SME e-commerce initiatives in Australia

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There are many initiatives in the area of e-commerce being developed globally to encourage the increased take up of enabling technologies for small to medium enterprises (SMEs). Australia has approximately 95% of businesses categorised as SME and has realised the importance of encouraging these businesses to use online technologies to conduct business electronically.

There are currently two exciting initiatives in Australia that indicate the development of e-commerce projects focused on encouraging SMEs to use online technologies to conduct business, the GI Extranet Project and the Australian Electronic Business Network, AeB.N.

GI Extranet Project

The GI Extranet project is the development of an extranet for 18 members of an engineering marketing organisation, known as Gippsland International, to demonstrate the potential benefits of using Internet tools in business. The main objectives of the GI Extranet are to improve member communication, targeted national and international marketing and the opportunity to seek major consortium projects nationally and internationally.

It is a joint project involving state and local government, Gippsland International and the Monash Centre for Electronic Commerce. Grant funding was obtained through the Victorian Government Department - Multimedia Victoria with La Trobe Shire and Gippsland International providing cash and in-kind contributions. Monash University have also provided in-kind contributions to the project, with the Monash Centre for Electronic Commerce consulting and managing the project.

Gippsland International (GI) is a network of Gippsland based engineering, educational and consultancy companies. The primary purpose of the organisation is to be a cost effective marketing arm and thus provide increased work for its membership. Members are predominantly small engineering firms that have been involved in the power generation industry which is the major industry in the La Trobe Valley area of Victoria. This industry has experienced heavy restructuring in the past 10 years resulting in businesses having to diversify operations to offer goods and services outside the local geographical area and to identify opportunities that will enable regional businesses to be more competitive in the global environment.

The GI Extranet will provide members of GI exposure to the possibilities and opportunities that current e-commerce technologies can offer to regional industry- specific networks to improve internal business processes, examine best practice in establishing business electronic communication networks and market more effectively, both individually and collaboratively, on a global scale.

There are three distinct phases in the development of the project:

Phase 1: Development of the Specifications.

The first phase of the GI Extranet project involved the development of the business (including training) requirements, functional and technical specifications, and project budget. This phase was completed in December 1997.

Phase 2: Development of the Infrastructure.

The second phase, which is currently underway, includes the establishment and implementations of the hardware, software and communications infrastructure GI web pages and Company Profile database will be developed and published. Training services will be offered by local training and education providers.

Phase 3: Conduct of the Pilot

As the infrastructure necessary to run the pilot is implemented, the running of the pilot will commence and will operate over a 6 month period. The pilot is due to commence in February 1998 to be completed by August 1998.

The extranet will have a mixture of private and public functions. The private functions include exchange of information between GI members and development of business relationships to discuss issues of common interest securely and confidentially.

The public function will enable GI to provide a "virtual" focal point in cyberspace for its membership. This will allow potential clients to access information about all the services offered by GI Members. The extranet will also enable members to develop the technological infrastructure and knowledge to conduct business more efficiently and effectively.

This project may be regarded as possibly unique in regional Australia. Research indicates that there does not appear to be many Industry-specific or Regional Industry-led electronic networks at this time in Australia. Certainly there is a good example of a network of companies collaborating in an Intranet-based research and development project in CommerceNet in the United States (predominantly information technology based companies concentrated in the Silicon Valley area). There are also a number of community-based networks in Australia, but generally these are aimed at providing community information and services rather than facilitating the adoption of e-commerce by the SME sector in that region. The project has been enthusiastically embraced by GI members, all keen to be involved in the pilot and provide information on their business, functional and technical requirements for this project.

Australian Electronic Business Network (AeB.N)

The Australian Electronic Business Network (AeB.N) is a newly formed organisation designed to promote e-commerce to SMEs in Australia. The AeB.N is a joint federal and state government initiative with the support of the corporate and business sectors. The main objective of the AeB.N is to facilitate the increase of e-commerce uptake and usage amongst SMEs in Australia.

There is strong support for a coordinated initiative in Australia that consolidates information, expertise, research, development, education and application demonstration of the principal elements of electronic business. This initative was supported by a feasibility study completed by the Monash Centre for Electronic Commerce in 1996 that investigated the support for a nationally focused, independent organisation in Australia providing information on EC to SMEs. Independently, the Australian federal government also identified the need to assist SMEs in the uptake of e-commerce through the Goldsworthy, Cutler and Mortimer reports.

The AeB.N will offer several services to SMEs as well as provide a leadership role in the e-commerce industry.

The leadership role involves:

- contributing to policy and regulation decisions

coordinating e-commerce organisations
- networking with key organisations, including large corporations, government agencies, industry bodies and academic institutions, to secure support and participation in the AeB.N
- securing funding and physical sites to deliver service offerings

The AeB.N will offer several services including:

- a showcase of e-commerce applications
- standard and tailored workshops to demonstrate the value and benefits of e-commerce
- a repository and coordinator of thought leadership in the e-commerce field as it relates to SMEs
- an industry accreditation body.

The AeB.N endorsement will be available to all organisations meeting set criteria as it relates to the development and offering of SME e-commerce products and services. Accreditation includes training, consulting design and software development * sites Australia wide, some in regional areas, with the ability to travel into remote areas of Australia to demonstrate e-commerce concepts to SMEs.

The AeB.N will work closely with state and territory governments, private organisations, large corporation and government agencies, academic institutions and industry bodies to achieve the goals set out for the AeB.N. The project is currently in the start-up phase with the operational phase to