The Internet along the Value Chain:
Conceptual Framework and Survey Results from the Software Industry

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Abstract

To improve their competitive positions companies have increasingly integrated the use of the Internet into their corporate structures and processes. A detailed analysis of current and potential corporate Internet usage along value chains within and among companies allows the investigation of incurred and foreseeable business transformation processes. For each element of the value chain a number of activities are proposed that can be performed using information technology applications based on Internet services.

Following the outline of our conceptual framework, this paper presents a survey of Internet usage along the value chain by European software systems and services organizations. It provides insight into current practice and allows an assessment of the impact that the Internet is already exerting on the value-adding processes within and among companies. First results show that the Internet is a primary medium for communication in areas such as public relations and marketing, but that it is still rarely used for more sophisticated applications such as electronic payment or work flow. Finally, the paper proposes an integrative model that allows the generation of promising corporate Internet strategies and an assessment of the Internet’s value for the company.