



***Soaring With Your Intellect:
From Efficiency to
Productivity***

“ ICT-BASED BUSINESS MODELS”

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Presentation Outline

- **What is Productivity?**
- **ICT Benefits & Barriers**
- **Way Forward to Experience the Benefits of ICT**
- **ICT-Based Business Models**
- **Philippine Competitiveness**

Productivity

- effectiveness and efficiency – means that *you do the right things in the right way.*

***PRODUCTIVITY =
EFFECTIVITY + EFFICIENCY***

Benefits of ICTs

- *Enhancing and increasing the efficiency of internal business operations;*
- *Increasing efficiency in the production process;*
- *Connecting SMEs more easily and cheaply to external contacts, whether locally or globally.*

Continue – Benefits of ICTs

- *Improve inventory management systems*
- *Decrease wastage in production processes*
- *Improve communication between different departments*
- *Improve accounting and budgeting practices*
- *Reduce global communication costs and geographic barriers*
- *Expand client base through e-marketing*
- *Link to local and global supply chains and outsourcing opportunities*
- *Share and learn new business practices*
- *Simplify government services
(e.g. business registration and filing taxes)*
- *e-Commerce and e-Payments*

Barriers to SME Access and Use of ICTs - **UNSUITABILITY**

- *Fear of change*
- *Do the benefits outweigh the costs?*
- *How will customers react to changes?*

Barriers to SME Access and Use of ICTs – **LACK OF KNOWLEDGE**

- *Lack of qualified human resources (technical and managerial)*
- *Lack of time and resources to learn about ICT*

Barriers to SME Access and Use of ICTs – **BUDGET CONSTRAINTS**

- *How much will it cost?*
 - *(Hardware, Software, Manpower)*
- *Sophisticated ICT solutions even more expensive.*
(e.g., Websites with secure environment that allow for credit card transactions.)

Barriers to SME Access and Use of ICTs – **NETWORK ACCESS**

- *Is it available?*
- *Is it fast?*

Barriers to SME Access and Use of ICTs – **TRUST AND SECURITY**

- *Consumers fearful of trusting SMEs as against bigger players.*
- *How do they verify the SMEs credentials?*
- *Secure payment facilities entail substantial costs.*
- *How to ensure privacy and legal protection for online purchases?*

Way Forward to Experience the benefits of ICT

- ***“Creating an Enabling Environment”*** means addressing, in a holistic manner, the various policy, legal, market and social considerations that interact both at domestic and global levels to create fertile conditions for ICT-led growth.
- ***Public policy*** is the tool by which government can help to create an environment, and remove barriers for businesses to adopt ICT.

Way Forward to Experience the benefits of ICT

Establish a healthy business environment

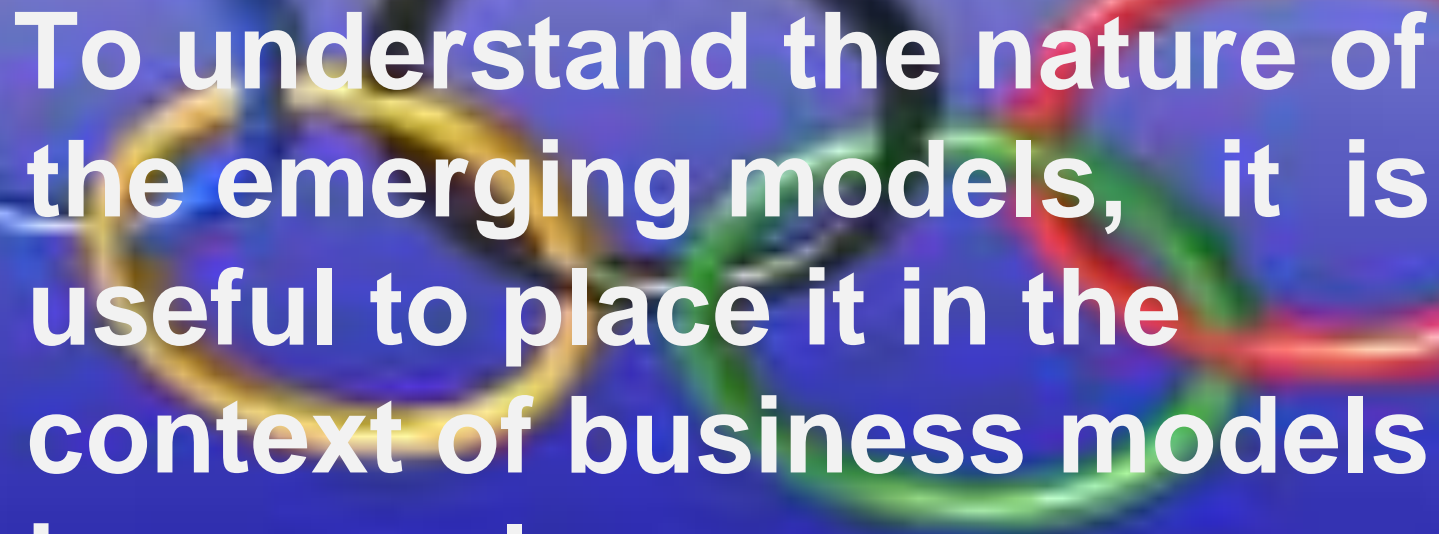
- *a transparent, open and competitive business framework,*
- *clear independent rule of law for all firms,*
- *easy set up and dissolution of businesses,*
- *transparent, simple and accessible corporate regulation, and*
- *equal and stable legal treatment for national and cross-border transactions.*

● IN OTHER WORDS, MAKE IT EASY TO DO BUSINESS!

Way Forward to Experience the benefits of ICT

- *SMEs will only adopt ICT if they can overcome the barriers to its adoption.*
- *lack of affordable and accessible ICT infrastructure is the first obstacle that SMEs need to overcome*
- *human capacity; users must understand how to use ICT and how it will change the way they do business*
- *Financing; this is a problem for both basic and advanced ICT*

Emerging ICT-Based Business Models



To understand the nature of the emerging models, it is useful to place it in the context of business models in general.

*In an article written by M.A. Rappa
in the IBM Systems Journal vol 43
No 1, 2004*

“ The utility business model is shaped by a number of characteristics that are typical in public services: users consider the service a necessity, high reliability of service is critical, the ability to fully utilize capacity is limited, and services is scalable and benefit from economies of scale.”

Taxonomy of e-business models

Type	Model
Manufacture Direct	<i>Purchase Model</i>
	<i>Lease Model</i>
	<i>Licensing Model</i>
	<i>Brand-Integrated</i>
Affiliate	<i>Banner Exchange.</i>
	<i>Pay-per-click —.</i>
	<i>Revenue Sharing</i>
Community	<i>Open Source</i>
	<i>Public Broadcasting</i>
	<i>Knowledge Networks</i>

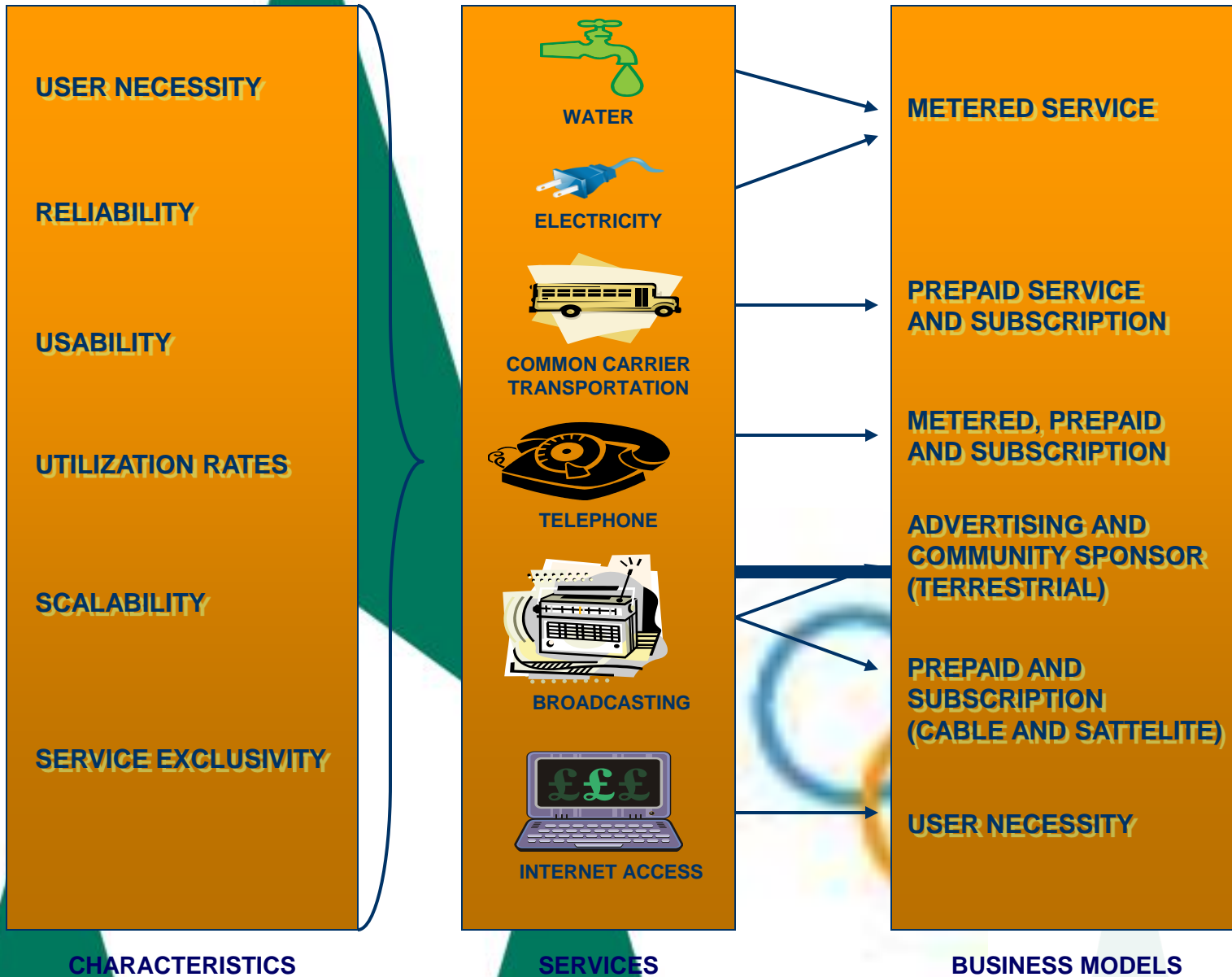
Taxonomy of e-business models

Type	Model
Advertising	<i>Portal –</i> <i>Registered User –</i>
Brokerage	<i>Market place Exchange</i> <i>Buy/Sell Fulfillment</i> <i>Demand Collection System</i>
Information Intermediary	<i>Advertising Networks</i> <i>Audience Measurement Service</i>

Taxonomy of e-business models

Type	Model
Subscription	<i>Content Service Provider</i>
	<i>Internet Service Provider</i>
Utility	<i>Metered Usage</i>
	<i>Metered Subscription</i>

Utility-service characteristics and business models



CHARACTERISTICS

SERVICES

BUSINESS MODELS

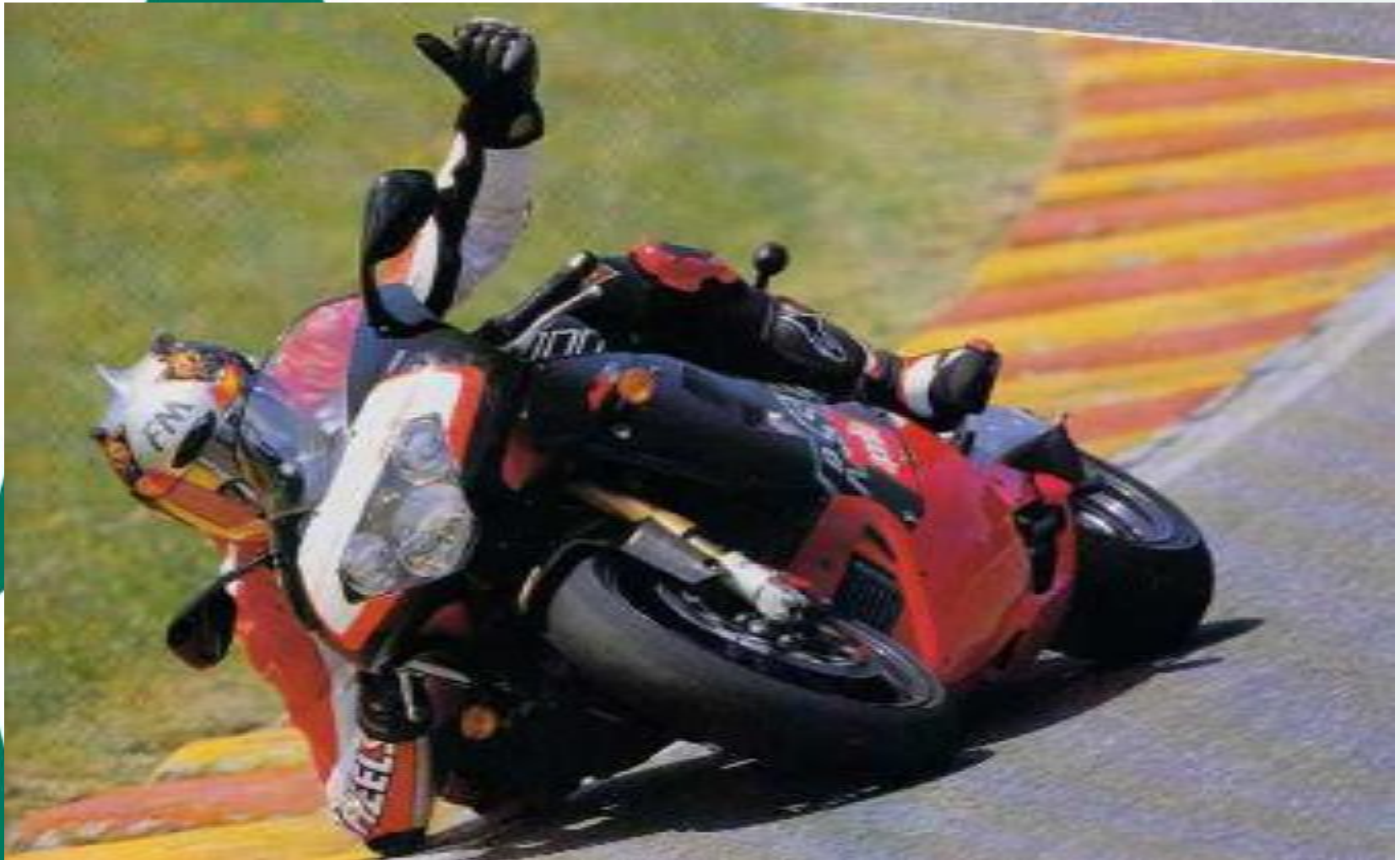
It is likely that the reliance of users on computing services will soon rival, if not surpass, their reliance on public utilities.

Different Countries, Different Goals

- *(US) ICT for economic growth*
- *(Canada) Universal access*
- *(Malaysia) Multimedia for development*
- *(China) Infrastructure development*
- *(India) e-Services*
- *(Small islands, poor countries)*
 - *Bridging digital divide*



Germany



France



Vietnam



Philippines



ICT in the Philippines for what ?

- *More efficient public services*
- *Economic opportunity*
- *Poverty reduction*
- *Access to information*
- *Stakeholder participation*
- *Measuring progress*

What is the Government ICT Plan

- e-Government for greater efficiencies and effectiveness in the delivery of basic social services and minimizing opportunities for corruption
make government more transparent, interactive and sharing more government data online
- Internet for all; accelerate expansion and service provision of broadband by the private sector, reaching previously unserved areas and customers
digital inclusion, capacity building in schools, and content and applications development by local players and stakeholders
- supporting continued growth of the IT/BPO industry
- Investing in people
- Cloud computing

Transformational Capabilities

- balance the need for competition against the creation of an investment-friendly environment
- Mobile telephony has spawned mobile money, turning small, local retailers into the equivalent of bank branches
- a handset offers more than voice and text and music and gaming. It offers *sustenance*: mobile agricultural advice, healthcare support, or money transfer

Which Transformational Capabilities should Philippine ICT bet on?



If 23 M Filipinos are on Facebook, making the Philippines the 7th largest country on the social network site, how can the country leverage on the rising Social Revolution to get to 7th place in the World Economic Forum competitiveness ranking?
– where there is greater transparency, inclusiveness and social engagement

Deriving the competitive value of resources can be enhanced or eliminated by such transformational technologies...

The image features the five Olympic rings (blue, yellow, black, green, and red) arranged in their traditional pattern. The rings are rendered with a soft, out-of-focus effect, giving them a dreamlike or aspirational quality. They are set against a solid, deep blue background that provides a strong contrast for the white text.

TOMORROW IS YOURS TO TELL

Thank You!

