

A Study on Virtual Enterprise and Virtual Marke

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Abstract: *Virtualization caused incredible evolution in the economics of marketing channels, patterns of physical distribution and the structure of distributors and developed a new concept called as virtual marketing (VM). VM is the combination of powerful technologies such as interactive marketing and virtual reality. Virtual enterprise (VE) refers to an organization which does not have a clear physical locus. In the other sense, VE is an organization distributed geographically and whose work is coordinated through electronic communications." It should be mentioned that here VE encompass all other similar phrases like Virtual company, virtual corporation, etc. One of the great challenges facing by business owners and managers – both for traditional and virtual organizations- is finding a way for cost-effective communication frequently and consistently with their target markets. So, the virtual marketing perform this function in the best possible manner. In this paper, we focus on the concept of "Virtual marketing in virtual enterprises".*

Keywords: Virtual, Virtual Marketing and Virtual Enterprise

I. INTRODUCTION

Enterprise - A business, company, project & undertaking, especially a bold or complex one. An **enterprise** is simply another name for a **business**, the word **enterprise** describes the actions of someone who shows some initiative by taking a risk of setting up, investing in and running of a **business**.

Virtual – It doesn't physically exist but made by software to appear to do so.

A virtual enterprise is a association of business that come together to share skills or core competencies and resources in order respond better for business opportunities and whose cooperation is supported by computer networks. It is the indication of distributed collaborative network.

Market- A place where buyers and sellers comes together to exchange their goods.

1.1 Virtual Market is the E- Commerce Website

Virtual Enterprise (VE) refers to a new organizational form characterized by a temporary or permanent collection of geographically dispersed individuals, groups or organisation departments not belonging to the same organisation – or entire organisations, that are dependent on electronic communication for carrying out their operational processes.

Virtual Enterprise is a dynamic alliance between organisations that bring in complementary competencies and resources and that are collectively available to each other, with the objective of delivering a product or service to the market as a collective.

VE is an occasionally established cooperating system of autonomous organisations (enterprises, affiliated firms) based upon electronic information processing and organisational integration.

It makes possible for the participating organisations to be able to effectively utilize extra resources, and not only those, which are physically available at this particular organisation without significant expansion. VE is a continuous cooperating system of autonomous functional organisations (settlements, departments, factory units) based upon electronic information processing and organisational integration.

It enables the organisation to participate for operating shared resources in an effective way, without any considerable extension of the resources available physically at the individual organisations.

1.2 VE Characteristics

Characteristics of VE are determined by the requirements of flexibility, adaptability, agility, cooperation and integration.



Virtual Enterprise has several characteristics that differentiate it from a conventional one.

The most unconventional characteristic is its virtuality. A Virtual Enterprise lacks in management and structure of a conventional business even if it can work like a conventional business.

Another important characteristic is the adaptability of the enterprise activities; it is able to change according to market and customer demands.

Virtual Enterprise must be created for temporary alliance therefore it is cost effective. Investments in personnel and facilities are optimized. It evolves and dissolves over time. Virtual Enterprise forms in order to complete a project, and disbands when the project is complete.

Cooperation among internal and external participants:

Managers, designers, planners, dispatchers, operators, partners, suppliers, distributors & customers.

VE functions support:

1. Dynamic grouping for cooperations
2. Knowledge sharing and collaborations
3. Work flow synchronisation (concurrent engineering)
4. Existence of organizational and geographic dividing
5. Different types of communication
6. All the types of group-work and undertaking of different roles
7. Exchange of information with different form as much as possible
8. Changing organizational frames and the different life-duration of groups
9. Determination of authority and responsibility
10. Measuring performance of work group
11. Reporting results and problems.

Integration of business and technology processes, include all the connections with internal and external participants. Deep knowing, modeling and balancing the business processes, revising the goals, the constraints and formal objectives in order to create the conditions and framework for optimization.

VE functions support:

1. Modelling business and technology processes
2. Using unified modelling tools
3. Creating semantically coherent business identities
4. Simulating systems and processes
5. Integration of existing working tools and working methods
6. Shared use of resources
7. Determination of authority and responsibility
8. Continuous exchange of data and messages
9. Assembling product from components.

Service Sphere

More efficient customer relationships with expanded revenue opportunities:

The Virtual Enterprise enables multiple business entities to join together to offer consumers anywhere-anytime access to a variety of related services through one convenient portal.

The multiple entities are completely independent businesses like airlines, hotels, car rental companies on a travel Web site, business segments of the same organization such as banking and investment branches of financial services companies.

Government Sphere

Most efficient citizen relationships with faster streamline services and operations.

Various offices within federal state or local governments can integrate operations to make it easier and most efficient to deliver services to constituents.



To simplify service delivery for multiple agencies in areas such as health and human services which creates opportunities to simultaneously improve the user experience and control administrative costs.

The Virtual Enterprise can also serve to streamline IT and operational administration where multiple agencies are working together toward a common goal. Ex. homeland security.

Manufacturing Sphere

More efficient partner relationships

The ability to integrate supplier operations with manufacturers internal information systems creates new opportunities for cost efficiencies in areas such as inventory control.

A key materials supplier, for example, can access information about a customer's supply of a particular material to schedule reordering and delivery at the optimal time.

Previously, this had been done through an expensive proprietary electronic data interchange (EDI) network. But today services-oriented architectures (SOA) make it possible for systems to work together in the Virtual Enterprise through secure, & flexible Web services.

More efficient engineering area relationships:

VE integrates CAD-CAPP-PPC-CAM agents in the framework of concurrent engineering.

Improved customer service

This business goal is the top priority. Sustaining in the market and attracting new customers is a precondition of realization of every other business goal. This goal can only be achieved by means of guaranteed quality of products, meeting deadlines and product specifications, and offering a low price-level and increasing revenue

This business goal, at the level of production planning and control, requires continuous improvement and control of the macro-parameters of the so-called production triangle (readiness for delivery, stocks level, capacity utilization).

Lowering working capital

The goal can also be achieved in a synchronized way by improving the macro-parameters (production indices) of the production triangle. Meeting deadlines and minimizing the stocks level under reasonable constraints have a direct effect on working capital demand.

Managing fixed assets:

Operating of the existing capacities invested as earlier as possible is a fundamental condition to realize effective production capable of ensuring the profit expected. In case of well-proven products, successful accomplishment of the accepted external orders depends on mostly the capacities available.

Reducing operation costs:

Under the conditions of the price agreement and contract the net profit can mainly be influenced by decreasing the operation costs and lead times, as well as by optimal utilization of the resources (machines, workers, materials).

Achieving higher level environment protection:

The product life cycle management and reuse of devices and materials are the main industrial activities of sustainable development.

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