

Adoption of Web Enablement Can Improve SMB Business

Small and midsize businesses recognize the business value of Web-enabling their business processes. The path to get there is still challenging for many, however.

The Internet has always presented small and midsize businesses (SMBs) the opportunity to act big. It enables them to participate as equal partners in different value chains and gives access to sophisticated business applications and processes in an affordable way.

While some SMBs have taken advantage of the Internet, many are still at a basic level when it comes to integrating the Internet into their corporate business activities. Nearly 70 percent of SMBs that have developed Web and Internet applications are using them for internal communications and reporting. However, SMBs are feeling pressure to establish more-competitive links with their customers, partners and suppliers.

A Matter of Priorities

In a recent Gartner survey, a group of North American midsize businesses identified Web-enablement as a top IT priority for 2004. Employing Web-enabling applications and, in many cases, linking them together are ways many SMB CIOs believe they can cost-effectively expose, enhance, leverage and extend business processes and information to customers, vendors, partners and employees.

SMBs should resist the temptation to wait for Internet and Web technologies to become perfect. Many available Internet and Web solutions can improve the way SMBs do business. Key areas that CIOs should focus on include:

- Leveraging e-commerce
- Optimizing Web site effectiveness
- Building and leveraging Web services
- Utilizing Web-based process management capabilities
- Embracing Web-based business service providers where appropriate
- Improving the performance of deployed Web-enabled applications

Establishing a Presence and Making it Work for You

Gartner

After extending their e-mail systems, creating a Web presence is one of the first projects that SMBs embrace when leveraging the Internet. Although more than 80 percent of midsize businesses have Web sites, many fall short of supporting their business objectives.

In 2004, SMBs should focus on measuring and optimizing the effectiveness of their Web sites, as well as ensuring they do a better job of managing their Web site infrastructure. "SMBs Should Improve Their Web Sites," offers guidance on how to make a Web presence more effective by focusing on design issues, targeting measurement principles and improving control and accountability.

For years, deploying e-commerce functionality meant building a customized solution and creating an expensive infrastructure, prohibiting many SMBs from doing it. However, during the past two years, two developments have increased SMB access to e-commerce: the hosted deployment model and the availability of packaged e-commerce applications from business application vendors. In "SMBs Poised to Leverage Sell-Side E-Commerce," both developments are illuminated and tradeoffs are described to help those SMBs seeking to develop or enhance e-commerce capabilities.

Weighing Web Services Options

Web services provide one way SMBs can develop, enable and seamlessly link their business processes. In a recent Gartner survey, 10 percent of midsize businesses cited using Web services for some production applications, while 50 percent stated that they were evaluating and piloting Web services.

The potential advantages of using Web services are compelling. They include increased agility, faster and less-expensive integration and the ability to focus on business processes instead of how to integrate and manage the functionality enabled by established IT assets. But before embracing them, SMBs must understand what Web services are, know why they are necessary, and recognize when and how they can be deployed. In "SMBs Should Consider Their Web Services Options," the value of Web services, as they relate to specific types of applications, are explored.

To fully leverage the power of the Web, SMBs will need to embrace end-to-end business process management (BPM) capabilities for creating seamless business processes that extend across application platforms and outside the enterprise. Many enterprise resource planning (ERP) vendors are now touting BPM capabilities and, while Web-enabled integration solutions are finally within reach of SMBs, the competitive landscape remains cloudy.

In "SMBs Have Choices for Web-Enabled BPM Solutions," the roles of some leading ERP providers in this arena are explored along with specific guidance for SMBs evaluating BPM solutions.

Considering the Challenges

SMBs increasingly are assessing the benefits of using business service providers promising to deliver "on demand" applications. Twenty-five percent of midsize businesses in a recent survey stated that they plan to use an application service provider (ASP) in 2004. The hottest areas under current consideration are customer relationship management (CRM) and supplier relationship management (SRM).

To ease the upfront cost traditionally associated with these solutions and eliminate the headaches of managing the complexity often involved with them, SMB IT managers are increasingly receptive to the "low-cost/good-enough mantra" that is at the heart of the service provider business model.

In “SMBs Leverage Web Enablement for Hosted CRM” and “SMBs Embrace SRM Solutions via Service Providers,” the unique challenges SMBs confront when embracing customer-facing and supplier-facing applications are explained as well as the tradeoffs when using a service provider as a means of accessing needed capabilities on demand over the Web.

Warning

Despite the move to the Web as a central conduit for communication, SMBs often fail to consider the network and server implications of Web-based applications before deploying them. Because of this, they risk poor performance and unexpected costs (such as hardware and network upgrades) because of the unique characteristics of Web-based application technologies.

In “SMBs Must Consider Impact of Web-Enabled Applications,” issues related to Web-based performance are met head-on along with guidelines ensuring that considerations are taken into account early to ensure the infrastructure is in place to support the Web-enabled enterprise.

Features

“SMBs Should Improve Their Web Sites” — Designing an effective Web site is one way businesses can exploit the business advantages of the Internet. **By Robert P. Anderson, Ray Valdes and James A. Browning**

“SMBs Poised to Leverage Sell-Side E-Commerce” — Effective use of ASP models and packaged application suites can mean reduced sales costs and new business opportunities through e-commerce. **By Robert P. Desisto**

“SMBs Should Consider Their Web Services Options” — Businesses must understand just what Web services are and what benefits are likely to result before making deployment decisions. **By Robert P. Anderson and Whit Andrews**

“SMBs Have Choices for Web-Enabled BPM Solutions” — A confusing array of BPM options is available. **By Robert P. Anderson and James A. Browning**

“SMBs Leverage Web Enablement for Hosted CRM” — ASP adoption is expected to increase three-fold from 2002 through 2005. **By Wendy S. Close**

“SMBs Embrace SRM Solutions via Service Providers” — SRM solutions from service providers can help SMBs reduce costs. **By Robert Anderson and David Hope-Ross**

“SMBs Must Consider Impact of Web-Enabled Applications” — SMBs must understand the effects Web-enablement will have on their infrastructures. **By Robert P. Anderson and Mark Fabbi**