

EXTRANETS

Extranets may sound as a technology for Greeks, but many people use extranets every day without realizing it--to track packaged goods, order products from their suppliers or access customer assistance from other companies. For example: log on to the FedEx site to check the status of the package sent this morning and you've just used an extranet in one of its simplest forms. An extranet is a mechanism based on Internet and Web technology for communicating both privately and selectively with your customers and business partners.

UNDERSTANDING EXTRANETS

Extranets are external networks physically set up outside a company's firewall that provide assistance with business strategy, ordering and product-delivery systems and customer support. Extranets extend the benefits of particular company information to outside groups, such as partners, suppliers, and customers without compromising on organization's strategy. Extranets can be used to exchange large volumes of data, share product catalogs, share news with trading partners, collaborate with other companies on joint development efforts, jointly develop and share training programs with other companies, provide or access applications between companies, and much more. Whereas a company's Internet worldwide web site is accessible to all, its extranet can be reached only by a limited number of people or entities because the extranet is protected by security protocols and various authentication methods such as user ID's, passwords. Using the Internet for private communications, extranets open up certain parts of the company's intranet to remote employees and external business partners. They provide scalable, secure, managed access over the Internet to connect individuals and companies. An extranet is a private network that also uses Internet protocols and the public telecommunication system to securely share part of a business's information or operations with business partners. Extranets are a popular means for business partners to exchange information.

“An extranet is an intranet that is partially accessible to authorized outsiders.”

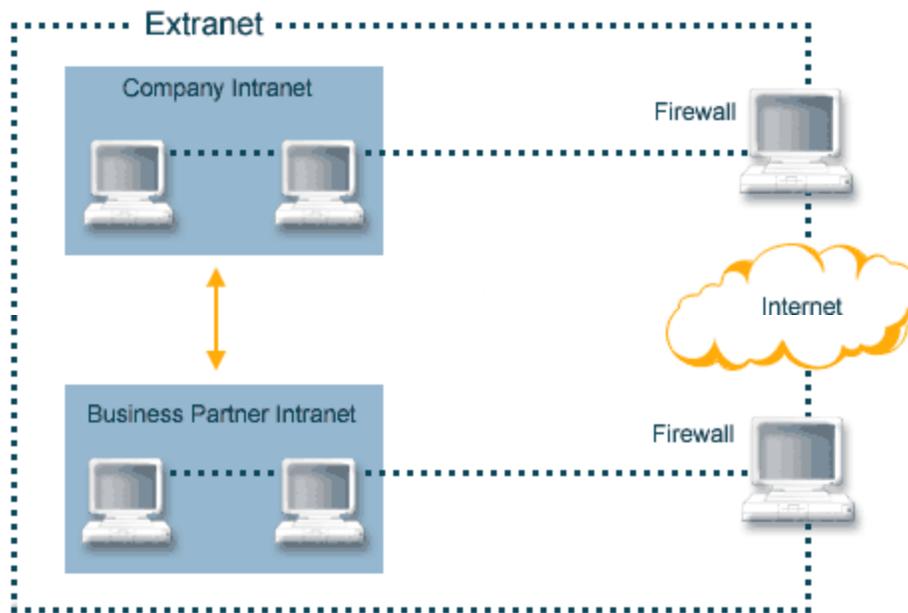


Diagram of Intranet

WORKING

Extranets use HTML to create documents and TCP/IP to transmit information across the network. Information is stored on one or more company servers and accessed by using a web browser, such as Navigator or Internet Explorer. This self-contained, miniature Internet can have all the same features--individual home pages, newsgroups, e-mail--but access is restricted to company employees and authorized partners such as suppliers, resellers and dealers. With an extranet, there is an enterprise-wide repository, an easy way to consult inventory details, tracking orders & schedules, share marketing strategies and policies with resellers and dealers. This information is available to all the authorized users 24 hours a day, seven days a week to anyone who has access, whether on the road, working at home or in a satellite office. No more waiting for the answer to a question required immediately as extranets allows all the authorized users to gain an insight to the required information. More sophisticated extranet features let employees fill out forms online, consult visual archives and order supplies and inventory details.

TYPES OF EXTRANET

Supplier Extranets: A supplier extranet links store branches to their central store, in order to facilitate workflow and maintain the required level of stocks in the inventory. It reduces the possibility of rejecting orders due to shortage of stocks, in addition to providing many services related to inventory control.

Distributor Extranets: A distributor extranet gives different levels of authorization to various individuals, depending on the size of the dealings. It also provides services such as electronic order and automated settlements, as well as lists of new products and specifications

Peer Extranets: A peer extranet promotes equal competition between the different companies in the business sector, as it links small and large companies and enables them to share product prices and specifications. This helps to improve the product and services of a company, and in curbing monopoly.

ORGANIZATIONAL IMPLICATIONS????

- **Increase efficiency of traveling employees/telecommuters:** Get information quickly; gain access to corporate databases, mail servers and file servers using the Internet. Companies need to support a growing number of remote users.
- **Go global:** Gain access to new markets, create a global extended enterprise, and maintain control.
- **Improve collaboration among business partners:** Increase speed of communication and encourage innovative collaboration.
- **Increase organizational efficiency and effectiveness:** As it allows mobile users to have access to the information stored on corporate servers in less time.
- **Create an "electronic embrace" around customers and suppliers:** Increase commerce; build closer relationships with customers and Improve service-customers access information about product availability, pricing or individual accounts and place orders.
- **Reduce costs:** Improve supply-chain management including more efficient inventory control, ordering, and product delivery and reduce long distance charges, reduce printing costs.

DIFFERENCE BETWEEN AN EXTRANET, AN INTRANET AND THE INTERNET

First there was the Internet, which is available for everyone to use. Then businesses got smart and started developing their own intranets that used the same friendly Web

interface but put up firewalls so that only employees could see the information on the site. The extranet was created and it is in between Internet and Intranet. The extranet has a firewall, but allows only selected outsiders, such as business partners and customers, inside the network. An intranet resides behind a firewall and is accessible to people who are members of the same company or organization.

NEED OF THE EXTRANET?

Many view extranets as the next era in Web development. While other business-to-business communications, such as electronic data interchange (EDI), are there, extranet scores over EDI as extranet is user-friendly because of its Web interface and allows for less regimented and more ad-hoc inquiries. For harnessing the capabilities and profits gained from Extranet, an Intranet needs to be place. The benefits of extranets, such as reduced time to market and cost of doing business, and faster access to partner information, may be outweighed by the costs--security, Web servers and development, legacy systems integration, ongoing support and maintenance.

ADVANTAGE

- **Ubiquity Of Access:** An extranet is an effective way for organizations to communicate with authorized users, which provides corporate clients with Internet-enabled business process solutions. This causes the cost of enabling the communication decreases.
- **Open Standards:** Another advantage of an extranet is the Internet's open standards. Regardless of what equipment different companies own, it's unlikely they buy their equipment from the same vendor. The extranet eliminates many compatibility problems.

Less Time & Money: An extranet can save a corporation money and time. By connecting to your suppliers through an extranet you can decrease the time it takes to place an order and the time it takes to get it filled. Extranets reduces costs and increase revenues. This reduction in costs will likely result in more revenue for an organization, increased market share, and higher profits.

- Faster access to partner information, may be outweighed by the costs—security

BENEFITS

The extranets offer several benefits to the Organization and to the customers:

- Providing a convenient and personalized way for customers to do business with you.
- Increased customer loyalty and satisfaction may result in increased repeat business.
- Decreased marketing and customer service costs: decreases costs of day-to-day communications with customers.
- By using an extranet to enable customer "self-service," for such information as pricing, frequently asked questions, technical support databases, application stories, etc., you can reduce the number of times a customer calls your marketing, sales or service staff to answer a question.
- Marketing extranet can also streamline communications, thus decreasing cycle times for sales and service.
- Extranets return excellent returns on investment. Extranets can cost from a few thousand dollars to millions of dollars to implement, but their potential return on investment can make the decision to implement much easier. It has been estimated that the return on investment in an intranet can be as much as 1000%.

Extranet Marketing Capabilities

Marketing extranet is a great place to conduct one-to-one marketing and service activities where you can:

- Provide custom price and product lists in order to give customers product recommendations and pricing based on their specific discount level.
- Display targeted information and marketing messages.

- Allow customers to train themselves by putting multimedia-training programs online.
- Provide account management information and tools so customers can track order status.
- Provide customers with access to key marketing, sales and service representatives via e-mail, chat or web-to-phone capabilities.
- Create online communities where customers share information and experiences with one another—including helping each other with problems or issues instead of calling your support staff.

APPLICATIONS

Extranets provide a safe and secure way to allow transactional business-to-business activities and can save your company some serious time and money. The automotive industry uses extranets to cut down on its redundant ordering processes and keep suppliers up to date on parts and design changes, allowing quicker response times to suppliers' problems and questions. Suppliers can receive proposals, submit bids, provide documents, and even collect payments through an extranet site. An extranet has restricted (password-protected) access, so it may be connected directly to each party's internal systems.

EXAMPLES OF EXTRANET

Some examples where the concept of extranet could be implemented: -

- Groupware in which several companies collaborate in developing a new application program they can all use.
- Training programs or other educational material that companies could develop and share.
- Shared product catalogs accessible only to wholesalers or those "in the trade"
- Project management and control for companies that are part of a common work project
- Inventory details – re-ordering the product information to the suppliers and vendors.

FUTURE OF EXTRANETS?

Extranets are now one of the most popular technologies in the information age. Analysts and researchers expect extranets to replace special purpose networks that are currently used in the fields of e-businesses and e-commerce, as extranets are cheaper to build than special purpose networks, in addition to their capability in facilitating management operations and improving communications with the clients. Recently, extranet applications were made available on the web. You can now access your files through a web site, using a previously agreed upon ID and password. There are also e-catalogs, which allows clients to check offers, prices, delivery schedules and other information. Accessing regular web sites and services requires an account on the server. However, a password is needed to access specific services and information. There are already many companies shifting to extranets in order to better serve the interests of themselves and their clients, and gain competitiveness within a very short period of time.