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Use of eMarketplace for Procurement

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Problem Definition

Internet growth and new electronic commerce technology create opportunities as well as challenges for doing business faster, cheaper and more efficient electronically. Today, organizations need to be competitive in a global market. This demands new technology and new business models. One of these models is the eMarketplace that allows suppliers and buyers to exchange information and to carry out business transactions.

The focus of the project was to study the possibilities of using Oracle Exchange eMarketplace technology to connect business partners. Since 2000, Slovenia has an Electronic Commerce and Electronic Signature Act that regulate certain legal aspects, imposed by fast technological development in the area of electronic commerce. This law supports additional opportunities for using new business models, such as eMarketplaces. Slovenia has no business-to-business eMarketplaces operating at present but there appears to be an interest in moving toward the use of eMarketplaces. Some companies were forced by business partners to participate in the eMarketplaces outside Slovenia.

Project Description

In this project we utilized Oracle E-Business Suite 11-i technology exchange for eMarketplaces. We have studied business processes of three companies that would use eMarketplaces for their business.

Company Danfoss makes request for quotation (RFQ). Company Iskra PRO attends RFQ with other possible suppliers. Company Danfoss awards the offer of company Iskra PRO. Iskra PRO than order technical parts from its supplier company Plut over eCatalog at the eMarketplace.

The first challenge was to create three different company profiles at eMarketplace. Then two different eCatalogs for both suppliers company Iskra PRO and company Plut were created in MS Excel and XML format. During this stage, additional possibilities of creating eCatalogs in different formats were also explored. Then the catalogs were imported into an eMarketplace environment. After that the processes of preparing, performing and attending the RFQ were explored. At the end also the process of ordering technical parts from eCatalog was explored.

Lessons learned

We would like to express our thanks to Oracle Slovenia for this opportunity.

With our prototype we have shown the possibilities to use the new business model and technology for doing business over eMarketplace. The main lesson that we have learned is that the technology is not the problem anymore. The problems are in regulations, in current organization of business processes and in peoples' mind. We believe that understanding of new business models and technologies might spread the use of it.

References

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