

Using e-Commerce to Increase Revenues & Profits in Your Plating Shop

*Joseph L. Hellmers, Quantum Computer Solutions, Corporate Member, El Cajon,
California, USA*

One of the new terms of the Internet Revolution is “e-Commerce.” This presentation will explore what e-Commerce is and isn’t. Events over the last year have left many in the plating industry reeling and not quite sure what way to turn next. Businesses that prepare and are ready will be the survivors. Timing is everything and, surprisingly, now is the perfect time to learn about how the use of e-Commerce will increase revenues, profits, and customer satisfaction. This presentation will include recommendations and an interesting conclusion, as well as a focus on Business-to Business (B2B) e-Commerce.

For more information, contact:

Mr. Joseph L. Hellmers

Or

Mr. Hobey Hewitt

Quantum Computer Solutions

1102 N. Second Street

El Cajon, CA 92021

Phone: (619) 440-0553

(888) 857-2626

www.webQCS.com

Introduction

This article provides a simple explanation of what E-Commerce is and is not from the non IT person's perspective and goes on to describe ways that E-Commerce can be used by Metal Finishers to streamline their business processes. I will go on to give some practical guidelines on managing an E-Commerce implementation project for your business to insure a successful ending.

This article does not intend to make the reader an expert in the different technological issues that are involved with E-Commerce. The technology for E-Commerce is still nascent, and likely to evolve and reinvent itself over the next few years. I will therefore concentrate on the general uses for E-Commerce, not on the specific technologies that can be utilized in putting an E-Commerce system in place.

E-Commerce is one of the many "loaded terms" that exist in the Information Technology industry today. By "loaded" I mean that the same term can mean different things to and be used differently by different people. Ensure you have a clear idea and vision of what you want to achieve should you go ahead and take your company down the e-path and jump onto the information highway.

Intranets, Extranets and the Internet, Oh my!

In order to comprehend how E-Commerce is meant to function in the current business computing environment, it is critical to have a rudimentary understanding of the Internet itself.

The **Internet** (with a capital "I") is a public **inter-network**. An inter-network is the infrastructure which connects two separate networks. For example, if a company has two plants, they may have the hardware and software products which link the two plants' computer networks. This linkage between the two computer networks is known as an inter-network. The Internet is a publicly administered inter-network that has a great deal of high-speed hardware that allows many disparate computer systems to link together. Originally it was meant primarily for academia and the Department of Defense, but has rapidly expanded to an almost universally accessible computing environment.

There are many services provided over the Internet including:

- World Wide Web- Is a collective term used to describe all of the Web Servers that publish documents to be viewed by the general public.
- E-Mail- This is the ability to allow asynchronous communication between individuals. Logically very similar to normal mail, but much quicker and cheaper.
- FTP- Stands for "File Transfer Protocol" and refers to the ability to transfer files, even very large files, from FTP servers to normal client computers.
- Newsgroups. These are forums used as a public discourse about a wide variety of subjects.

So then exactly what is “e-commerce”? Most of us have some ideas and a few more may have actually conducted a few transactions on line. It’s likely too then, that your own personal experience in purchasing a flower arrangement or a birthday gift from an online retailer will have a great influence in whether you may wish to learn more about the possible benefits of using or offering this service in your own business. If the experience was favorable, you may have an open mind about the concept. If you were the misfortunate one who opened Pandora’s box during this seemingly simple purchase you have every right to be a bit skeptical.

I think it is fair to say that by setting up your business, to conduct B2B transactions is not going to turn on the money spicket and it’s not like shaking the money tree either. It’s not likely going to turn around a failing company, and like so much of hype we’ve all heard about, Information Technology (IT) is not the end all to every problem your company must deal with on a daily basis. So why bother then? I think to answer that question, consider that you are taking your company to the next level. It’s like adding a special tool to your toolbox. Sure you could continue to do things the same old way year after year, but to survive in these highly competitive times you need to look at every possibility to operate more efficiently and effectively.

How to use this mysterious concept and really get some tangible value out of it is the question that begs to be answered. Well as I started out by saying this is going to be a very basic explanation of the concept. Let’s say that every so often you had to send the boss’s secretary down to the local Office Depot once every couple of weeks to buy office supplies, well that takes time away from the job, use of a vehicle, etc. Why not try doing the entire process online next time, you’ll save money, and time that can now be directed at some other project. Maybe that one project you never seem to get around to starting. Many of the industry’s suppliers have an Internet presence. Many suppliers in other industries offer discounts to customers who order supplies online. They can afford to give you 10% off your purchase because they have saved a bundle processing your order. It doesn’t take people out of the loop, you can normally call to confirm an order, follow up with an email or FAX. Using an Internet resource to place an order or research new products or supply sources is convenient too. The list could go on and on. Transmitting Invoices electronically is another advantage of B2B. Streamlining the process of getting money into your bank account is a winner, no matter what you think of the Internet. On your customer’s list of wants might be the ability to know when a job will be complete. Many businesses have the capability to allow the customer to access your web site and see where in your process their job is. Customers like this extra customer service feature; it helps them plan their work more accurately, increasing profitability. It could make the difference in them choosing you or your competitor in the future.

A recent report by eMarketer’s “E-Commerce Trade and B2B Exchanges” states worldwide B2B e-commerce will total \$823.4 billion by the end of 2002, and the strong growth will continue through 2004. They quote a senior analyst at eMarketer Steve Butler who says “Despite last year’s difficult

economic climate, many companies pressed on with their e-business initiatives, continuing to lay the foundation for e-commerce trade.” He goes on “Leading EDI vendors and industry-backed exchanges are currently helping large enterprises bring their smaller suppliers online, setting the stage for significant e-commerce growth.”

Like any new idea or concept you may have considered for your business a great deal of thought and planning must precede any actual development or implementation. Take advantage of every opportunity to work out the details of exactly what you want to achieve by adding B2B to your company’s offerings. If you lack the in-house expertise to implement your plan look at hiring a competent consultant, *one with a proven track record*. Money is hard enough to make these days without an IT project that’s a virtual black hole soaking up the budget.

Whether some form of Business to Business is right for your company, your customers, or your vendors only you will know but certainly you will have to agree that now is the right time to at least think about it. Planning and implementing while business is slow allows you to operate at full steam when times are good. The costs to implement a company presence on the World Wide Web will vary greatly on what you decide to do and where you are located but the cost should not be astronomical, if they are, maybe the return won’t justify them and the project scaled back. Just like every aspect of your company though you want to end up with a quality product that works as advertised.....every time; any time.

Reference Page

On Line. March 7, 2002.

http://cyberatlas.internet.com/markets/b2b/article/0,,10091_986661,00.html