MANAGEMENT SUPPORT TO E-BUSINESS INITIATIVES: THE CROATIAN EXPERIENCE

Mario Spremić*

Received: 23. 09. 2003 Original scientific paper

Accepted: 20. 11. 2003 UDC: 004.738.5 : 65.012] (497.5)

After defining e-business and explaining why an evolutionary aspect of moving to e-business is required, the dimensions of e-business is defined with respect to differences between traditional business, partial, or pure e-business. Also, a model for moving to e-business is illustrated. The e-business evolving model is divided into six stages and represents an evolutionary aspect of migrating to e-business. Finally, the results of the research study on current practices in evolving ebusiness in the most successful Croatian companies are given. In this research, some aspects of business process innovation and e-business usage have been investigated (general e-business issues with levels of e-business usage, key objectives of participating in e-business, alignment of business strategy with ebusiness initiatives, initiation of e-business projects and e-business planning issues, especially e-business funding). The questionnaire was sent to 400 CEOs or CIOs in Croatian companies selected from the Register of the '400 Biggest' Croatian companies which were ranked according to their 2001 annual revenue and which were most likely to represent the structure of the Croatian economy. Although they represent less than 1% of the total number of registered companies in Croatia, the sampled companies hold 73% of the equity capital of the whole Croatian economy, they contribute with 65% in the total Croatian economy's export balance and they employ 37% of the total number of people employed in Croatia.

1. INTRODUCTION

The electronic business (e-business) includes activities, which besides the intensive use of information and especially Internet technology, connect and 'digitalize' all business activities, from developments and production, to

^{*} Mario Spremić, Ph.D., Assistant Professor at Department of Information Systems, University of Zagreb, Graduate School of Economics and Business, J. F. Kennedy Sq. 6, 10000 Zagreb, CROATIA, E:mail: mspremic@efzg.hr, Fax: +385 1 233-5633

management and administration. E-business is more than just another way to sustain or improve existing business practices. Some researchers indicated that e-business is a 'disruptive' innovation that is radically changing the traditional way of doing business (Lee, 2001), while others stressed the evolutionary aspect rather than a disruptive change (Ross, et al. 2001). When moving to e-business, companies have used such business trends as TQM (total quality management), BPR (business process reengineering), and globalization during which they automated processes, integrated systems, and worked towards customer intimacy. Ross et al. (2001) cited that 'migrating to e-business involves simultaneously *exploiting* existing processes through information rich channels, *expanding* core processes to include adjacent businesses, and *extracting* management attention from these processes'.

Nevertheless, e-business can be realized through a business transaction or service conducted over the Internet and represents every way of doing business that is very much dependent on the intensive use of information and communication technology (ICT). In this way, ICT becomes the starter of the business of modern companies, as well as the infrastructure for the development of new business models. E-business dramatically and strategically changes traditional business models. Companies are now pursuing more intensive and interactive relationships with their business partners: suppliers and customers. Therefore, e-business can be defined as the interchange of goods, services, property, ideas or communications through an electronic medium for the purposes of facilitating or conducting business (Costello and Tuchen, 1998). A basic definition of e-business is using the Internet to connect with customers, partners and suppliers, as well as to adopt new organizational rules to make business more effective. The term also implies reengineering or a rather radical transformation of the existing business process to make it more efficient. Engaging in e-business for some companies means adopting a different and fresh web-enabled business model and making significant changes in business strategy as well as technology.

On the other hand, electronic commerce (e-commerce) refers to conducting business electronically and includes the buying and selling of information, products and services via computer networks (Kalakota and Whinston, 1996). Kalakota and Whinston (1996) define e-commerce from four perspectives:

- (1) communications perspective, e-commerce represent the delivery of information, products or services over electronic means,
- (2) business process perspective, e-commerce is the application of technology toward the automation of business transactions,
- (3) service perspective, e-commerce enables massive cost reduction while

- improving the quality and accelerating the speed of business and service delivery,
- (4) online perspective, e-commerce refers to the possibility to buy or sell products and information on the Internet and other online services.

Therefore, the term e-business very much differs from e-commerce (electronic commerce). E-business refers to a broader definition of e-commerce, not just on buying and selling, but also servicing customers and collaborating with business partners, and conducting electronic transactions within an organization (Turban, et al., 2000). Intensive use of e-business can provide a number of opportunities and actual benefits to companies of all activities and sizes. In general, through the use of web sites, companies can create a global presence and widen business boundaries. Kalakota (2000) identified cost benefits as a reason or an explanation for the increased participation in ebusiness. These benefits include the reduction of transaction costs, reduced amount of inventory held due to effective information management, improved logistics, lower personnel costs and reduced support costs. Quality or intangible benefits refer to effective information flow, business integration effect, improved work-flow management, new products and advanced customer services, improved flexibility, accelerated speed of business, savings in time, more 'informed' decisions being made, etc. It is inevitable that e-business represents a contemporary concept of organizing business suitable for companies pursuing to reach a better competitive position.

In the following section, the dimensions of e-business are defined with respect to differences between traditional business, partial, or pure e-business. In the third section, a model for moving to e-business is illustrated. The e-business evolving model is divided into six stages and represents an evolutionary aspect of migrating to e-business. Finally, in the fourth section, the results of the research study on the current practices in evolving e-business in the most successful Croatian companies is given. In this research, some aspects of business process innovation, e-business usage as well as management attitude toward these initiatives have been investigated (general e-business issues with levels of e-business usage, key objectives of participating in e-business, alignment of business strategy with e-business initiatives, initiation of e-business projects and e-business planning issues, especially e-business funding).

2. THE DIMENSIONS OF E-BUSINESS

Depending on the degree of digitalization of the product (service), the process and the intermediary, e-business may take many forms or dimensions.

As illustrated in Figure 1., these variables (products-services, process and intermediary) can vary from physical to digital or virtually making eight cubes, each of which has three dimensions. Choi et al. (1997) created a model that explains the possible configurations of all these dimensions. According to the model, in traditional commerce, all of the three dimensions are physical, while if there is only one digital dimension, it is considered as e-business (but not a pure one). In pure e-business all three variables - products/services, processes and intermediaries are digital, or rather, virtual.

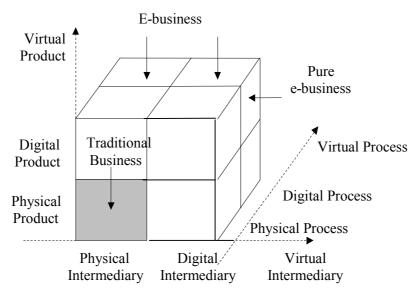


Figure 1. The dimensions of e-business

3. STAGES IN E-BUSINESS ADOPTION

Engaging in e-business for some companies means adopting a different and fresh web-enabled business model and making significant efforts about the business strategy as it does about technology. Despite Internet commerce or e-business growth, potential, and future projections of optimism, the real changes are happening inside the corporations where executives are redefining strategy, organization and business models for the Internet business era. The new business era inaugurates the Internet as a business backbone and a platform for conducting transactions and economic activities. The Internet technology revolution affects all business activities and, by all means, is well beyond the information technology revolution. As illustrated in Figure 3., the e-business evolving model is divided into six stages (Earl, 2000):

external communications,
e-commerce,
e-enterprise,
internal communications,
e-business,
transformation.

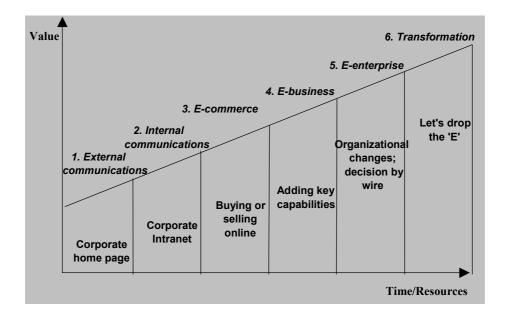


Figure 2. Model of evolving the e-business

Given the model for evolving to e-business, we stand on the point that the process of moving to e-business is an evolutionary rather than revolutionary process.

3.1. Stage 1: External communication

The initial stage in evolving e-business (c. 1994/95) focused on the Internet's communication perspective. Corporations, especially global ones, realized that the Internet was a very effective communicating medium, or rather a communications channel to the external environment; mainly to investors, analysts, customers, partners, potential recruits, etc. Therefore, a narrow focus of Internet usage in this initial stage was corporate public relations because it was evident that software and technology behind the World Wide Web provided an interesting tool for publishing corporate public relations material. A common vision for developing a corporate web site was that every modern company needed to have a web site and informative web pages. In the initial stage, there was no vision of any kind of e-business, or doing business electronically

because the public network was found as a proper medium for promotional purposes.

Very often, a motive for developing a web site was 'we'll become a modern company', with the initiative coming from IT-literate employees (not necessarily from the IT department, but rather from the marketing department, which was expected regarding the content and public relations or promotional purposes). However, it appeared that developing a web site and publishing fresh corporate materials on it were not as trivial as it seemed. In many cases, they were informal and spontaneous projects with no solid basis, organization and concrete tasks. Soon, the first questions would arise (Earl, 2000): who is responsible for keeping the content fresh and updated? Who approved the site and the way the corporate logo was presented? Who should really own the site?

From today's perspective, this initial stage resulted in a 'brochure ware' of the company. Although brochure ware may imply static content, there were some levels of interactivity, mainly through the possibility of e-mail communication, frequently asked questions (FAQ) and some entertainment content. In this initial stage, the critical factor was the quality of content, thus corporate web sites often contained annual financial statements, annual reports, recent press material, overview of company's products, services, vision, mission, information how to contact the company and its employees, job vacancies and recruitment information, etc. Despite the fact that advanced companies already 'jumped in e-business', for the majority of companies, a major difficulty in this stage arises from the necessity to constantly update web site content.

3.2. Stage 2: Internal communication

In short, the main characteristic of the second stage (from 1996 to 1998) was that IT professionals took control over the web site development and management. Although they recognized the potential of new technology, they saw them more as a technology solution than as a business opportunity. Nevertheless, the intranet solution has developed in this stage, with a primal objective to promote internal communication channels and make the internal communication effective. The Intranet has raised the information and communication capacity of organizations mainly through consistent and user-friendly front ends, e-mail, groupware and administrative support systems, bulletin boards, discussion or forum pages and knowledge-based materials for the whole corporation. Security aroused as an important issue, which led to intranets being segregated from extranets and from the Internet by 'firewalls'.

Thus, in the second stage, the focus was to use Internet (or rather intranet) technology as organizational glue, but as well as to prepare the corporation for the next stage – going into e-commerce.

3.3. Stage 3: E-Commerce

Some companies or entrepreneurs realized the great potential the Internet has for conducting business, and by 1996, they started experimenting with buying and selling online. In the majority of the cases, initial experiments advanced to Internet start-up companies and true pioneers of business-to-customer (B2C) and business-to-business (B2B) e-commerce. Web sites became very intuitive for customers' usage, navigation was simple, search engines were sophisticated, new sales and distribution channels were being created, and companies were integrating their businesses with partners, customers and suppliers. Customers are able to submit their orders electronically, make payments, place orders and require smarter and innovative ways of distribution. Also, they can visit sellers' web sites, compare their offers and make more informed decisions. Companies are trying to anticipate their needs and be the first to offer a new product or service and build a reputation and trust.

Therefore, the term electronic commerce (e-commerce) refers to conducting business electronically, or rather buying and selling online. Motives and visions for taking significant efforts towards e-commerce are customer acquisition, first-mover advantages and finally 'let's do business on the web', thus taking a portion of extremely potential e-markets. These motives very much differ from the motives in stage one or two. They are more business-focused (or rather commerce-focused). By this time, such a motive or vision resulted in establishing a start-up company with aggressive Internet strategies and very innovative ways of doing business and making a profit (Amazon.com, eBay, ETrade, E.Schwab, etc.).

Nowadays, many of them are truly leaders in their area of business and surely in a very commanding market position, with a huge advantage over (traditional) competitors. In stage three, companies experienced channel conflicts and needed to find a good balance of traditional and electronic channels and leave the customers a choice. Therefore, the main focus of stage three is online buying and selling and the main challenge of how to balance traditional and electronic channels and to find a proper channel strategy.

3.4. Stage 4: E-business

By this stage, many companies, as well as their customers, discovered new business models but also experienced a new problem: building an online channel or rather a new online business on top of an inadequate or inefficient business process. Therefore, the fourth stage of e-business is about reengineering or redesigning business processes to match customers' expectations in the new economy (Earl, 2000). The focus of this stage is to build remarkable and powerful e-processes and a new web-business model mainly through the radical reengineering of inefficient business processes and their adjustment to the e-business environment. Integrative electronic business (e-business) also means that back-office business processes need to be synchronized with the demands and the expectations of e-commerce. If not so, customers will very soon notice the signs of bad adjustment: products that do not arrive on time, or do not arrive at all, e-mailed questions or requests with no responses, inability to track order status, web sites that break down, weak network access, no personalization opportunity, poor speed of service, problems with customer returns, clumsiness in placing orders, handling customers responses, etc.

3.5. Stage 5: E-enterprise

With the reengineering project, companies got rid of inefficient processes and could proceed building a new business model. The reengineering process generally means that the management model also requires some changes. Rockart et al. (1996) realized that management processes could also benefit from being redesigned because they were not synchronized with the newly-designed business processes, they were not fully supported by the new technology and information system, and they were often based on the old ideas of organizational design. Intensive electronic business integration makes assumptions for the dynamic decision-making process because with such technology support, the decision can be made in real time. While the business process is still going on, transactions can be monitored and analyzed in real time, information can be collected online, dynamic pricing service can be offered, etc.

Stage five is labeled 'e-enterprise' because it is about decision-making becoming entrepreneurial and about communicating decisions across the enterprise (mainly through advanced intranet solutions from stage two). Earl (2000) stressed that the critical success factor in this stage is to recruit, develop and empower people who have the skills to use information and act on it (so called 'infopreneuirals').

3.6. Stage 6: Transformation to new economy business models

E-business era dramatically and strategically changed traditional business models. Direct access to information and their quick and cost-effective global reach enables radical changes in all economic sectors and changes in companies of all sizes and business activities. The reach and richness of information over an open network infrastructure gradually expand a company's boundaries towards extended enterprises and strategic alliances with a modular or networked structure. Kalakota et al. (2000) stated that 'the ability to streamline the structure, influence and control of the flow of information is dramatically more powerful and cost-effective than moving and manufacturing physical products'. Companies of all sizes have adopted an e-business infrastructure and redefined their own value chain to value network, converging to new business models.

Transformation implies that a company has successfully implemented the necessary stages to meet the new economy environment, thus the final result is to be 'comfortable with the new economy'.

4. RESEARCH ON E-BUSINESS INITIATIVES IN LARGE CROATIAN COMPANIES

4.1. Survey instrument and methodology

The key objective of the research has been to examine a number of issues regarding the e-business practice on a sample of the '400 Biggest' Croatian companies ranked according to their 2001 annual revenue. To address the study's objectives, a survey questionnaire was considered the most appropriate research methodology for this study. The study was conducted in 2002 and some parts of the questionnaire were previously developed by Barua et al. (2002). The questions, as well as the overall coverage of the questionnaire, have been found to be an effective basis for investigating current e-business practices and, as such, a majority of the questions was unchanged other than to be translated into the Croatian language. The questionnaire consists of four parts:

- (1) general information about the company,
- (2) structure and current state of IS, as well as SISP practices,
- (3) business process innovation issues and
- (4) e-business practices.

This paper particularly focuses on the last two parts of the questionnaire, investigating the following aspects of business process innovation and e-business usage:

- (1) general e-business issues with levels of e-business usage,
- (2) key objectives of participating in e-business,
- (3) management attitude toward e-business initiatives,
- (4) initiation of e-business projects.

The questionnaire was translated into the Croatian language and then pretested on postgraduate and doctoral students for content validity, comprehensiveness and readability. After the feedback from the pre-testing had been obtained, the questionnaire was pilot tested with five senior IS executives.

4.2. Sample

The questionnaire was sent to 400 CEOs or CIOs in Croatian companies selected from the Register of the '400 Biggest' Croatian companies which are most likely to represent the structure of the Croatian economy. In that Register, companies focusing on various business activities were ranked according to their 2001 annual revenue. Although they represent less than 1% of the total number of registered companies in Croatia, the sampled companies hold 73% of the equity capital of the whole Croatian economy, they contribute with 65% in the total Croatian economy's export balance and they employ 37% of the total number of people employed in Croatia.

The survey was performed from March 2002 to April 2002 and was conducted by a professional market research agency (Puls, http://www.puls.hr) with verbal communication with CEOs or CIOs (IS executives). Verbal communication with CEOs or CIOs is clearly important since the respondents were not self-selecting the questions and themes. Regarding the sample, proposed methodology, as well as professionalism in planning and conducting the research, the results may be considered as representative.

The survey resulted in 116 responses, representing a strong response rate of 27%. Table 1 provides an overview of the responses, as well as the structure of the surveyed organizations according to their economic activity (based on the European Classification of Economic Activities - NACE Rev. 1) and total number of employees. More than one-half of the responding companies are included in only two industry types: trading (wholesale and retail trade at 36.2%) and manufacturing (at 18%) and are representative of the overall structure of the Croatian economy, with trade being the prevailing economic

activity rather than manufacturing. Furthermore, the surveyed companies were evenly distributed throughout Croatia, but the majority of them are from Zagreb, which is the capital and economic center of Croatia and a broader region. Thus, regional bias in the results cannot be excluded. Regional issues were of less importance on behalf of the 2001 annual revenue. The activities in the category "Miscellaneous" included various types of business such as tourism, IT, forestry, agriculture, real estate and government.

Moreover, it should be stressed that, by Croatian corporate law, a company is classified as large when the total number of employees exceeds 250 or the annual revenue is more than US\$4 million. Exactly 50% of the surveyed Croatian companies were large companies according to the 2001 annual revenue and 88% had more than 250 employees. Almost one-half of the Croatian companies were large companies according to both criteria: more than 250 employees and revenue more than US\$4 million. As illustrated in Table 1., only nine organizations had less than 250 employees, 22 organizations had less than US\$4 million in the 2001 annual revenue, while 36 organizations did not respond to the question regarding the 2001 annual revenue.

Structure by type of business	Number	%
Wholesale and retail trade	42	36.2%
Manufacturing	21	18.1%
Finance	8	6.9%
Transport, telecommunications	8	6.9%
Construction	7	6.0%
Miscellaneous	27	23.3%
No response	3	2.6%
Structure by total number of		
employees		
< 50	4	4.3%
51-250	5	5.4%
> 250	81	88.1%
No response	2	2.2%

Table 1. Structure of surveyed Croatian organizations

4.3. Results and discussion

All of the 116 surveyed Croatian large companies have Internet access, while 97 of them (or 83.6%) have their own web site. These findings illustrate a high-level of web site usage, with a higher trend than in the previous researches

(in the 1999 survey on the same sample, 49% of Croatian large companies had a web site, while in the 1997 survey, also on the same sample, only 25% of them had a web site). Noticeably, 16.4% of the respondent companies do not have a web site, but they are using their Internet access namely for e-mail communication. The majority of them is planning to build their own web site in the near future.

4.3.1. E-business initiatives

According to survey responses, the initiators of developing, designing and publishing a company's web site in 37.1% of the cases are employees from the IT department, in 27.8% of the cases is management and in 23.7% of the cases are marketing department employees. Such a tendency is surprising given the relatively low position of the IT department in the organization hierarchy of Croatian companies (Spremić et al. 2002). As noticed from Table 2., in 27.8% of the responses, the initiative for e-business projects comes from management structures, which indicates management ignorance or lack of knowledge in that area of business. It seems that every fourth manager in the most successful Croatian companies understands the concept of e-business and believes that its implementation can improve operating results or a company's competitive position. Almost every manager should follow the successful international bestbusiness practice: cautiously initiate e-business projects, give them financial support and sponsorship, and let competent associated and expert teams (IT professionals, marketing professionals, engineers, legal experts, etc.) do the further implementation.

Who initiated a company's web site development?	Number of answers	Percentage
IT department	36	37.1%
Management	27	27.8%
Marketing department	23	23.7%
Other departments	9	9.3%

Table 2. Who initiated the development of a company's web site?

4.3.2. Objectives of building a company web site

The most important objectives of building a company web site are **promotional purposes** (to introduce the company, its products, services and activities to customers, suppliers and partners), as well as **electronic**

Don't know / No answer

communication with customers, suppliers and partners, while the qualitative aspects of e-commerce or integrated e-business are of less priority. Having in mind the initiators of a company's web site development and the most important priorities of that project, we can conclude that the surveyed Croatian companies are lagging behind in reaching the steps proposed in the e-business adoption ladder. Trends and survey findings are indicating that large Croatian companies are not using e-commerce nor e-business opportunities to the fullest and there is a significant gap in the adoption ladder.

The main reasons for Internet usage in large Croatian companies are to set the **static contents** on web sites, to establish a **static electronic catalogue** as well as to make **advancement in internal and external communication**, while the integration of business processes, electronic commerce and e-business opportunities are mainly neglected.

Looking at the detailed statistical analysis, as well as some organizational factors that influence the readiness for e-business, it is apparent that the e-business adoption ladder is not dependent on the company size or business activity. For manufacturing companies, the main reason for developing a web site is to introduce the company to the customers, suppliers and business partners (average 4.79 on a 1-5 scale) and to enable electronic communication with the business environment (4.32). While in wholesale and retail trade, the goals are lined up equally but with lower inherent average marks (4.16 and 4.05).

Table 3. Most important reasons	for building	a company web site (1 to 5 scale)
---------------------------------	--------------	----------------------	---------------

Most important objectives of building a company web site	Mean
Promotional purposes (to introduce the company, it products, services and activities)	4.39
External business integration (electronic communication with customers, suppliers and partners)	3.99
Integrated e-business	3.57
Internal integration of current business processes	3.36
e-Commerce (selling over Internet, better before and after sales customer contact)	3.14

The surveyed companies highly appreciate the concrete benefits of intensive e-business application as well as of Internet usage (the smallest average mark is 3.58 on a 1-5 scale):

□ faster communication (average 4.47),

- \Box access to greater number of potential customers (4.28),
- \Box reduced cost (3.69),
- \square new distribution channel (3.63),
- □ competitive advantage (3.58).

Almost 60% of the respondents believe that the intensive use of e-business will surely change the current business processes as well as the way of doing business; therefore, we may consider an e-business initiative as an enabler for a massive business process reengineering project.

4.3.3. E-business projects and top management support

E-business projects have cross-functional features and affect reengineering processes. As business flexibility drives the evolution of e-business as well as process innovation initiatives, it is clear that a business leader's greatest challenge includes gaining an intimate understanding of e-business features and their strategic opportunities. While it is not important for business leaders to have detailed knowledge about specific technologies, it is an absolute necessity for them to have a conceptual understanding of IT and e-business issues in order to be closely involved in value-adding activities that lie upon them and to be imaginative to radically change the current value proposition. The average mark of top management support for e-business activities in surveyed Croatian companies is not acceptable (2.3 on 1-4 scale). Detailed analysis confirms that Croatian management has a reactive attitude towards the implementation of ebusiness projects: in 24.1%, management's support for e-business projects is not satisfying; in a further 28.4%, it is acceptable; in 30.2%, this support is qualified as good; while in 11.2% of the responses is excellent (the remaining 6% of the responses were rejected as invalid).

Table 4. Structure and status of e-business projects in surveyed Croatian companies

E-business projects	Responses	Percentage
Completed	11	9.5%
Conducting	39	33.6%
Will be conducted in 6 months	13	11.2%
Will be conducted in 2 years	28	24.1%
Will be conducted in 5 years	18	15.5%
Not planned	7	6.1%

As illustrated in Table 4., 11 (or 9.5%) of the e-business projects have been completed, 39 are still in progress, 13 will be conducted in 6 months, 28 in 2

years and 18 in approximately 5 years. These findings, especially some planning trends, are surely positive: 33.6% of the surveyed companies is conducting an e-business project, and more than half of them plan an e-business project in the near future (6 months), mid-term future (2 years) or long-term future (5 years). On the other hand, it is significant that only 6.1% of the respondents does not consider any e-business project.

Only 11 completed e-business projects are not enough for an in-depth investigation or analysis of their characteristics. Nevertheless, research findings indicate that Croatian companies are taking significant efforts regarding e-business projects.

5. FINAL CONCLUSION

After considering and analyzing the research results, it may be concluded that Croatian companies do not find e-business as an important or 'disruptive' innovation that can radically change the traditional way of doing business. Croatian companies also realize that moving to e-business requires an evolutionary process exposed with the six-stage adoption model.

Furthermore, research results identified major difficulties in implementing e-business projects in Croatian companies:

- objectives of building a company web site are external communications and promotional purposes;
- in only 27.8% of the cases, the initiative for e-business projects comes from management structures, which indicates management's ignorance, non-competence or lack of knowledge in that area of business;
- a moderate number of surveyed companies (almost one-third of them) has a strategic plan of e-business;
- poor or insufficient e-business funding.

The most important **objectives of building a company web site** are promotional purposes (to introduce the company, its products, services and activities to customers, suppliers and partners), and setting the static content on a corporate web site, as well as the electronic communication with customers, suppliers and partners, while the qualitative aspects of e-commerce or integrated e-business are of less priority.

We cannot expect massive e-business funding when only every fourth manager realizes the strategic potential of e-business implementation. In addition, it seems that every forth manager in the most successful Croatian companies understands the concept of e-business and believes that its implementation can improve operating results or a company's competitive position.

Finally, it can be concluded that management in the surveyed Croatian companies has a reactive attitude towards e-business project implementation. Neither Croatian companies, nor their management realize the economic potential of Internet—related technologies or e-business.

Also, it must be stressed that according to the research results, Croatian companies are taking significant efforts regarding e-business projects. However, having in mind the identified difficulties in their implementation, it can be concluded that these projects are of minor importance – just on stage two or stage three of the e-business evolving journey.

REFERENCES:

- 1. Afuah, A., Tucci, C. L., (2001): *Internet Business Models and Strategies: Text and Cases*, McGraw-Hill, New York, 2001.
- 2. Barua, A., Konana, P., Whinston, A., Yin, F. (2001): "Driving E-Business Excellence", *MIT Sloan Management Review*, Fall, 2001.
- 3. Costello, G., Tuchen, J. (1998): "A Comparative Study of Business to Consumer Electronic Commerce within the Australian Insurance Sector", *Journal of Information Technology*, Vol. 13, No. 3., pp. 153-168.
- 4. Choi, Earl, M. J., (2000): "Evolving the E-business", *Business Strategy Review*, 2000, Volume 11, Issue 2, pp 33-38.
- 5. Kalakota, R., Whinston, A. B., (1996): *Frontiers of Electronic Commerce*, Addison-Wesley, Reading, MA, 1996.
- 6. Kalakota, R., Lee, C. S., (2001): "An Analytical Framework for Evaluating e-Commerce Business Models and Strategies", *Internet Research: Electronic Networking Applications and Policy*, Vol. 11., No. 4., pp. 349-359.
- 7. Rockart, J. F., Earl, M. J., Ross, J. W., (1996): "Eight Imperatives for the New IT Organisation", *Sloan Management Review*, Vol. 38, No. 1, pp. 43-55.
- 8. Ross, J., Vitale, M., Weill, P. (2001): "From Place to Space: Migrating to Profitable Electronic Commerce Business Models", November 2001, CISR WP No. 324, MIT Sloan School of Management Working Paper, No. 4358-01.

- 9. Spremić, M., (2001): "Challenges of Business Models in the Internet Economy", *Proceedings of the XXIV. International Conference MIPRO 2001*, Opatija 2001, pp. 22-28.
- 10. Spremić, M., Strugar I., (2002): "Strategic IS Planning Practise in Croatia: Organizational and Managerial Challenges", *International Journal of Accounting Information Systems*, Vol. 3, No.3., pp. 183-201.
- 11. Turban, E., Lee, J., King, D., Chung, H. M., (1999): *Electronic Commerce, A Managerial Perspective*, Prentice Hall, New Jersey.
- 12. Venkatraman, N., Five "Steps to a Dot-Com Strategy: How to Find Your Footing on the Web", *Sloan Management Review*, Spring 2000, pp. 15-28.
- 13. Voss, C., (2000): "Developing an eService Strategy", *Business Strategy Review*, Volume 11, Issue 1, pp. 21-33.

PODRŠKA MANAGEMENTA INICIJATIVAMA ELEKTRONIČKOG POSLOVANJA: HRVATSKA ISKUSTVA

Sažetak

U radu se prvo definira pojam elektroničkog poslovanja, te objašnjava zašto je potrebno primijeniti evolucijski oblik njegova uvođenja. Nadalje se definiraju njegove dimenzije, pri čemu se izdvajaju razlike između tradicionalnog poslovanja, te djelomičnog i čistog elektroničkog poslovanja, te se ilustrira model za uključivanje u elektroničko poslovanje. Model razvoja elektroničkog poslovanja podijeljen je na šest faza i predstavlja evolucijski aspekt kretanja prema elektroničkom poslovanju. Na kraju rada iznose se rezultati istraživanja tekuće prakse u razvoju elektroničkog poslovanja na uzorku najboljih hrvatskih poduzeća. U ovoj su se studiji istraživali neki aspekti inovacije poslovnih procesa, kao i uporabe elektroničkog poslovanja. Posebni aspekti istraživanja odnose se na opću razinu korištenja elektroničkog poslovanja, ključne ciljeve sudjelovanja u elektroničkom poslovanju, usklađivanje poslovne strategije s inicijativama elektroničkog poslovanja, pokretanje projekata elektroničkog poslovanja i planiranja "e-businessa", kao i njegovog financiranja. Anketni je upitnik poslan direktorima, odnosno managerima informatike u 400 najvećih hrvatskih poduzeća, preuzetih iz spiska "400 najvećih", rangiranih prema godišnjem prihodu u 2001. godini. Za navedene je tvrtke najvjerojatnije da dobro predstavljaju strukturu hrvatskog gospodarstva. Naime, iako predstavljaju manje od 1% ukupno registriranih poduzeća u Hrvatskoj, ona posjeduju 73% ukupnog vlasništva nad kapitalom u čitavom hrvatskom gospodarstvu, imaju udjel od 65% u ukupnom hrvatskom izvozu, te zapošljavaju 37% ukupno zaposlenih u Hrvatskoj.