

# B2B

## How To Build a Profitable E-Commerce Strategy

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**MAIN IDEA**

The advantages of business-to-business (B2B) e-commerce are so compelling and the potential rewards so obvious that this literally may become the last frontier in the business world. At stake will be the trillions of dollars of business which will be transacted by businesses over the Internet in the next few years.

The imperative, therefore, is to get involved in B2B commerce. In such a dynamic and fluid marketplace, best practices are evolving rapidly. The business organization that waits until a clear path becomes clear will find by that stage, its competitors will already be firmly entrenched. In other words, since everyone is learning how to do B2B successfully in real time as they go along, it's getting actively involved in the game that counts rather than waiting until things settle down.

In the final analysis, B2B isn't anything new. What is new is the speed at which better and more effective communication links are being built between firms. That empowers B2B to reduce transactional expenses, aggregate buying power and exploit the efficiencies of digital marketplaces. In short, B2B is the greatest opportunity yet in online business.

1. The Fundamentals of B2B E-Commerce . . . . . Page 2

At its very heart, B2B is all about staying competitive while the dynamics of large industries and traditional ways of doing business are undergoing rapid and dramatic change. The emergence of the Internet as a common platform for the conducting of business worldwide creates a new set of rules and an entirely different set of players to those who existed before.

2. The New B2B Focus . . . . . Page 3

Business-to-business e-commerce focuses on delivering everything that's needed to close a deal via the Internet – information, negotiation and order processing. The actual delivery of the product or service may take place in the real world, but every other aspect of the transaction is negotiated and finalized via the Internet in a B2B market.

3. B2B Best Practices . . . . . Page 3

The B2B market is extraordinary – it has so many available opportunities, so many companies moving into the field and numerous successes and inevitable failures. Yet despite the headlong rush, several best practice factors are now starting to emerge which characterize the high-quality B2B markets.

4. Building B2B Alliances . . . . . Page 4

In an electronic marketplace, no single company is likely to have the time or resources to do everything themselves. Instead, there will be a reliance on forming partnerships and strategic alliances to access the necessary capabilities and skills. In fact, building and maintaining effective alliances is becoming one of the key skills of the B2B era.

5. The Three B2B Building Blocks . . . . . Page 5

The three key building blocks of any new B2B business will be:

1. Applications
2. Services
3. Software

Successful B2B business builders have generally adopted a customer-centric perspective on each of these elements and focus on how to create and deliver the customized experience the client wants.

6. How To Design a B2B Business . . . . . Page 6

To successfully put together a B2B project, the correct infrastructure must be developed. A robust and viable B2B infrastructure will have these key elements:

A Viable B2B Infrastructure	1	Corporate Culture
	2	Go-to-Market Plan
	3	Sales & Distribution Plan
	4	Marketing Strategy
	5	Service & Support Plan
	6	Content Plan
	7	Integrating Technology Plan

7. Building a B2B Business In Real Time . . . . . Page 8

At some point, planning the B2B business must cease and making it happen must commence. While that's happening, the marketplace itself will also be constantly changing. Therefore, the key management challenge in implementing any B2B business plan is retaining the planning flexibility to make changes on the run and the nerve to act quickly enough.

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