

IMPACT OF E-BUSINESS ON THE EFFECTIVENESS OF ENTERPRISE PERFORMANCE

Kėdaitienė A.

Lithuanian University of Agriculture

Development of e-business worldwide started shortly after the introduction of the Internet to the societies in the early 1990's. Recent data show that more than 70 per cent of companies in Lithuania in 2005 used e-banking. Sales and purchases over the Internet are still low, but this is the worldwide tendency. According to the experts, usage of the Internet can increase the efficiency of the performance up to 60 per cent, and usage of e-business – up to 40 per cent.

Keywords: e-business, enterprises, effectiveness, barriers, Lithuania.

Introduction

Development of e-business started since introduction of the Internet in early 1990's last century, 15 years ago from now. There are two e-activities, which are often mixed: e-business and e-commerce. E-commerce means economic transactions, which are made over the Internet, the sales and the purchases of goods and services. These must be not compulsory made over the Internet, but at least initiated. E-business is wider activity, comprising e-commerce but meaning also the integration of the Internet into wider business activities – the management of the operations and production value chain, exchange of information and data, e-banking, etc. E-business is widely spread among the enterprises and population of the developed countries.

Aim of the paper is to present the e-business situation in Lithuania, findings of Lithuanian researchers permitting to decide upon the effectiveness of e-business applications in domestic companies, as well as to present the recommendations for speedier development of e-business in the nearest future.

The method. Majority of the findings are based on the primarily methods – two surveys of the e-business experts in Lithuania, performed in 2004 and in 2005.

Discussion

E-business is speeding up in Lithuania. According to the data of Lithuanian department of statistics, in 2005 around 75 per cent of Lithuanian enterprises used the e-banking services, but just 6 per cent have sold and 14 per cent have bought the goods over the Internet making the turnover 1,7 per cent from total sales, in EU this indicator being equal to 8,4 per cent in 2003.

Attitudes towards e-business are different. Recent data shows that e-business getting the speed and becoming commonly used function among the enterprises as well as increasing the penetration in the society. This can be explained by different reasons, but seems that the applications of e-business overcame the conservative attitudes by showing the real benefits, increased efficiency and profits, by making the spillovers effects from the achievers. According to the Lithuanian experts, usage of the Internet in the enterprises can increase the effectiveness of performance

in more than 60 per cent. Effectiveness of performance is understood as the complex indicator meaning competitiveness, efficiency, time and labor force savings, etc. E-business was estimated with lesser points, however, even in Lithuanian it is considered that e-business can increase the efficiency of performance up to 40 per cent.

There are different motives of e-business adoption, constituting the positive results. Regarding business-to-business model this is savings of the costs, mentioned by 39 percent of the experts as well as the time of order deliveries (21 percent), and the average size of the stocks (17 percent). Costs savings can be grouped into the categories, presented in the table below.

Analysis shows that usage of e-business for transactions between companies making the major impact on the costs of purchases labor force (in average 1.31 point) and communication costs (in average 1.06 point). Impact of e-commerce on other cost groups varies between 0,56 and 0,94, and only the costs of information technology supervision have negative meaning (averages - 0,66).

Survey of the Lithuanian expert's shows, that major influence upon e-business adoption is made by sector of the industry (4,84 points). This influence is followed through the recipient of the industry to information technologies (4,28 points), and a little less through the market concentration (2,22). Size of the enterprise as well as the international activity were estimated with lesser points, however also considered as significant (3, 28 and 3, 41 points). It is considered that costs of international communication, cultural and language barriers as well as time zones are not so influential.

Experts have estimated differently the influence of e-business upon the effectiveness of performance. As could be foreseen, e-business making major positive influence upon the information management within the company as well as with the outside partners (1,84 points), and also on the accountancy what should consider the e-banking and other functions of finances.

When looking forwards, we consider not only the achievements, but also the impediments of the development. What these are for Lithuanian e-business industry? According to the survey of experts, these are different. If to group the barriers, the major part of difficulties falls on the processes within the society (39 per cent), followed by the legislation (23 per cent).

Conclusions

Analysis shows that e-business development in Lithuania has high potential. The question is what can be done to facilitate the development? The recommendations can be grouped into the three categories: development of information infrastructure of e-business, support with the investments, perfection of the legislation, and different. Regarding development of the information infrastructure it is recommended to establish permanently working Forum of e-business which can take the form of chat room where the participants can express their views on general or specific subject given as the topics for discussions. Analysis and numerous sources evidence the significant financial and material investments needed to start

the e-business. In case of Lithuania it is recommended to establish the temporary state fund where companies intending to start or develop the business can apply for the aid.

References

1. Arthur Andersen. (2001). eBusiness Practices // Internet access: www.kspace.arthurandersen.com/gbp/index/ebus/index/top.htm. (2007 07 20)
2. Duisberg A., Fritzemeyer W. ir kt. (2001). Report: Doing E-Commerce in Europe. – New York: Baker and McKenzie.
3. European Commission. (2003). European E-Business Showcases. – Luxembourg: Office for Official Publications of the European Communities.
4. E-business development in Lithuania and its impact on competitiveness of national economy (2005) / Research report, Economic and statistic research // Internet access www.ukmin.lt or ordered over j.martinonis@ukmin.lt (2007 07 15)
5. T. Sarapovas (2004). Models of e-commerce to increase the business effectiveness / Doctoral thesis // Kaunas technology university.
6. The European e-business report 2005 edition (2005) / The European Commission, Enterprise and industry DG // Internet access <http://www.ebusiness-watch.org/resources/documents/eBusiness-Report-2005.pdf> (2006 07 20)

ELEKTRONINIO VERSLO ĮTAKA ĮMONIŲ VEIKLOS EFEKTYVUMUI

Angelė Kėdaitienė

Lietuvos žemės ūkio universitetas

Straipsnio tikslas – atskleisti e-verslo plėtros Lietuvoje ypatumus ir jo įtaką šalies įmonių veiklos efektyvumui. Tyrimo rezultatai paremti dvejomis Lietuvos e-verslo ekspertų apklausomis (2003 ir 2005). E-verslas Lietuvos įmonėse plinta sparčiai. 2005 m. net 75 proc. šalies įmonių naudojami e-bankininkyste, o tai yra integrali e-verslo dalis. Tačiau vis dar nedidelė įmonių dalis prekiauja internete. 2005 m. e. prekyba sudarė 1,7 proc. bendrosios prekių apyvartos. Ekspertų vertinimu, e-verslo naudojimas gali net iki 40 proc. padidinti įmonių veiklos efektyvumą.

E-verslas teigiamai veikia įmonių kaštus, juos mažindamas, taip pat laiko sąnaudas bei žmogiškųjų išteklių kaštus. Diegiant e-verslą didžiausią įtaką daro šakos struktūra bei jos imlumas informacijos technologijoms.

Raktiniai žodžiai: e- verslas, įmonė, efektyvumas, barjerai, Lietuva.