Moving to e-Business: Exploratory Study on e-Business Readiness in Croatian Large Companies

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Abstract: This paper defines e-business, its dimensions with respect to differences between traditional business, partial, or pure e-business. Also, a model for moving to e-business is illustrated. The results of the study on current practices in evolving the e-business in top Croatian companies are presented. In this paper some aspects of business process innovation and e-business usage have been investigated (general e-business issues with levels of e-business usage, key objectives of participating in e-business, alignment of business strategy with e-business initiatives, initiation of e-business projects and e-business planning issues, especially e-business funding).

JEL Classification: M21

Key words: Croatian company, e-business, e-business adoption model, e-commerce

Introduction

E-business is more than just another way to sustain or improve existing business practices. Some researchers have indicated that e-business is a 'disruptive' innovation that is radically changing the traditional way of doing business (Lee, 2001), while others stress an evolutionary aspect rather than a disruptive change (Ross, et. al. 2001). When moving to e-business, companies have used such business trends as TQM (total quality management), BPR (business process reengineering), and globalisation during which they automated processes, integrated systems, and worked towards customer intimacy. Ross et. al (2001) cited that 'migrating to e-business involves simultaneously exploiting existing processes through information rich

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channels, expanding core processes to include adjacent businesses, and extracting management attention from these processes'.

Nevertheless, e-business can be realised as any business transaction or service conducted over the Internet and represent every way of doing business that is very much dependent on intensive use of information technology. Therefore, e-business can be defined as the exchange of goods, services, property, ideas or communications through an electronic medium for purposes of facilitating or conducting business (Costello and Tuchen, 1998). Basic definition of e-business is that of 'using the Internet to connect with customers, partners and suppliers, as well as to adopt new organisational rules to make business more effective'. The term also implies reengineering or rather radical transformation of existing business process to make them more efficient. Engaging in e-business for some companies means adopting different and fresh web-enabled business model and making significant efforts about business strategy as it does about technology.

On the other hand, electronic commerce (e-commerce) refers to conducting business electronically and includes buying and selling of information, products and services via computer networks (Kalakota and Whinston, 1996). Kalakota and Whinston define e-commerce from four perspectives:

(1) communications perspective, e-commerce represent the delivery of information, products or services over electronic means,

(2) business process perspective, e-commerce is the application of technology toward the automation of business transactions,

(3) service perspective, e-commerce enable massive cost reduction while improving the quality and accelerating the speed of business and service delivery,

(4) online perspective, e-commerce refers to possibility to buy or sell products and information on the Internet and other online services.

Therefore, the term e-business very much differs from the e-commerce (electronic commerce). E-business refers to a broader definition of e-commerce, not just on buying and selling, but also servicing customers and collaborating with business partners, and conducting electronic transactions within an organisation (Turban, et.al, 2000).

Intensive use of e-business can provide number of opportunities and actual benefits to companies of all activities and sizes. In general, through the use of websites companies can create global presence and widen business boundaries. Kalakota (2000) identified cost benefits as a reason or an explanation for the increased participation in e-business. This benefits include the reduction of transaction costs, reduced amount of inventory held due to effective information management, improved logistics, lower personnel costs and reduced support costs. Quality or intangible benefits refer to effective information flow, business integration effect, improved work-flow management, new products and advanced customer

services, improved flexibility, accelerating the speed of business, savings in time, making more 'informed' decisions, etc.

Therefore, it is inevitable that e-business represent the contemporary concept of organising business suitable for companies pursuing to reach better competitive position.

In the following sections the dimensions of e-business are defined with a respect to differences between traditional business and partial/pure e-business; a model divided into six stages representing an evolutionary aspect of migrating to e-business is illustrated; and finally, the results of the study on current practices in evolving the e-business in best Croatian companies are given.

The Dimensions of e-business

Depending on the degree of digitalisation of the product (service), the process and the intermediary, e-business may take many forms or dimensions. As illustrated in figure 1., these variables (products-services, process and intermediary) can vary from physical to digital or virtual making eight cubes, each of which has three dimensions. Choi et. al created a model that explains the possible configurations of all these dimensions. According to the model, in traditional commerce all of the three dimensions are physical, while if there is only one digital dimension, this is considered as e-business (but not pure one). Pure e-business represents the situation when all three variables - products/services, processes and intermediaries are digital or rather virtual.

Figure 1.: The Dimensions of e-business
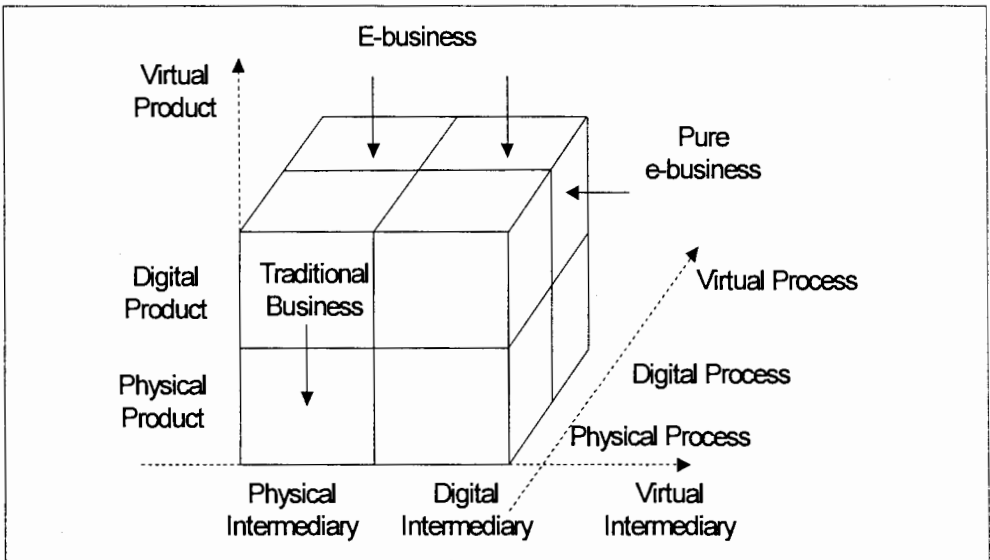
Stages in e-business Adoption

Engaging in e-business for some companies means adopting different and fresh web-enabled business model and making significant efforts about business strategy as it does about technology. Despite Internet commerce or e-business growth potential and future projections optimism, the real changes are happening inside the corporations where executives are redefining strategy, organisation and business models for Internet business era. The new business era inaugurates the Internet as a business backbone and a platform for conducting transactions and economic activities. Internet technology revolution affects all business activities and by all means is well beyond information technology revolution. As illustrated in figure 3. the e-business evolving model is divided into six stages (Earl, 2000):

1. external communications,
2. internal communications,
3. e-commerce,
4. e-business,
5. e-enterprise,
6. transformation.

Given the model for evolving to e-business we stand on point that process of moving to e-business is an evolutionary rather than revolutionary process.

Figure 2.: Model of Evolving the e-business
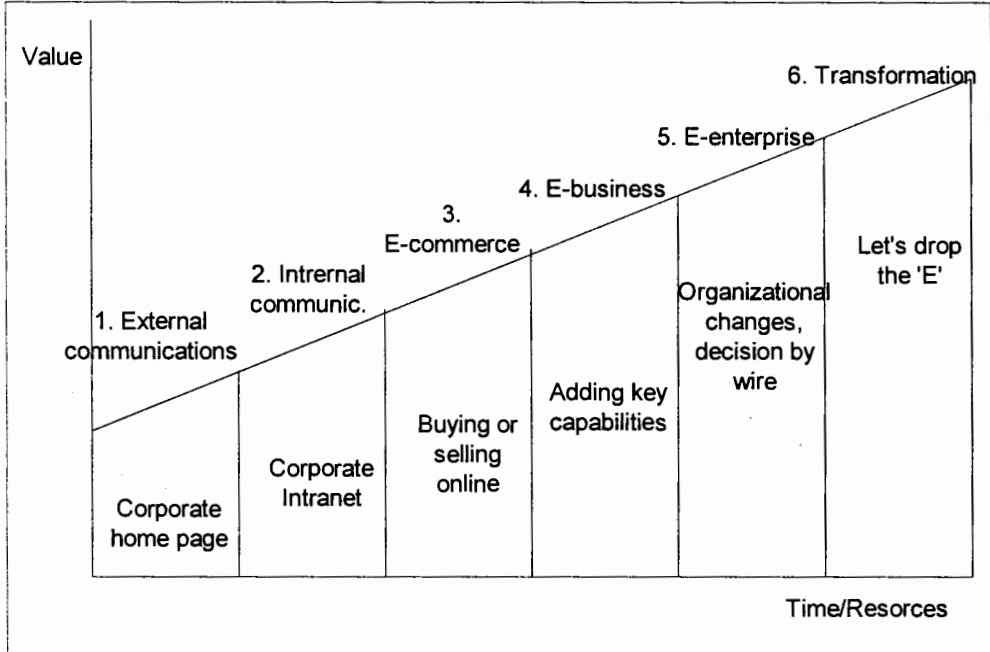
Stage 1: External Communication

The initial stage in evolving e-business (about in 1994/95) focussed on a Internets' communication perspective. Corporations, especially global ones, realised that the Internet was a very effective communicating medium, or rather communication channel to external environment, mainly to investors, analysts, customers, partners, potential recruits, etc. Therefore, narrow focus of Internet usage in this initial stage was upon corporate public relations because it was evident that software and technology behind the World Wide Web provided an interesting tool for publishing the corporate public relations material. Common vision for developing corporate web site was that every modern company need to have a web site and informative web pages.

In initial stage there is no vision of any kind of e-business, or doing business electronically, because the public network was found as a proper media for promotional purposes. Very often a motive for developing a web site was 'we'll become a modern company' with a initiative coming from IT-literate employees (not

necessarily from IT department, but rather from marketing department, which was expected regarding the content and public relations or promotional purposes).

But it appeared that developing web site and publishing fresh corporate materials on it was not so trivial as it seemed. In many cases that were informal and spontaneous projects with no solid basis, organisation and concrete tasks. Soon, first questions arise (Earl, 2000): who is responsible for keeping the content fresh and updated? Who approved the site and the way the corporate logo was presented? Who should really own the site?

From today's perspective this initial stage resulted in brochureware of the company. Although brochureware may imply static content, there were some levels of interactivity mainly through possibility of e-mail communication, frequently asked questions and some entertainment content. In this initial stage the critical factor was the quality of content, so corporate web sites often contained annual financial statements, annual reports, recent press material, overview of company's products, services, vision, mission, information, and how to contain the company and its employees, job vacancies and recruitment information, etc. Despite the fact that advanced companies already 'jumped in e-business', for the majority of companies major difficulty in this stage arise from the necessity of constant updating of web site content.

Stage 2: Internal Communication

In short, the main characteristic of the second stage (from 1996. to 1998.) was that IT professionals took the control over web site development and management. Although they recognised the potential of new technology, they saw them more as a technology solution than as a business opportunity. Nevertheless, intranet solution has developed in this stage with a primal objective to promote internal communication channels and make the internal communication effective. Intranet has raised the information and communication capacity of organisations mainly through consistent and user-friendly front ends, e-mail, groupware and administrative support systems, bulletin boards, discussion or forum pages and knowledge-based materials for the whole corporation. Security arises as an important issue, which led to intranets being segregated from extranets and from Internet by 'firewalls'. So, in second stage a focus was to use Internet (or rather intranet) technology as organisational glue, but as well as to prepare the corporation for next stage – going into the e-commerce.

Stage 3: e-commerce

Some companies or entrepreneurs realised great potential the Internet has for conducting business and by 1996. started experimenting with buying and selling online. In majority of cases initial experiments advanced to Internet start-up companies and truly pioneers of business-to-customer (B2C) and business-to-business (B2B) e-commerce. Web sites become very intuitive for customers' usage, navigation simple, search engines sophisticated, new sales and distribution channels are creating, and companies are integrating their businesses with partners, customers and suppliers. Customers are able to submit their orders electronically, make payments, place orders and require smarter and innovative ways of distribution. Also, they can visit sellers' web sites, compare their offerings and make more informed decisions. Companies are trying to anticipate their needs and be the first to offer a new product or service and build reputation and trust.

Therefore, the term electronic commerce (e-commerce) refers to conducting business electronically, or rather buying and selling online. Motives and visions for taking significant efforts towards e-commerce are customer acquisition, first-mover advantages and finally 'let's do business on the web', taking a portion of extremely potential e-markets. These motives very much differ from motives in stage one or two. They are more business-focussed (or rather commerce-focussed). By the time, such a motives or vision resulted in establishing a start-up company with aggressive Internet strategies and very innovative ways of doing business and making profit (Amazon.com, eBay, ETrade, E.Schwab, etc.). Nowadays, many of them are truly leaders in their area of business and surely in very commanding market position with huge advantage over (traditional) competitors. In stage three companies experienced channel conflicts and need to find a well balance of traditional and electronic channels and leave the customers a choice. Therefore, main focus of stage three is online buying and selling and main challenge how to balance traditional and electronic channels and to find proper channel strategy.

Stage 4: e-business

By this stage many companies as well as their customers discovered new business models but also experienced new problem: building an online channel or rather new online business on top of inadequate or inefficient business process. Therefore, the fourth stage of e-business is about re-engineering or redesigning business processes to match customers' expectations in the new economy (Earl, 2000). Focus of this stage is to build truly e-processes and new web-business model mainly through radical reengineering of inefficient business processes and their adjustment to

e-business environment. Integrative electronic business (e-business) also means that back-office business processes need to be synchronised with the demands and the expectations of e-commerce. If not so, customers will very soon notice the signs of bad adjustment: products that do not arrive on time, or do not arrive at all, emailed questions or requests with no responses, inability to track order status, web sites that breaks down, weak network access, no personalisation opportunity, lousy speed of service, problems with customers returns, clumsiness in placing orders, handling customers responses, etc.

Stage 5: e-enterprise

With reengineering project, companies got rid of inefficient processes and can proceed building a new business model. Reengineering process generally means that management model also require some changes. Rocart, Earl and Ross (1996) realised that management processes could also benefit by redesigning, as they were not synchronised with the newly-designed business processes, not fully supported by new technology and information system, and often based on old ideas of organisational design.

Intensive electronic business integration make assumptions for dynamic decision making process, because with such technology support the decision can be made in real time, while the business process is still going on, transactions can be monitored and analysed in real time, information can be collected online, dynamic pricing service can be offered, etc.

Stage five is labelled 'e-enterprise' because it is about decision-making becoming entrepreneurial and about communicating decisions across the enterprise (mainly through advanced intranet solutions from stage two). Earl (2000) stressed that critical success factor in this stage is to recruit, develop and empower people who have the skills to use information and act on it (so called 'infopreneurs').

Stage 6: Transformation to New Economy Business Models

E-business era dramatically and strategically change traditional business models. Direct access to information and their quick and cost-effective global reach enables radical changes in all economic sectors and changes in companies of all sizes and business activities. Reach and richness of information over open network infrastructure gradually expand company's boundaries towards extended enterprises and strategic alliances with modular or networked structure. Kalakota et al. (2000) stated that 'the ability to streamline the structure, influence and control of the flow of

information is dramatically more powerful and cost-effective than moving and manufacturing physical products'. Companies of all sizes adopt e-business infrastructure and redefine own value chain to value network, converging to new business models.

Transformation implies that company has successfully implemented necessary stages to meet the new economy environment, so final result is to be 'comfortable with the new economy'.

E-business Study in Croatian Companies

4.1. Survey Instrument and Methodology

The key objective of the study was to examine a number of issues regarding e-business practice on a sample of '400 Biggest' Croatian companies ranked according to their 2001 annual revenue. To address the study's objectives, a survey questionnaire was considered as an appropriate research method. The study was conducted by IS researchers (M. Spremić as the lead researcher) from the Department of Information Science and Business Computing of Graduate School of Economics and Business, Zagreb (Croatia) in 2002. Some parts of the questionnaire were previously developed by Barua et. al. (2002). The questions as well as overall coverage of the questionnaire have been found to be an effective basis for investigating current e-business practises and, as such, majority of questions were unchanged other than to be translated into the Croatian language.

The questionnaire consists of four parts:

(1) general information about the company,
(2) structure and current state of IS, as well as SISP practices,
(3) business process innovation issues and
(4) e-business practices.

This paper focuses on the last two parts of the questionnaire, investigating the following aspects of business process innovation and e-business usage:

(1) general e-business issues with levels of e-business usage,
(2) key objectives of participating in e-business,
(3) alignment of business strategy with e-business initiatives,
(4) initiation of e-business projects and
(5) e-business planning issues, especially e-business funding.

The questionnaire was translated into the Croatian language and then pretested on postgraduate and doctoral students for content validity, comprehensiveness and readability. After the feedback from the pretesting had been obtained, the questionnaire was pilot tested with five senior IS executives.

Sample

The questionnaire was sent to 400 IS executives in Croatian companies selected from the Register of '400 Biggest' Croatian companies which are most likely to represent the structure of Croatian economy. In the said Register prepared by Financial Agency (Fina) and business magazine *'Privredni vjesnik'*, companies focusing on various business activities were ranked according to their 2001 annual revenue. Although they represent less than 1 per cent of total number of registered companies in Croatia, these companies hold 73 per cent of equity capital of the whole Croatian economy, contribute 65 per cent to total Croatian economy's export balance and absorb 37 per cent of the total number of employed in Croatia.

The survey was performed from March 2002 to April 2002 and was conducted by a professional market research agency (Puls) with verbal communication with IS executives. Verbal communication with IS executives is clearly important since the respondents were not self-selecting the questions and themes. Regarding the sample, proposed methodology as well as professionalism in planning and conducting the research, results may be considered as representative.

The survey resulted in 116 responses constitute a response rate of 27 per cent. Table 1 provides an overview of the responses as well as the structure of the surveyed organisations according to their economic activity (based on European Classification of Economic Activities—NACE Rev. 1) and total number of employees. More than one-half of responding companies are included in only two industry types: trading (wholesale and retail trade at 36.2 per cent and manufacturing at 18 per cent) and are representative of the overall structure of the Croatian economy with trade being the prevailing economic activity rather than manufacturing. Furthermore, the surveyed companies were evenly distributed throughout Croatia, though majority of them are from Zagreb, which is the capital and economic hub of Croatia and the broader region (which eliminates the regional bias). The activities in the category 'Miscellaneous' included various types of business such as tourism, IT, forestry, agriculture, real estate and government.

Some researchers (Harris and Katz, 1991) have used annual revenue as a measure of firm size, while others have used total number of employees (Raymond, 1990). In this study, both annual sales revenue and total number of employees were used. Moreover, it should be stressed that, by Croatian corporate law, a company is

classified as large when the total number of employees exceeds 250 or annual revenue is over US$4 million. Exactly 50 per cent of surveyed Croatian companies were large companies according to 2001 annual revenue and 88 per cent had more than 250 employees. Almost one-half of Croatian companies were large companies according to both criteria. As illustrated in Table 1., only 9 organisations had less than 250 employees, 22 organisations had less than US$4 million in 2001 annual revenue, while 36 organisations did not respond to the question regarding 2001 annual revenue.

Table 1:. Structure of Surveyed Croatian Companies

Structure by type of business	Number	%
Wholesale and retail trade	42	36.2
Manufacturing	21	18.1
Finance	8	6.9
Transport, telecommunications	8	6.9
Constructing	7	6.0
Miscellaneous	27	23.3
No response	3	2.6
Structure by total number of employees		
< 50	4	4.3
51-250	5	5.4
> 250	81	88.1
No response	2	2.2

Results and Discussion

All of the 116 surveyed Croatian large companies have an Internet access, while 97 of them (or 83,6 per cent) has their own website. These findings illustrate a high-level of web sites usage with a higher trend than in the previous researches (in 1999 survey on the same sample, 49 per cent of Croatian large companies had a website, while in 1997 survey, also on the same sample, only 25 per cent of them had a website). Noticeably, 16.4 per cent of the respondent companies do not have a web site, but they are using their Internet access namely for e-mail communication. Majority of them are planning to build their own web sites in half a year time or so.

According to survey responds, initiators of developing, designing and publishing the companies website in 37.1 per cent of cases are employees from IT department, in 27.8 per cent management and in 23.7 per cent of cases marketing department employees. Such a tendency is surprising given the relatively low position of IT department in organisation hierarchy of Croatian companies (Spremić et. al. 2002).

On the other hand, in only 27.8 per cent of responds initiative for e-business projects comes from management structures, which indicates management ignorance or lack of knowledge in that area of business.

Also, 77 out of 97 (or almost 80 per cent) companies with a own website developed intranet network and appropriate business solutions.

Table 2. Who Initiated the Development of Company's Web Site?

Who initiated company's web site development?	Number of answers	Percentage
IT department	36	37.1
Management	27	27.8
Marketing department	23	23.7
Other departments	9	9.3
Don't know / No answer	2	2.1

The most important objectives of building a company web site are promotional purposes (to introduce the company, its products, services and activities to customers, suppliers and partners) as well as the electronic communication with customers, suppliers and partners, while qualitative aspects of e-commerce or integrated e-business are of less priority. Having in mind the initiators of company's web site development and the most important priorities of that project, we can conclude that surveyed Croatian companies are lagging behind in reaching the steps proposed in the e-business adoption ladder. Nevertheless, trends and survey findings are indicating that Croatian large companies are not using e-commerce nor e-business opportunities to the full and there is a significant gap at the adoption ladder.

Main reasons for Internet usage in Croatian large companies are to set the static contents on web sites, to establish static electronic catalogue as well as to make advancement in internal and external communication, while the integration of business processes, electronic commerce and e-business opportunities are mainly neglected.

Looking at the detailed statistical analysis as well as some organisational factors that influence the readiness for e-business, it is apparent that e-business adoption ladder is not dependent on a company size or a business activity.

For manufacturing companies main reason for developing a web site is to introduce the company to the customers, suppliers and business partners (average 4.79 on a 1-5 scale) and to enable electronic communication with business environment (4.32), while in the wholesale and retail trade the goals are lined up equally but with lower inherent lower average marks (4.16 and 4.05).

Surveyed companies highly appreciate the concrete benefits of intensive e-business application as well as of Internet usage (the smallest average mark is 3.58 on a 1-5 scale):

§ faster communication (average 4.47),
§ access to greater number of potential customers (4.28),
§ reduced cost (3.69),
§ new distribution channel (3.63),
§ competitive advantage (3.58).

Table 3. Most Important Reasons for Building a Company Web Site (1 to 5 scale)

Most important objectives of building a company web site	Mean
Promotional purposes (to introduce the company, it products, services and activities)	4.39
External business integration (electronic communication with customers, suppliers and partners)	3.99
Integrated e-business	3.57
Internal integration of current business processes	3.36
e-Commerce (selling over Internet, better before and after sales customer contact)	3.14

Almost 60 per cent of respondents believe that intensive use of e-business will surely change the current business processes as well as the way of doing business, therefore we may consider an e-business initiative as an enabler for massive business process reengineering project.

Initiation of e-business projects and e-business funding

Many business enterprises are exploring the potential of e-commerce. Some have developed Internet-based systems, but few have begun to tap into very rich potential it offers for business transformation. The use of Internet technology for business purposes can take many forms. It can be used strategically as a important transformation agent to radically change the nature of the business. It can also be used to improve some processes or parts of processes over time and incrementally add value to business. In both cases, the development of any e-commerce or e-business application should be driven by business strategy.

Almost one-third of surveyed companies (or 32.8 per cent of them) has a strategic plan of e-business. In majority of cases this plan is within overall strategic IT plan.

E-business projects is very hard to implement without solid and stable funding. Majority of respondent companies rely on internal funding to implement e-business or e-commerce. E-business funding issues in surveyed Croatian companies are far from being sufficient to achieve proposed high objectives of e-business or e-commerce projects: in 11.2 per cent cases there is no funding in e-business, in a further 37.9 per cent responds funding is insufficient, while in only 5.2 per cent cases e-business funding are sufficient to meet the strategic objectives of e-business projects and to comply with strategic business plans (remaining 6 per cent

respondents don't know or didn't answer the question about e-business funding). Table 3 indicates that 51.7 per cent of surveyed Croatian companies intend to spend less than 2 per cent of IT budget on Internet-related projects or e-business implementation projects, while only 13.8 per cent companies are planning considerable investment in e-business projects. Having in mind that IT budget represent less than 4 per cent of total operating budget in Croatian companies, we can conclude that with such a poor funding, e-business initiatives surely can not be an important locus for massive organisational change, nor the solid basis for radical changes in the nature of the business.

These findings are in line with initiators of e-business projects. In only 27.8 per cent cases top management structures are initiators of e-business projects, therefore, we cannot expect massive funding when only every fourth manager realise strategic potential of e-business implementation. In addition, it seems that every forth manager in best Croatian companies do understand the concept of e-business and do believe that its implementation can improve operating results or companies competitive position.

Table 4. What Portion of IT Budget is Planned to be Spent on the Implementation of E-Business Projects and Internet-Related Projects?

Portion of IT budget predicted for e-business	Responses	Percent
Nothing	12	10.3
Less than 2%	48	41.4
2 –5 %	24	20.7
More than 5%	16	13.8
No answer	16	13.8

E-business projects have cross-functional features and affect reengineering processes. As business flexibility drives the evolution of e-business as well as process innovation initiatives, it is clear that business leader's greatest challenge include gaining an intimate understanding of e-business features and their strategic opportunities. While it is not important for business leaders to have detailed knowledge about specific technologies, it is an absolute necessity for them to have a conceptual understanding of IT and e-business issues in order to be closely involved in value-adding activities that lie upon them and to be imaginative to radically change current value proposition. Average mark of top management support for e-business activities in surveyed Croatian companies is not acceptable (2.3 on 1-4 scale). Detailed analysis confirms that Croatian management have an reactive attitude towards e-business projects implementation: in 24.1 per cent management's support for e-business projects is not satisfactory, in further 28.4 per cent it is acceptable, in

30.2 per cent this support is qualified as good, while in 11.2 per cent of responds is excellent (with remaining 6 per cent of responds rejected as invalid).

As illustrated in table 4., 11 (or 9.5 per cent) e-business projects have been completed, 39 are still in progress, 13 will be conducted in next 6 months' time, additional 28 in 2 years time and 18 in 5 years time or so. These findings, especially some planning trends are surely positive: 33.6 per cent of surveyed companies are conducting an e-business project, and further more than a half of them do plan an e-business project in near future (6 months), mid-term future (2 years) or long-term future (5 years). On the other hand it is significant that only 6.1 per cent of respondents do not consider any e-business project.

Table 5.: Structure and Status of E-Business Projects in Surveyed Croatian Companies

E-business projects	Responses	Percentage
Completed	11	9.5
Not conducting	39	33.6
will be conducted in 6 months	13	11.2
will be conducted in 2 years .	28	24.1
will be conducted in 5 years	18	15.5
Not in plan	7	6.1

Only 11 completed e-business projects are not enough for in-depth investigation or analysis of their characteristic. Nevertheless, research findings indicate that Croatian companies are taking significant efforts regarding e-business projects.

Conclusion

From the above, it may be concluded that Croatian companies do not find e-business as a important or 'disruptive' innovation that can radically change the traditional way of doing business. However, Croatian companies do realise that moving to e-business require an evolutionary process exposed with six stage adoption model.

Research results identify the following major difficulties in implementing e-business projects in Croatian companies:

- objectives of building a company web site are external communications and promotional purposes;
- in only 27.8 per cent of cases initiative for e-business projects comes from management structures, which indicates managements' ignorance, non-competence or lack of knowledge in that area of business;

- moderate number of surveyed companies (almost one-third of them) has a strategic plan of e-business;
- poor or insufficient e-business funding.

The most important objectives of building a company web site are promotional (to introduce the company, its products, services and activities to customers, suppliers and partners), setting the static content on corporate web site as well as the electronic communication with customers, suppliers and partners, while qualitative aspects of e-commerce or integrated e-business are of lesser priority.

E-business funding issues in surveyed Croatian companies are far from being sufficient to achieve proposed high objectives of e-business or e-commerce projects: 51.7 per cent of surveyed Croatian companies intend to spend less than 2 per cent of IT budget on Internet-related projects or e-business implementation projects, while only 13.8 per cent companies are planning considerable investment in e-business projects. Having in mind that IT budget represent less than 4 per cent of total operating budget in Croatian companies, we can conclude that with such a poor funding, e-business initiatives surely can not be an important locus for massive organisational change, nor the solid basis for radical changes in the nature of the business.

We cannot expect massive e-business funding when only every fourth manager realise strategic potential of e-business implementation. Evidently, every fourth manager in best Croatian companies do understand the concept of e-business and do believe that its implementation can improve operating results or companies competitive position.

Finally, it can be concluded that management in surveyed Croatian companies have an reactive attitude towards e-business projects implementation. Croatian companies, nor their management do not realise the economic potential of Internet–related technologies or e-business.

Also, it must be stressed that, according to research results, Croatian companies are taking significant efforts regarding e-business projects, but having in mind identified difficulties in their implementation, it can be concluded that these projects are of minor importance – just on stage two or stage three on e-business evolving journey.

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