

E-BUSINESS

E-Business is the practice of doing business activities over the internet or any other computer network.

(i) Scope of E-Business

E-business may be divided into four categories based on the parties participating in electronic transactions:

(a) **B2B commerce**: refers to transactions between businesses.

(b) **Business-to-Customer (B2C) Commerce**: Transactions between businesses and customers

(c) **C2C Commerce**: Transactions take place between two or more consumers.

(d) **Intra-B Commerce**: It entails interactions and transactions between various departments and individuals within the company.

(ii) E-business vs. e-commerce:

E-business refers to a broader range of electronically conducted business tasks such as production, accounting, finance, people, and administration.

The different advantages of e-business are as follows:

1. Ease of formation with fewer investment requirements
2. Convenience
3. Speed.
4. Global Reach.
5. Transition to a paperless society.

OUTSOURCING

Outsourcing is the process of contracting out parts of an organization's previously conducted tasks to a third party.

(i) The primary characteristics of outsourcing are as follows:

1. Outsourcing entails contracting out
2. Non-core corporate operations are typically outsourced.
3. Processes can be outsourced to either a captive unit or a third party.

(ii) Need for outsourcing:

The requirement exists for the following reasons:

1. Focusing of Attention
2. Strive for Excellence.
3. Cost Reduction
4. Growth via Alliance
5. Fillip to Economic Development

(iii) Concerns with Outsourcing: Outsourcing has the following limitations.

1. Confidentiality
2. Sweat shopping
3. Ethical concerns
4. Resentment inside home countries

(iv) Company Process Outsourcing (BPO)

Company Process Outsourcing (BPO) is a subset of outsourcing in which a specific company job, such as human resources or customer support, is contracted out to a third-party service provider.

(v) Knowledge Process Outsourcing (KPO)

Knowledge Process Outsourcing (KPO) is a type of outsourcing in which knowledge-intensive business procedures requiring specialized domain expertise are contracted out to a third-party service provider.

