

Unit 1: Business Skills for e-Commerce

Unit code: Y/601/1244

QCF Level 4: BTEC Higher National

Credit value: 15

● Aim

To enable learners to apply the business skills needed to design an e-Commerce solution for an organisation.

● Unit abstract

Organisations of all sizes, structures and aims can benefit from the opportunities made available by the intelligent application of communication based technologies and there will always be a need for practitioners who have a good understanding of those technologies. E-Commerce has become a vital part of an organisation's ability to reach out to the marketplace and position itself to maximise commercial returns on investment.

Poor choices of technology and processes will result in poorly managed opportunities which could lose business, market position and profitability. Learners will investigate the values of business skills by exploring current, topical examples of e-Commerce practices. Learners will consider how to design an e-Commerce solution to the best advantage of the organisation and its stakeholders (for example employees, suppliers and customers). Learners will explore current legislation concerning e-Commerce based trading, organisational responsibilities and finance/payment systems.

The first part of the unit considers the structure and aims of organisations to better understand how they could benefit from an e-Commerce structure. Then follows an opportunity to investigate and evaluate the impact of e-Commerce systems on organisations and their stakeholders. Once these areas have been studied the learner will be in a position to examine the process of the development of an e-Commerce presence followed by the opportunity to design an e-Commerce system.

● Learning outcomes

On successful completion of this unit a learner will:

- 1 Understand the structure and aims of business organisations
- 2 Understand the impact of e-Commerce
- 3 Be able to design e-Commerce solutions.

Unit content

1 Understand the structure and aims of business organisations

Organisations: type eg private, public, voluntary, charitable business organisations; aims eg profit, market share, Return on Capital Employed (ROCE), sales; growth, customer service; Political, Economic, Social and Technological (PEST) analysis

Stakeholders: identification of stakeholders; satisfying stakeholder objectives; pluralist perspectives; the concept of corporate mission objectives and policies

Business functions: key internal business functions eg marketing, sales, accounting, administration; Management Information Systems (MIS), operations

2 Understand the impact of e-Commerce

Consumer impact: empowered customers eg online sales, direct communication with customers, greater choice, lower prices, availability of new products; global markets; new marketing models; on-line advertising

Business impact: global business and consumer markets; issues eg challenge of new technology, security issues, impact and implications of dealing with customers on-line, creating new distribution channels, greater competition, challenge to monopoly power, re-training of staff, lower overheads, new selling chains; legislation

3 Be able to design e-Commerce solutions

Objectives: business idea eg unique selling proposition, business-to-business opportunities, business to consumer markets; domain name

Market research: purpose of research eg identifying information sources, online and offline competition; types of research eg primary, secondary

Target markets: market analysis eg size, characteristics, dynamics, competitors, historical background, emerging trends, market share, market segmentation

Key processes: technology requirements eg hardware, software, security, maintenance, back end systems; supply sources; distribution channels

e-Commerce: payment systems eg electronic cheque, PayPal, NoChex, credit or debit cards; start-up capital; working capital; funding sources

Security: key areas eg prevention of hacking, viruses, identity theft, firewall, impact on site performance, Secure Sockets Layer (SSL), Secure HTTP (HTTPS), digital certificates, strong passwords, alternative authentication methods

Legislation: relevant legislation eg Data Protection Act 1998, Computer Misuse Act 1990, Consumer Credit Act 1974, Trading Standards, Freedom of Information Act 2000, copyright legislation

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand the structure and aims of business organisations	1.1 assess an organisation's core business functions 1.2 evaluate an organisation's business aims and show how they relate to stakeholders
LO2 Understand the impact of e-Commerce	2.1 analyse the impact, including the risks, of introducing an e-Commerce system to an organisation 2.2 discuss the global impact of e-Commerce on society
LO3 Be able to design e-Commerce solutions	3.1 investigate market potential for an e-Commerce opportunity 3.2 evaluate current e-Commerce systems in use by organisations 3.3 discuss the financial implications of an e-Commerce solution 3.4 design an e-Commerce solution 3.5 evaluate the suitability of an e-Commerce solution.

Guidance

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

The learning outcomes associated with this unit are closely linked with:

Level 3	Level 4	Level 5
Unit 3: Information Systems	Unit 16: e-Commerce Technologies	Unit 29: e-Commerce Strategy
Unit 8: e-Commerce		Unit 30: Information Systems in Organisations
Unit 33: Exploring Business Activity		
Unit 34: Business Resources		

This unit has links to the Level 4 and Level 5 National Occupational Standards for IT and Telecoms Professionals, particularly the areas of competence of:

- Systems Analysis
- Systems Design
- Systems Development
- Change and Release Management
- Supplier Management.

Essential requirements

Learners must have access to a wide range of material covering current and proposed e-Commerce implementations encompassing a number of organisations from small start-ups to large multi-nationals. The material can be sourced online, for example organisation websites, journals, newspapers, broadcast material and visiting speakers who are experts in their subject area.

Resources

Books

- Chaffey D – *E-business and E-Commerce Management, Fourth Edition* (FT Prentice Hall, 2009) ISBN 0273719602
- Courtland B, Thill J – *Business in Action* (Pearson, 2010) ISBN 0132546884
- Hall D, Jones R, Raffo C, Anderton A, Chambers I and Gray D – *Business Studies* (Causeway Press, 2008) ISBN 1405892315
- Laudon K, Guercio Traver C – *E-Commerce 2010: International Version: Business, Technology, Society* (Pearson, 2009) ISBN 0135090784
- Malmsten E, Leander K, Portanger E and Drazin C – *Boo Hoo: A Dot.com Story from Concept to Catastrophe* (Arrow Books Ltd, 2002) ISBN 0099418371
- Rich J – *Design and Launch an eCommerce Business in a Week* (Entrepreneur Magazine's Click Starts) (Entrepreneur Press, 2008) ISBN 1599181835
- Ridderstrale J and Nordstrom K – *Funky Business Forever* (Prentice Hall, 2007) ISBN 0273714139
- Stanwick P, Stanwick S – *Understanding Business Ethics* (Prentice Hall, 2008) ISBN 013173542X
- Vise D – *The Google Story* (Pan, 2008) ISBN 0330508121
- Wood G and Mellahi K – *The Ethical Business: Possibilities, Challenges and Controversies* (Palgrave Macmillan, 2002) ISBN 0333949935

Journals

- Business Review Magazine* (Phillip Allan Publishers – see www.phillipallan.co.uk)
- The Economist* (The Economist Newspaper Group, Inc)

Employer engagement and vocational contexts

Any opportunity to study an existing e-Commerce implementation, either developing or mature would be advantageous.

