Class announcements

- Assignment 3 due Tuesday 10/28
- Project Proposal due Today
- Reading for next class
  - Messerschmitt Ch 4
- Student Presentations Thursday 10/23
  - Joey Chakraborty (News)
  - Stephanie Castaneda (News)
Student Presentation

Ellis McKiernan (News)
Cisco Review

- Team of people from all types of departments
  - “cross-functional team”

- Was this necessary?
Cisco Review

- Vendor Selection
  - KPMG consultants
  - Oracle ERP
  - Good selection? Why were they “hungry?”
Cisco Review

- Top Management made it a priority

  - What effect did this have?
Cisco Review

- Rapid Iterative Prototyping?
  - What was this?
  - Was it a good strategy?
  - Was aggressive pace good, or reckless?
Cisco review

- Project justification

  - Did they do a RoR or NPV analysis to justify the project?
Cisco Summary

Success Factors

- Cross-Functional Team of top people
  - People from across the company involved
- Hungry Vendors
  - Oracle and KPMG needed this to succeed
- Strong Support from Top Management
- Favorable Hardware Contract
- Rapid Prototyping
- Aggressive pace

Challenges

- Poor testing Strategy
- Inadequate Hardware
- Software required more modifications than originally hoped.

Good management or luck?
Cisco Summary

What did it cost?

Costs Beyond original budget:
- Non-IT Personnel In Project
  - 80 personnel \times 8 \text{ months} \times 160 \text{ hours / month} \times 100 \text{ hour} = $10 \text{ million}
- IT-Personnel beyond original 20
  - 80 personnel \times 4.5 \text{ months} \times 160 \text{ hours / month} \times 100 \text{ hour} = $5.7 \text{ million}

Actually cost more than 15 million \textbf{more} than the original budget of $15 \text{ million}!

Was this really a success?!
E-Commerce

- Major Categories
  - Consumer (B2C)
    - Example: Amazon.com sells books to consumers.
  - Inter-consumer (C2C)
    - Example: e-bay
  - Inter-enterprise (B2B)
    - Example:
E-Commerce Principal Steps

- Matching buyers and sellers
- Negotiating terms
- Consummation
- Customer service
Matching Buyers and Sellers

- **Catalog**
  - Seller publishes a catalog of goods and services
  - Willing buyers access at their initiative

- **Advertising**
  - Attach advertisements to other publications or web pages
  - Example: Spam

- **Intermediary Recommender**
  - Examples?
Intermediaries?

- What rolls should intermediaries play in the networked age?

- What intermediary rolls may change or even be eliminated?
  - Travel Agents?
  - Others?
Negotiating Terms

- Fixed price
- Price based on buyer characteristics
  - History
  - Demographics
  - Behavior
  - Sequential versioning
  - Examples?
    - (Airlines, Hotwire, TurboTax)
- Auctions
Consummation

- Order
- Fulfillment
  - Seller conveys goods to buyer
- Payment
  - Buyer conveys payment to seller
- Security?
  - Need to ensure both fulfillment and Payment occur.
Payment options

(Topic of Chapter 14)
Account transfer authorization
Credit/debit card
Digital cash

Micropayments
- Low transaction costs
- Consolidation
Customer Support

- Often need to provide post-sales service to the customer
  - In person
  - Over telephone
  - Via Network
    - Email
    - Remote conferencing
    - FAQ board
    - Automatic distribution of new versions or patches