

### Overview

Businesses use the Internet to carry out business, market, and buy and sell products or services to a wider audience. E-commerce, e-business and e-trading are terms used to describe business on the Internet. The Internet provides a valuable form of communication and is a valuable source of information that can help people make decisions. While there is little face-to-face contact or verbal communication many of the same skills used in any successful business are still needed to carry out business electronically as well as other skills such as using information and communications technology [ICT] and developing and maintaining websites.

You might do this if you are:

1. exploring how the Internet can help your business or social enterprise
2. developing plans for your business or social enterprise to use the Internet
3. reviewing how your business or social enterprise uses the Internet

Selling your products or services on the Internet involves:

1. deciding what opportunities there are for your business by using the Internet
2. planning how to use the Internet
3. setting up and evaluating the success of e-trading
4. keeping up to date with technological advances, market conditions and regulations with regards to e-trading

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### Performance criteria

*You must be able to:*

- P1 research e-business opportunities and market trends for your products or services
- P2 take advice about planning e-business and e-trading from suitable sources and decide how you will use the internet to reach or service your target market
- P3 research and assess the terms and conditions of different kinds of e-trading
- P4 assess the issues, costs and benefits of e-trading and decide if it is worthwhile for your business
- P5 assess the skills of your staff and decide what training is needed.
- P6 assess what information and administration systems would be suitable for e- trading
- P7 decide what resources and technical help you will need and arrange for them to be available at appropriate times
- P8 develop your plans including targets and forecasts in line with the overall aims of your business
- P9 monitor progress in achieving aims and targets
- P10 set up information and administration and documentation systems for e-trading
- P11 decide how you will monitor customer service including any complaints, comments or suggestions
- P12 identify any problems with the website and e-trading activities and take prompt action to solve them
- P13 review resources when events differ from those set out in your plans
- P14 assess the effectiveness of e-trading against your plans and the overall aims of your business
- P15 identify and investigate any new opportunities that emerge, and make any changes that are needed to the website or e-trading activities
- P16 provide information on the progress of e-trading to relevant people

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### Knowledge and understanding

*You need to know and understand:*

#### **Marketing and sales**

- K1 what the costs and benefits are of different marketing and sales methods for e-trading
- K2 how to link different methods of sales and marketing so that customers know how to reach you using the internet
- K3 how to communicate information about products or services and provide customer service online to all potential customers

#### **E-trading**

- K4 what the risks of not e-trading are
- K5 what trading options exist on the Internet
- K6 what terms and conditions apply to e-trading within the UK, EU and worldwide
- K7 how you will get payment from customers buying through the internet
- K8 how to analyse the extra costs and benefits of e-trading compared to current business needs
- K9 how e-trading affects your long-term plans and goals
- K10 how ethical, cultural, physical abilities and style differences in markets affect e-trading
- K11 what problems there could be with e-trading (for example not enough resources, changes in market conditions, technology, competitor activity, laws or regulations)
- K12 how to judge the success of e-business and e-trading (for example getting your business name known, meeting marketing and sales targets, providing good customer service, cash flow and profitability)
- K13 how security (such as client data) and protection from viruses will be maintained, and any problems dealt with

#### **Planning**

- K14 what timescales are required for putting e-business plans into practice
- K15 what aims and targets should be set in terms of quality, timescales, customer service, sales volume, profit margins and repeat business
- K16 what plans for e-business might include for example:
  - K16.1 an assessment of the market, including customer requirements, charging mechanisms and structures
  - K16.2 sales and gross margin forecasts
  - K16.3 cost of start-up and ongoing resources
  - K16.4 ongoing budgets and financing options
  - K16.5 the electronic marketing mix (in other words, product, price, promotion, staff and distribution channels)
  - K16.6 an assessment of legal and ethical factors

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- K16.7 high and low forecasts (basic risk assessment)
- K16.8 savings to your business
- K16.9 an action plan with appropriate timescales
- K17 what arrangements are suitable for monitoring the progress of your plans (for example spoken or written reports, briefing sessions or meetings)
- K18 what areas of your plans are open to change (for example deadlines, higher or lower sales figures, more or less demand from customers)
- K19 how to plan ways of dealing with any areas that are open to change(contingency planning)

### **Resources**

- K20 what extra resources will be needed for e-trading, how you will get them and how much they will cost (for example computer equipment, technical specialists, broadband subscription)
- K21 what effect e-trading will have on your business's existing ICT system
- K22 what technical skills will be needed for e-trading
- K23 what information and administration systems would be suitable for e-trading and will these processes be linked directly to existing ICT systems
- K24 how to develop distribution methods that will cover the planned geographical area and handle out-of-area orders (for example elsewhere in the UK, EU and other overseas customers)
- K25 how and when to review resources

### **Infrastructure**

- K26 how to set up payment methods and accounts for customers or make changes to existing methods

### **Business focus**

- K27 how to identify new opportunities and what they are likely to involve

### **Information and advice**

- K28 where to find information about e-business opportunities and market trends
- K29 who can provide advice about planning and running e-businesses

### **Consultation**

- K30 who to involve in decision-making (for example partners, backers, staff, customers, members, stakeholders or suppliers)

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## Additional Information

### Links to other NOS

1. EE4 Find innovative ways to improve your business
2. WB8 Develop a website for your business

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