

Chapter 96

Effect of Necessary Factors for Deploying E-Business Models on Business Performance and Supply Chain Performance in Auto Industry

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ABSTRACT

The main goal of this article is to survey effects of necessary factors for deploying e-business models on business performance and supply chain performance in automotive industry. Recognition of different aspects in the field of study is based on confirmatory factor analysis and then type of each determined aspects with business and supply chain performance is surveyed using correlation analysis. Findings of this study shows positive relationship between necessary aspects of implementing e-business on both aspects of operational and general indexes of business performance evaluation. Also, we will study the relation of every identified aspect with the performance of the supply chain in the auto industry. Also, Findings show that the necessary factors for implementing the e-business shall have the highest degree of correlation with the operational aspects of supply chain performance evaluation criteria.

INTRODUCTION

Internet is known as an important innovation in the e-business environment. The business models derived from the internet cannot only act as a key communication channel for customers' access, but also it provides an active method for finding potential customers and maintaining stable relations with current customers. So, the companies and consumers cannot ignore these models. On the other hand, we can also consider

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the e-business models as a strengthening tool in the globalization process. (Cateora & Graham, 2004). On the other hand, in the current competitive environment, companies are increasingly tracking suitable performance, efficiency, flexibility and competitive advantage compared with collection of competitors. Today's performance measurement is in the core of all companies' attention. This includes personal performance measurement, performance measurement models and its interaction with other variables such as competitive strategies, organizational structure and production technologies. (Langfield-Smith, 1997; Chenhall & Morris, 1995; Abernethy & Lillis, 1995). Performance measurement is process of quantifying efficiency and productivity of processes (Neely et al., 1995). Performance measurement supplies necessary information for managers to plan, control and direct organizational activities. Also, it helps managers to train personnel (and suppliers) in important dimensions. By recognizing variations from standards, directs the activities. Performance measurement is able to assist effective performance of supply chain and improvements in supply chain management (Beamont, 1996; Shah & Singh, 2001). This is important that performance evaluation in the past was based on cost / efficiency, profitability, short time period with distinct indexes, but with increasing competition of industry, modern approaches for performance evaluation are presented such as: value oriented, customer driven, long term periods and using collection of group indexes for evaluation (McCormack et al., 2008).

Now in this research we are to find out the influence of the necessary aspects for implementing the e-business on Business and Supply Chain Performance in the auto industry. So we can express the innovative aspect of research as follows:

1. Study the relation of the factors required for implementing the e-business with Business and Supply Chain performance indices.
2. In expression of numerous and different indices for the factors needed for implementation of the e-business,
3. A new combined framework for Business and Supply Chain performance indices.

In continuation, we will address the theoretical fundamentals of research. The first part of the Literature Review is related to the literature of e-business models and the required factors for implementing e-business and the second part is related to the literature of Business Performance and Supply Chain Performance. The third section describes the research methodology. In the 4th section, the findings are discussed. Finally in the 5th section, the conclusion and recommendations are presented.

LITERATURE REVIEW

Taking the title of paper into consideration, the analytical aspects in the theoretical fundamentals of research can be divided into 3 major parts: E-business, Business Performance and Supply Chain Performance.

E-Business

Besides giving value to one or more sections, the e-business model can be applied in the company's architecture and its cooperation networks for creating, marketing and presenting this value and its relation with investment in order to produce income and constant profits (Roweley, 2002), with its general

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