/> Appropriate for enhancing customer service.</li> <li><input type="checkbox"/> You would like customers to be able to send e-mails to your business through the website.</li> <li><input type="checkbox"/> Appropriate for providing quick access to forms.</li> <li><input type="checkbox"/> Existing tools are available to implement these features.</li> </ul>   |
| <p><b>Transactional Website:</b><br/>Allows customers or suppliers to place orders and make payments online.</p>  | <ul style="list-style-type: none"> <li><input type="checkbox"/> Consider how e-business fits with your sales cycle and business needs.</li> <li><input type="checkbox"/> Check out what your competitors are doing. Take a look at their websites.</li> <li><input type="checkbox"/> Check out whether your suppliers are actively using the Internet.</li> <li><input type="checkbox"/> Plan how you will distribute the products and how you will complete the sale.</li> <li><input type="checkbox"/> Consider that there are some low cost e-commerce software packages that may meet your needs.</li> </ul>  |
| <p><b>Integrated Website:</b><br/>Integrating web systems and transaction processes with other systems such as accounting, inventory, sales, etc.</p>   | <ul style="list-style-type: none"> <li><input type="checkbox"/> Your website has e-commerce capabilities (i.e. allows customers to buy on your website).</li> <li><input type="checkbox"/> Your company is doing a lot of extra work to make sure its regular business systems and operations are consistent with its online system. For example, you are finding it hard to keep track of both phone and online orders.</li> <li><input type="checkbox"/> Requires greater degree of investment and maintenance of systems.</li> </ul>   |

## How do I create a website presence?

The success of your website will depend on the appropriateness of its design, how it is marketed and ongoing maintenance.

There are five main steps to creating a web presence.

1. Selecting and registering your domain name
2. Developing the website
3. Hosting the website
4. Marketing your website
5. Maintaining your website

Each step is explained below.

**First Steps:** Create a basic website that describes your business and products/services.

**Long-term Strategy:** Continue to build your website in such a way that it is an integral part of your company's strategy.

### Step 1: Selecting and registering your domain name

Selecting and registering your domain name does not have to be your first step. Some web hosts do this service for you. However, if you are looking for a distinctive name that will set you apart from competitors, it is important to think about this upfront and to reserve your domain name.

A domain name is a name that identifies your website on the Internet. This name is your website's address, or URL. Domain names for Canadian businesses typically end with **.ca** or **.com**.

The domain name you select has to be unique.

The following considerations should help you select a domain name:

- The domain name should relate to your business.
- The domain name should be easy to remember, preferably short, and use common words.
- Try to pick a domain name that is easy to distinguish from other domain names on the Web.
- The domain name should help to brand your business. Your domain name should establish your online identity.
- You may choose to buy more than one name to protect your brand and encourage more Internet users to visit your website (for example you could use two domain names – one ending in **.ca** and the other ending in **.com**).

Once you have chosen a number of possible domain names, you can check online to see if those domain names are already taken. Domain registration sites usually have a search function that allows you to do this.

If you wish to register a **.ca** domain name, you must do it through an accredited registrar. There are thousands of accredited registrars. The Canadian Internet Registration Authority ([www.CIRA.ca](http://www.CIRA.ca)) has a list of accredited registrars on its site. The [www.InterNIC.ca](http://www.InterNIC.ca) and [www.icann.org](http://www.icann.org) sites also have accredited registrar directories, as do numerous other sites, which can be found by conducting a quick Internet search. Because registrars are also hosting companies (see Step 3), it is often convenient to choose one based on the hosting services it provides. Domain name registrations are generally inexpensive and usually cost between five and ten dollars a year. However, you may wish to register several domain names to protect your brand.

A domain name is important for promoting your products and your business. The key words in your domain name can help people find your website. Try thinking of words that best describe your business.

## Step 2: Developing the website

This step will probably be the most labour intensive of the five steps. There are two options available to you with respect to website design:

Consider that developing your own website is time consuming. It is more than a 'weekend' project. A professional looking website is critical in providing you with a marketing advantage. Think carefully before pursuing this option.

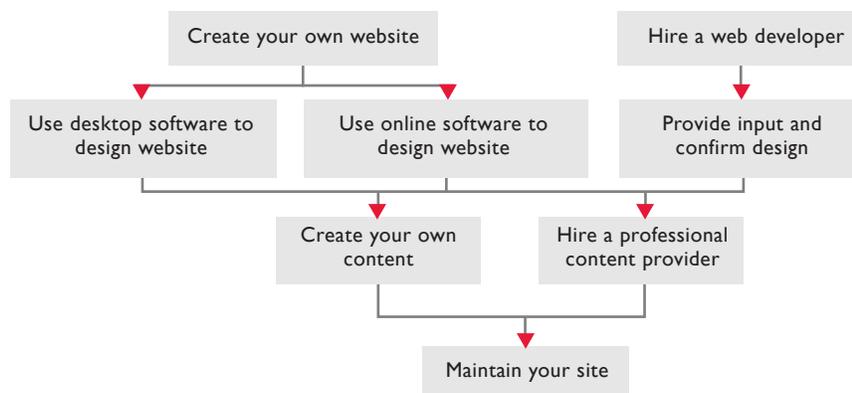
Desktop software typically offers fixed templates and no advanced features (e.g. e-commerce, animation). It is best used for simple websites.

1. Design the website yourself using desktop or online software. (Many web hosts provide software with templates or charge a nominal fee for website design.)
2. Outsource the design of the website to a website developer/designer.

Regardless of whether you choose to create your own website or hire someone to create it for you, you will need to decide on your site's look and content. The site may be purely informational, or it may allow you to sell your products online. Keep in mind that you can also opt to develop your own website content even if you have hired a web developer to design the site (e.g., to determine the look and organization of the website).

The chart below is intended for the simplest of websites, the informational website.

### Steps for Developing Your Website (on your own or outsourced)

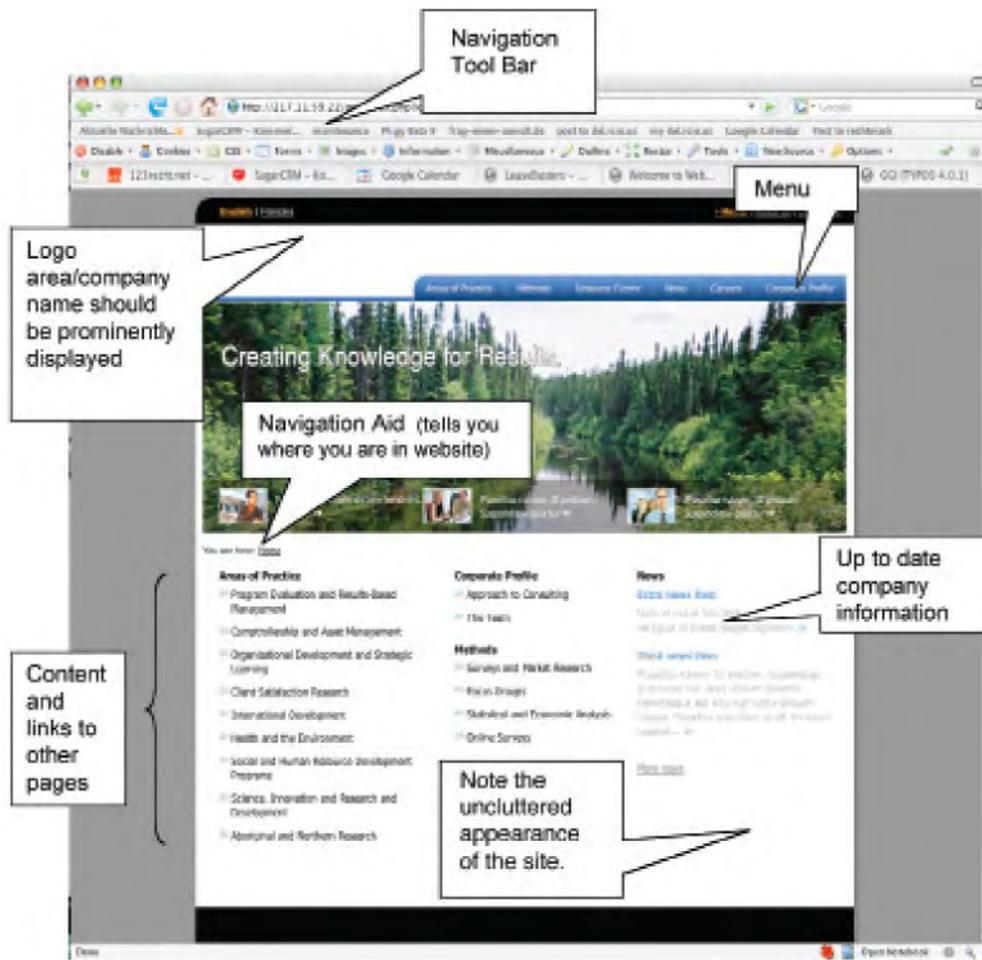


### Five pitfalls to avoid when creating a website

Just as important as knowing what to do to create a website is knowing what problems to avoid. A list of five common pitfalls to avoid is highlighted below.

1. **A cluttered website.** A website should have a clean, uncluttered appearance. There should not be too much text on each page. The website should have a consistent look (i.e. consistent use of colours, fonts and text sizes). While pictures and graphics are great, avoid having too many. Break up the text with appropriate headings and subheadings. If you have too much animation, it could be distracting and slow down your site.
2. **Not being able to find information.** Customers should be able to find the information they need easily. Buttons and menu items should be apparent, and links should look like links.
3. **Not having the right information.** It is frustrating to visit a website and not find what you are looking for. Customers usually want to know about a company's location, business hours, contact information, products and services.
4. **Failing to highlight the benefits of your products and services.** People want your products or services to help them in some way. Be sure to highlight the advantages and benefits of your products or services.
5. **Outdated information about your business and products.** Regularly update information about your products, services, prices and other key information. Make sure all links are working properly.

## Example of Website Page Principles of Design



Copyright: Website Page - GGI

### Step 3: Hosting the website

A web host houses, services and maintains files for websites. Unless you decide to host your own website (not recommended for Internet beginners), you will need to select a web host in order to get your site online. As indicated in Step 1, your host can also serve as your registrar, thus avoiding contracting with two different companies for these services.

There are many different web hosting packages available online, and prices vary widely. When deciding on a web hosting package, evaluate your particular business needs prior to purchasing. As your business grows and your needs change, you can update your plan accordingly.

### Step 4: Marketing your website

It is not enough to just create a website. It is important to market your website to ensure you attract enough visitors to your site. Marketing your site may simply involve displaying your URL on all your promotional materials. You could also monitor the number of visitors your website receives (in other words, monitoring "traffic" to your site). You could also market your business through online advertising.

The marketing strategies you use depend on your target audience and the nature of your business. While there are some low cost e-marketing strategies, online advertising can be very expensive. It is important to shop around for strategies that suit your budget and your business needs.

Some forms of online advertising are cheaper than traditional forms of advertising. For example, some search engines provide tools to monitor and advertise your website. They also allow you to determine a ceiling on your costs per day.

## How can I market my website?

### Strategies for Marketing Your Website

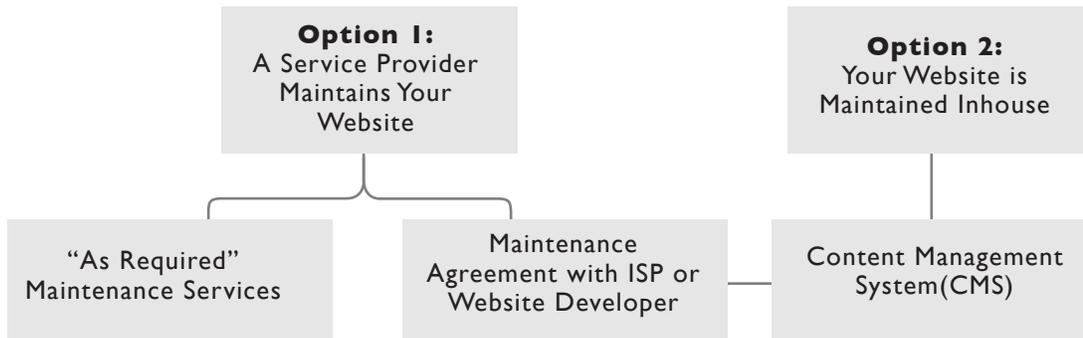
- You can market your website offline (traditional marketing). For example, you can put your website address on your print-based promotional materials.
- You can submit your website to search engines and directories. Directories generally review your website to ensure it is relevant to their site. Some directories charge you a fee for this review.
- Consider asking other businesses and community and industry associations to include your website address on their site. Be prepared to do the same for them (referred to as **reciprocal links**).
- You can advertise through search engines. You can buy guaranteed search engine listings by purchasing keywords. According to several reference sites such as Interspire, Allbusiness, and Softpedia, the most popular search engine listing is Google's Adwords. You will see these advertised listings along the top and the right side of the search results.
- Advertise your website through third parties. You can pay a fee to have banner advertisements or pop-ups appear on other websites. Costing models can vary. For example, you may pay a fee every time someone clicks on your advertisement, or every time you make a sale as a result of the advertisement.
- Submit articles about your business to e-newsletters or to information-based websites. Be sure to include your website address.
- Consider using blogs and social networking sites (e.g. www.facebook.com, www.myspace.com, www.friendster.com, www.linkedin.com). Business blogs can be used to discuss and showcase products or services or specific business topics. Just type the phrase '**business blogs**' into an online search engine and you will find a number of examples.
- You should build your website with search engine needs in mind. If your site contains the right keywords, then more people will visit your site. If you already have a website, consider using e-business service providers such as a web developer or web host to modify your website to increase your website traffic. The term **Search Engine Optimization** refers to improving a website so that it is ranked highly by search engines, resulting in increased visits to your site.
- A well designed website can market your business. For example, each website page should contain the major points of information without too much scrolling down.

### Customer relationship management (CRM) and e-business

Good customer service is an essential ingredient of any marketing strategy. CRM involves understanding, managing and improving a company's interactions with its customers. To have an effective relationship with your customers, it is important to understand their needs and preferences. In an e-business environment, customers tend to expect quick access to information about your business and products. Determine what your customers expect from your website. You may also want to track how customers use your website to help you adjust your business practices. By better understanding your customers, you can determine whether your website is meeting their needs.

## Step 5: Maintaining your website

Website maintenance includes a variety of tasks such as modification of website content, regular submission of your site to search engines, software updates, checking to ensure the links are functional, etc.



You can opt to set up a maintenance agreement with your ISP or website developer. There is generally a monthly or annual fee associated with this service. You might consider this option if your website requires frequent updates. You can also hire a service provider to update your website when required. This is feasible if you require infrequent updates. Hourly rates for "as required" updating can range from \$50 to \$150 per hour (approximate estimate).

Updating the website yourself can be a labour intensive process. However, there are a number of user-friendly content management system (CMS) tools that can help you update your website. A CMS is a software program that allows non-technical users to create, edit, update and maintain a website using built-in templates. There are many good open-source or "free-to-use" content management systems available. Both the Wikipedia website ([www.wikipedia.org](http://www.wikipedia.org)) and [www.opensourcems.com](http://www.opensourcems.com) provide descriptions of open source CMS software and customized CMS applications. CMS may also be provided as part of the maintenance agreement with the service provider.

## Success and your website

The success of your website as a business tool depends on its design, promotion and ongoing maintenance, and the extent to which the site attracts users and makes it easy for them to do business with you.

### Five Secrets of Website Success

1. Your website is interesting and informative.
2. It is easy to find information on your website.
3. Your website meets your customers' needs.
4. Keep your website current.
5. Market your website.

## E-business success story



The following success story illustrates how using online file sharing was used to expand the market reach of a local drafting business.

### Eastern Drafting Service Inc.

[www.easterndrafting.ca](http://www.easterndrafting.ca)

In 2006, while working in Alberta as a land surveyor, Richard's son Eryn saw first-hand the need for drafters, but access to qualified employees was slim. As all Alberta's land titles and plans are digital in nature, the location of the drafter is irrelevant, therefore, Eastern Drafting Services Inc. was born, on Prince Edward Island. Richard was in charge of managing the drafting company, which started out in a large office space within the EasTech Business Centre in Cardigan, with 5 employees and one client. By 2008/2009, the company's clients consisted of Alberta, Saskatchewan and Newfoundland.

Initially, EDSI's sole service was Residential Property Reports (RPRs). However, due to the seasonality in demand for the RPRs, its services quickly expanded to include commercial properties, and the oil and gas industry. EDSI's current clients are solely located throughout Alberta, requiring a wide range of drafting services, from geomatics to architectural. The drafting performed by EDSI conforms to the title blocks, wording and colors specified by the client. The drafts are then checked internally by an experienced drafter to achieve conformity and accuracy in order to minimize corrections at the client's office. EDSI strives to be an efficient and cost effective measure for companies which find themselves with larger workloads than their personnel can handle.

The Internet-reliant company, being in close proximity to ISN Wireless (a high speed connection provider), was able to utilize computer hardware and programming expertise easily. EDSI's clients have three options available when it comes to transferring/receiving information and reports. The most familiar method to most would be e-mail attachment correspondence. Secondly, a FTP (file transfer protocol) site was created, for which the client could securely transfer files/information to EDSI and vice versa. Lastly, a new-age technology method which utilizes a Dropbox site that provides a shared folder for both EDSI and the client to access. One of the many benefits of this web-based business operation is that clients have ease of access to the project information, which allows for secure transmission of sensitive information.

## E-business success story

The following success story highlights the advantages of being a purely online business.



[www.labelledame.com](http://www.labelledame.com)

Flat River, P.E.I.-based LaBelleDame.com is an Internet pure play - i.e. a company that sells product solely over the Internet. The company specializes in production and sales of jewelry that recognizes those challenging moments in life that one often must overcome. Its product line consists of baby, fertility, healing, pregnancy jewelry along with special occasion and sympathy cards to name a few.

Several years ago, its owner Kimberly McIntyre moved to P.E.I. from Montreal to run her jewelry business on P.E.I. full-time. Prior to moving to P.E.I., Kimberly operated two separate e-businesses on different websites selling natural baby products and manufacturing cloth diapers. In 2005, she shut down these websites and pursued her passion for making jewelry. Realizing her products were of such a niche nature, her decision to remain an Internet pure play has enabled the company to reach a global marketplace with very little overhead expense, doubling its first year projected sales.

LaBelleDame.com sees the added benefits of selling solely on-line allowing her the flexibility to work from anywhere, and sell to anywhere. The company uses Google Adwords as a main source of advertising, which has proven a high return on little investment. Google Adwords allows the business to create and customize its own advertisements, choose keywords or phrases, and when people search Google using one of the keywords chosen, the ad may appear next to the search results. This ensures the audience viewing the on-line advertisement is one with a pre-existing interest in LaBelleDame's industry. Additionally, e-business has allowed Kimberly to create a customer-direct selling relationship with her customers as well as supply some retail shops with wholesale quantities. This in turn, has allowed her to employ one full-time employee and one part-time employee, in a very remote region of Eastern P.E.I.

## 9. Establishing Online Ordering on Your Website

### What do I need to consider for online ordering?

There are a number of things to consider when setting up an online ordering system. These considerations include:

- Is there an online market for your products or services? (Think beyond the local market.)
- What are your competitors doing? How are your products different? Do your competitors have an online ordering system? How do they market their products?
- Will you need to develop an online catalogue of products or services?
- How will you process payments?

### What are my options for payment processing?

There are a number of options here:

1. Manual (or offline) payment processing.
2. Credit card payment processing through financial institutions (also known as a merchant account).
3. Using a third party online service provider who leases payment processing software.

Software or application service providers usually lease payment-processing software for a monthly fee.

Manual payment processing is appropriate when you expect a small number of orders from your website.

With respect to the second option, you will have to apply for a merchant account through the bank or through a company contracted by the bank. It is not always easy to get an account, particularly if you are not an established company. In addition to setting up a merchant account, you will also need to obtain the software to allow for credit card processing.

InternetSecure ([www.internetsecure.com](http://www.internetsecure.com)) and PsiGate ([www.psigate.com](http://www.psigate.com)) are two examples of Canadian merchant account providers (as cited by About.com: Small Business Information) that are authorized by the Canadian banks to issue Internet merchant IDs, and process sales for merchants with their own Internet merchant IDs. Once you set up an Internet merchant account, you will be able to accept credit card payments on your e-commerce site.

A popular third approach is to process payments through a third-party online service provider. The service provider collects payments, processes the transactions, and deposits the payments into your account. The service provider charges you a transaction fee for each transaction. It is critical to consider security and privacy issues when considering the use of a third-party online service provider. For example, how does the system protect customer information?

According to [www.wikipedia.org](http://www.wikipedia.org), PayPal ([www.paypal.com](http://www.paypal.com)) is the most popular third-party online service provider. According to [www.canadaone.com](http://www.canadaone.com) small businesses use third-party credit card processing companies such as PayPal ([www.paypal.com](http://www.paypal.com)), CCNow, ([www.ccnw.com](http://www.ccnw.com)) PsiGate ([www.Psigate.com](http://www.Psigate.com)), Beanstream ([www.beanstream.com](http://www.beanstream.com)) and InternetSecure ([www.internetsecure.com](http://www.internetsecure.com)).

## Online shopping carts

### Examples of Shopping Carts

A simple Internet search will yield a number of shopping cart solutions. A search of the Internet (using the key words – **Canadian Shopping Carts**) yielded the following results:

- Canada Post Sell Online: [www.canadapost.ca/cpo/mc/business/solutions/sellonlinedetails.jsf?LOCALE=en](http://www.canadapost.ca/cpo/mc/business/solutions/sellonlinedetails.jsf?LOCALE=en)
- IntLink Solutions: [www.intlink.ca](http://www.intlink.ca)
- CoolCart: [www.coolcart.com](http://www.coolcart.com)
- ClicShop: [www.clicshop.com](http://www.clicshop.com)
- Shopify: [www.shopify.com](http://www.shopify.com)

Considerations for choosing shopping cart software include:

- Consider your current customer needs. Who are your potential future customers?
- Will the software be able to handle increased orders and product lines?
- What features does the software include?
- Go online and look at examples of shopping carts. Read shopping cart reviews online.
- Consult with other businesses that have implemented shopping cart solutions.
- What are the security features of the software?
- What kind of technical support does the software include?
- What are the commission fees?

### About Shopping Carts

- The term shopping cart is used to describe software that allows the user to select from a catalogue and to add items to their cart. A shopping cart normally includes:
  - A database that stores information such as product details, customer data, order information, etc.
  - A storefront that displays this information to visitors.
  - An administration area for managing your store.
- There are hundreds of shopping carts available. They range from simple solutions – which can be customized to meet your needs – to complete e-commerce solutions.
- There are a number of options regarding shopping cart solutions. These are:
  - Licensed shopping cart software (involves a one-time fee). The fee does not include a web hosting service or maintaining the software.
  - Hosted application leased from an Application Service Provider (ASP), which typically involves monthly payments. The ASP installs and maintains the software.
  - Open source shopping cart software (freely available). Obtaining adequate technical support can be an issue.

## E-business success story

The following success story features a company that uses a client management system.



### Study Abroad Canada Language Institute

[www.studyincanada.ca](http://www.studyincanada.ca)

Helen Green opened her home stay and language program in North Tryon, P.E.I. in 1994 calling it Helen's Home Stay and English School. She hoped to attract Japanese students, because of their fascination with Anne of Green Gables. She had also experienced a home stay in Japan, where she had taught English prior to returning to P.E.I. Her first year, however, she only managed to recruit four students to attend her program, and nine the following year. It wasn't until Helen was informed of the ways in which students find schools abroad, via education travel agents, that her enrolment rates began to increase.

In 1998, Helen partnered with a couple in P.E.I. who were providing a similar learning experience, and together they became Study Abroad Canada. As rural P.E.I. seemed to be too much of a shock to students coming from robust Japanese cities, the team moved the institute into the city of Charlottetown.

About 3-4 years into the ESL training school, a basic website was created to house information about the school and its programs. As the school's student-base grew, and the capabilities of the Internet expanded, so did the business' website. Today, it incorporates links to its social media Facebook and Twitter accounts, and uploads Youtube videos of student activities as an advertising tool for future student recruitment and enrolment.

## E-business success story

As the connections between Study Abroad Canada Language Institute (SACLI) and the students are usually made via agents, a website as informative as Study Abroad's, provides access of information to different countries at a much lower cost than the alternative method(s). Often, the only way to reach out to different countries is to physically travel to them, and meet face-to-face with potential agents and students; but again, the school has technology on its side and can conduct Skype meetings instead. The school uses Skype to keep up its relationships with its agents, meet with potential students to answer questions, and most of all be accessible virtually at anytime.

SACLI also uses e-business to serve the school internally as well, with a client management system. This data management system controls student, agent and home stay information and assists with functionality within the administrative duties of the school. It allows teachers to manage student records outlining course performance, provides resources for agents, and student online registration. A unique function of the data management system is that it sends task alerts to appropriate staff when a matter must be dealt with. Ultimately, the system and website allows the school to facilitate business in a more effective and efficient manner, thus increasing productivity of its staff.

Today, the English as a Second Language (ESL) training school has over 250 students from around the world (Southeast Asia, Japan, China, Korea, Eastern Europe, Turkey, Ukraine, Russia, Quebec, etc), and 30 full-time staff. Study Abroad Canada Language Institute's adoption of and adaptation to changing technology, proves that technology can be a very crucial component in growing and expanding a company on a global scale.

## 10. Integrating E-Commerce into your Business

### What do I need to consider?

If you have established a website with e-commerce options and most of your sales are derived from your online business, you may want to think about integrating the online shop with your in-house processes such as inventory, accounts payable and accounts receivable.

If you have an e-commerce system in place, you're probably noticing that you have to do a lot of double entries for each transaction. The online sales are recorded and approved online, but you still have to fill out your usual set of records for accounting and ordering purposes. You will want to minimize this extra work.

As another example, if you run out of a particular item in your store, you will also want to stop selling it online in order not to frustrate shoppers with long delivery and wait times. But how does your online shop know that you've sold out? You will have to continually update sales both online and offline. If you integrate these two systems, you will minimize a lot of the work required to keep your information coordinated.

Having a more complex web presence means you also need to be prepared to deal with the following by integrating your web system with your business:

- Requisitions.
- Purchase approvals.
- Purchase orders.
- Back-orders.
- Shipment tracking – Shipment service providers such as United Parcel Service, Canada Post or Federal Express offer advanced methods for electronic tracking. You will be able to give your customers the tracking number of their purchases and even provide it for them online by entering it into their purchase record.
- Shipment Delays and other Delivery Problems – Many online shopping systems are not set up to handle the communication necessary between purchaser and vendor in case something goes wrong with the delivery of the product. You will have to extract the information from your online shopping system and deal with these cases in the usual way.
- Invoicing – A complete online shop will usually send out an automatic invoice to customers. This invoice will probably be quite different from your standard invoice and will have different numbering. This can be an issue for your accounting and inventory systems.
- Payments – Payments made to you online may end up in a different account than your offline payments do. You may have to consolidate these sources and the information on your buyers and the products sold in one place to fulfill your accounting and record keeping obligations.
- Pricing – Some businesses rely heavily on daily prices of natural resources or exchange rates for their foreign bought supplies. It may be difficult to continually update your prices and make sure that your online prices are in line with your offline prices.
- Charge-backs – Customer disagreements about payments can happen online and offline. Credit card companies, like Visa, Mastercard and AMEX have improved their online security checks in order to keep fraudulent purchases to a minimum. The online information you have about your customers (e-mail address, IP number) may need to be used in a dispute.
- Integrating your back-end computer systems with your web system – There are a number of technical options for integrating your back-end systems with your online system. If you are at this stage, you should consult with an e-business service provider for advice.

## E-business success story

The following success story features a company that has taken a mail-order catalogue business onto the Internet which has resulted in sales made around the world, and new store front across Canada.



[www.greathobbies.com](http://www.greathobbies.com)

Jim Ewing turned a part-time basement model parts operation into a full-time retail and mail-order supplier. It all began in 1984 from his parent's basement, but as demand grew he soon realized he had to make the decision to commit to the business or leave it behind. Jim made the commitment and the genesis of Great Hobbies was established.

The company evolved through two name changes and two location changes and today is Canada's largest radio control dealer with four retail stores across the country, in Stratford, Prince Edward Island, Edmonton, Alberta, Ottawa, Ontario and most recently Mississauga, Ontario.

With the emergence of the Internet evident in the early 90's, Great Hobbies became an early adopter and in 1994 created one of the first websites for the industry worldwide. The website provided the company the ability to expand its reach more efficiently over the initial paper catalogue strategy. The website listed the products available for order, but a phone call still had to be made, or an e-mail sent to place an order.

Fortunately, as technology progressed, so did the company's website capabilities. In 2004, a shopping cart function was added to the site, allowing direct ordering and payments to be received online. Approximately, 85% of the company's P.E.I. sales are generated from online orders.

Great Hobbies has realized many advantages by having an online retail store, not the least of which was the ability to discontinue publishing a paper catalogue, eliminating the large expense of its production and distribution. This in turn, allowed the entire world access to the store's product inventory, not just those with a Great Hobbies paper catalogue. Other advantages include being able to update product information, availability and pricing immediately and automatically. This is particularly helpful in today's economy of fluctuating currency exchanges. Not only can the Prince Edward Island hobbyist benefit from Great Hobbies large inventory, so can the rest of the world via its comprehensive website.

## E-business success story



The following success story features a company that has integrated e-commerce into their business.

### Rachelle Wood Nutrition

[www.rachellewood.ca](http://www.rachellewood.ca)

Rachelle Wood Nutrition was established on PEI in 2005, following a decision by Rachelle herself to take on her own weight issues. In 2001, Rachelle attended The Canadian School of Natural Nutrition in Halifax, Nova Scotia from which she graduated and was awarded the title of Registered Holistic Nutritionist. After a stint working in the health and wellness industry she began her private practice at the ripe age of 23 years old. Rachelle indicates her nutritional practice is different from most, as she utilizes a motivational approach to counseling her clients versus an instructional approach.

Three years into the business, Rachelle wanted to create a tool for her clients to document his/her progress, track completed challenges, and the like. Her initial idea was a workbook that each client would receive upon signing up for her nutritional services. However, Rachelle wanted to implement a more long term approach for Rachelle Wood Nutrition, thus See Results was born. She worked with a local IT company, for two years, designing and developing a software program that would enable her clients to remain connected along the weight loss journey.

## E-business success story

The See Results software provides a systematic approach for any nutrition practitioner to update, follow, and document their clients' progress. Currently, she is partnered with seven nutritionists spanning from Alberta to Nova Scotia, who are using the See Results software as part of their programs. The software can be branded for each individual business, which allows for a tailored approach to conducting the partners' various programs. Since See Results is a moldable yet consistent piece of software, it provides the capability for any nutritionist to take his/her practice to the next step, easily.

The benefits of incorporating this new-age software into Rachelle's daily business operations have been proven many times over. It allows Rachelle to monitor progress with great flexibility, as she does not have to be in one particular physical location to do so; in fact she is prompted when needed by a client. Each of her clients can utilize one Question/Inquiry per day upon signing up for the See Results Program, adding value to the already user-friendly nature of the software interface. Also, following current trends of on-line marketing and promotion, Rachelle uses social media sites such as Facebook, Twitter, and her very own Blog.

All of the above components of Rachelle Wood Nutrition have enabled the 2011 BDC Young Entrepreneur Award Winner to increase revenues, and clients while helping more people live and maintain healthier lifestyles.



## I I. Summary and Wrap-Up

The use of the Internet by consumers and businesses continues to increase. For those new to the world of e-business, the choices are numerous. This handbook emphasizes that you can achieve benefits by progressing in small steps. If you are thinking about e-business, continue to use this handbook as a resource. It is important to network with others to help you continue to build your e-business knowledge.

### Top five things to do when adopting e-business

1. Identify how e-business fits with your business needs.
2. Talk to local business and industry associations about e-business.
3. Take small steps. Start with simpler strategies such as an information-based website.
4. Determine how much investment is required and what the potential advantages are.
5. Consider the challenges to implementing e-business solutions and develop strategies to address them.

An **Action Plan Form** is provided to help you get started. Good Luck!

#### **E-Business Action Plan**

##### **Specific business areas that require improvement:**

e.g. Marketing, sales, market reach, customer service, internal communication and business processes, business networks, etc.

##### **How e-business can help address some of these gaps:**

e.g. Assess how website can improve market reach.

##### **E-Business Objectives:**

e.g. Create basic website targeted at existing and potential customers.

| Specific Actions | Person Responsible | Date/ Time | Resources | Status |
|------------------|--------------------|------------|-----------|--------|
| 1.               |                    |            |           |        |
| 2.               |                    |            |           |        |
| 3.               |                    |            |           |        |
| 4.               |                    |            |           |        |
| 5.               |                    |            |           |        |
| 6.               |                    |            |           |        |
| 7.               |                    |            |           |        |
| 8.               |                    |            |           |        |

# Glossary of Common Internet Terms

**B2B (“Business to Business”):** Refers to the online exchange of products services, or information between businesses.

**B2C (“Business to Consumer”):** Involves the online sales of goods, services and provision of information directly to consumers.

**B2G (“Business to Government”):** Involves the exchange of products, services, or information over the Internet between businesses and government.

**Bandwidth:** Refers to how much data you can send through a network or modem connection. It is usually measured in bits per second, or “bps.” The more bandwidth you have, the more information can be transferred within a given amount of time.

**Blog:** Short for web log, a blog is like a diary where different people provide their views or information about a particular topic. Business blogs can be used to discuss and showcase products or services or specific business topics.

**Computer Network:** Consists of two or more computers that are linked together so that they can communicate with each other and thereby share information, hardware (such as printers), software and Internet connections.

**Computer Viruses:** Programs that are designed to multiply and harm other programs on your computer.

**Content Management System (CMS):** A software program that allows non-technical users to create, edit, update and maintain a website using built-in templates. There are many good open-source or “free to use” content management systems available.

**Customer Relationship Management (CRM):** A term that describes methods used by companies to manage their interactions with customers, end-users, and clients. This includes the management, capture, processing and archiving of information and data.

**Digital Certificates:** An attachment to an electronic message used for security purposes. The most common use of a digital certificate is to verify that a user sending a message is who he or she claims to be, and to provide the receiver with the means to encode a reply.

**Disk Space:** The amount of storage space allotted to a website. Disk space can be used to store pictures, HTML files, videos, programs, and anything else used by the website.

**Domain Name:** A name that identifies your website on the Internet. This name is your website's address, or URL. Domain names for Canadian businesses typically end with .ca or com.

**Download:** Transfer files from a remote computer to your computer, usually over the Internet.

**E-business:** The use of Internet technology to facilitate business.

**E-commerce:** Refers to the process of buying and selling online. Sometimes used interchangeably with “e-business”; however, e-business is a broader term used to describe a range of electronic activities.

**E-mail (Electronic Mail):** The transmission of correspondence and documents from one computer to another via telecommunications.

**E-marketing:** Any form of advertising (i.e. banners, logos, pictures, graphics, websites, webpages, pop-up windows, e-mail, newsletters, etc.) on the Internet.

**E-tailing:** Online selling of retail goods.

**Extranet:** An extranet is a website that can be viewed as part of a company's intranet (see below) that is extended to designated users outside the company.

**FTP (File Transfer Protocol):** One of the first developed Internet Services that allowed users to move files from one place to another. It enables you to connect to a computer on the Internet and (as long as you are allowed to save on that computer) transfer any type of file: programs, text, pictures, sound, etc.

**Firewall:** Hardware or software that slows the invasion of a computer system by blocking viruses and hackers.

**Hypertext:** Any text within a document that is linked to another location. The other location could be within the same document, or a different document. Clicking hypertext with your mouse will activate the link.

**Hypertext Markup Language (HTML):** A programming language used to create sites and pages on the Web. This is the primary language of websites.

**Hypertext Transfer Protocol (HTTP):** The set of rules for exchanging files (e.g., text, graphic images, sound, video, and other multimedia files) on the Web. HTTP appears at the beginning of every Internet address.

**Internet Pure Play:** An organization that does business purely through the Internet.

**Internet Service Provider (ISP):** Connects computers to the Internet and enables users to e-mail and browse the Web.

**Intranet:** A private network that is contained within a company. The main purpose of an intranet is to share company information and computing resources among employees. An intranet can also be used to facilitate working in groups and for teleconferences. Information contained on the Intranet can be secured through the use of firewalls and encryption-decryption devices.

**Keyword:** A word that best relates to the document or website you are looking for. It can be related to a subject area, a person's name, a company's name, etc.

**Modem (Modulator-Demodulator):** A device used to send and receive data over telecommunications lines.

**Network:** A set of interconnected computers that can exchange information over long distances.

**Open source:** Usually refers to a computer program available to the general public for use as is or as modified from its original design, free of charge. Users in the community (i.e. those knowledgeable about programming) adapt and improve the software.

**Phishing:** The fraudulent act of sending bogus, spam e-mails that appear to originate from a legitimate organization in order to entice recipients to visit a fake website for the purposes of gathering personal or sensitive financial information from them.

**PIPEDA (Personal Information Protection and Electronic Documents Act):** This is a consent-based Act, meaning that you must have consent to collect, use or disclose information. PIPEDA is based on balancing an individual's right to the privacy of personal information with the need of organizations to collect, use or disclose personal information for legitimate business purposes. PIPEDA, unlike the *Freedom of Information and Privacy Act*, applies to the Canadian private sector. PIPEDA applies to organizations that collect, use or disclose personal information in the course of commercial activities.

**Podcasting:** Involves making an audio file of content that is updated frequently and available for automatic download, allowing users to listen to the file at their convenience.

**Rich Site Summary (RSS):** A system for aggregating and rapidly scanning information from blogs, news and current event Web sites, and other Web sites that update content frequently. Allows users to subscribe to their favourite websites.

**Search Engines:** Tools you can use free of charge that help you locate information on the web.

**Search Engine Optimization:** Refers to improving a website so that it is ranked highly by search engines, resulting in increased site visits.

**Shopping Cart:** Software that allows shoppers to make multiple selections for purchase from an online catalogue. Normally includes: a database that stores information such as product details, customer data, order information, etc.; a storefront that displays this information to visitors; and an administration area for managing the store.

**Spam:** Unsolicited e-mail messages.

**Spyware:** Software that sends information about your Web surfing habits to its Web site. Spyware is often installed without the user's knowledge or explicit permission in combination with a free download.

**TCP/IP (Transmission Control Protocol / Internet Protocol):** The standard communication protocol of the Internet. It allows for transferring data on the Internet itself, as well as on many local area networks.

**URL (Uniform Resource Locator):** A website address.

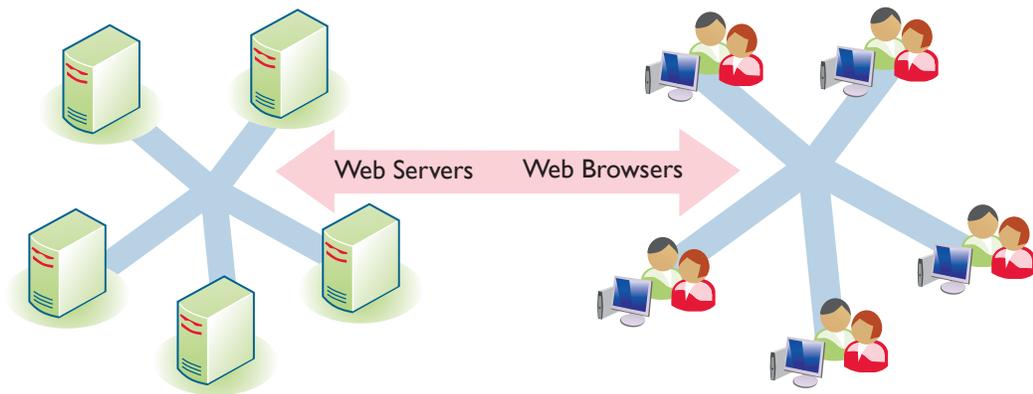
**Upload:** The process of transferring files from your computer to another computer over a network connection.

**Web Browser:** Software designed to facilitate electronic "travel" across the World Wide Web. Typically, Web browsers operate on a graphical interface that is easy to use.

**Web Server:** A program that allows Web browsers to retrieve files from computers connected to the Internet. The Web server listens for requests from Web browsers and, upon receiving a request for a file, sends it back to the browser.

**Wikis:** A website that allows visitors to add, remove, edit and change content, typically without the need for registration.

**World Wide Web (Web or WWW):** The Web is a network of Web servers that contains all kinds of information. A web browser allows you to get this information to navigate or 'browse' the Web. Anyone with a computer and an Internet account can search and find information (including pictures, videos and text) from Web Servers around the world.



**Glossary sources:** [www.wikipedia.org](http://www.wikipedia.org), [www.Webopedia.com](http://www.Webopedia.com), [www.techterms.com](http://www.techterms.com), [www.tophostrankings.com](http://www.tophostrankings.com), [www.about.com](http://www.about.com), [www.corporatewebsitemarketing.com](http://www.corporatewebsitemarketing.com), [www.h-spot.net](http://www.h-spot.net), [www.axis.com](http://www.axis.com), [www.leaf-seo-tools.com](http://www.leaf-seo-tools.com), [www.verio.com](http://www.verio.com), [www.studiodog.com](http://www.studiodog.com), [www.2020systems.com](http://www.2020systems.com), [www.chrsolutions.com](http://www.chrsolutions.com), [www.stpeterprince.org](http://www.stpeterprince.org) and The Internet – A Tool for Business, Canada-Ontario Business Service Centre Website ([www.canadabusiness.ca](http://www.canadabusiness.ca)).

## Useful Links

The following sources provide information related to business development on Prince Edward Island:

### **Innovation and Technology Association of P.E.I.**

[www.itap.ca](http://www.itap.ca)

### **Canada/P.E.I. Business Service Centre**

[www.canadabusiness.ca](http://www.canadabusiness.ca)

### **Business Development Bank of Canada**

[www.bdc.ca](http://www.bdc.ca)

### **P.E.I. Business Women's Association**

[www.peibwa.org](http://www.peibwa.org)

### **Prince Edward Island Chambers of Commerce**

[www.peichambersofcommerce.ca](http://www.peichambersofcommerce.ca)

## Contact:

### Innovation PEI

94 Euston Street/P.O. Box 910  
Charlottetown, P.E.I., Canada C1A 7L9

Telephone: (902) 368-6300

Facsimile: (902) 368-6301

E-mail: [Business@gov.pe.ca](mailto:Business@gov.pe.ca)

Website: [www.innovationpei.com](http://www.innovationpei.com)

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