Building the e-business vision for the UK

Britain can lead the way in e-commerce and the government is there to help, argues Alex Allan, appointed by Tony Blair as 'e-Envoy' in the cabinet office.

I am delighted to take this opportunity to make contact with readers of *The Treasurer*, who are key to the UK's e-business expansion, and to share with you my thoughts on the way forward for e-business.

In talking about 'e-business', we should take the term in its widest sense to mean the flow of information across electronic networks. This makes it the essential ingredient of the information age we are living in and the driving force behind the remarkable changes we are witnessing. These are changes not only to traditional economic and social structures and functions, but also in the speed with which these are developing.

A shift in gear: speed of change

The speed of change in the performance of information and communications technologies means massive growth in the possibilities of e-business. Over the last three years alone we have seen a tenfold explosion in e-business markets, and there is a lot of truth in the comment that an internet 'year' is equivalent to just three months.

A shifting horizon: scope of change

E-business is introducing new horizons to business and commerce, and also to the way that people run their lives. Truly imaginative uses of the advantages of e-business are only just beginning – but already the new direction that both businesses and consumers will take is becoming clear.

The opening of new opportunities is both driving, and being driven by, an explosion in internet-related business technologies as consumers explore the new options open to them, and businesses imaginatively exploit a huge variety of new ways of delivering creative new products and services to new markets.

Ways and means: structural change

The unequalled savings offered by the sheer efficiency of e-business are driving changes to market structures. The US department of commerce calculates that it costs 10 times more for a bank to transfer funds at a branch than over the internet.

But this scale of saving is there for any business which successfully operates e-business methods. And market players are also changing, using the internet to link their businesses and services into new areas.

The message: implications of e-business for government

E-business is going to power economic activity in the future and we want to make sure that the UK leads the way. Last September, the prime minister published the government's strategy for making the UK the best environment in the world to do e-business in the report on e-business, 'e-commerce @its.best.uk'.

I am working jointly with Patricia Hewitt, the e-minister, to deliver this strategy. We report on progress every month to the prime minister and also post monthly updates on our website

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(http://www.e-envoy.gov.uk)
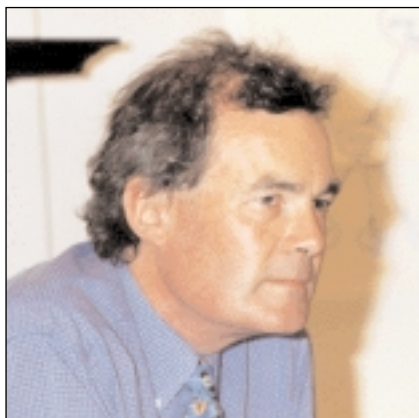
The UK already leads the way among the major countries in Europe – more companies have their own websites and use the internet for e-business, and more UK executives make use of email, according to the UPS Europe Business Monitor survey of senior business opinion.

The UK also has some unique advantages:

- first, the English language is used on more than 80% of websites globally;
- second, there are strong overall levels of awareness of e-business in the UK – 13m people have access to the internet in Britain already;
- third, we are leading the way in the development of third-generation mobile phones and a liberalised telecommunications market; and
- finally, in our world-beating introduction of interactive digital TV.

But we need to make sure that we are using the advantages we have. Research shows that by far the most common business reason for not taking up e-business opportunities is a 'wait and see' attitude. Government, in partnership with industry, wants to make sure that everyone knows about the advantages e-business can offer, both immediately and in the future, and that everyone is able to make the most of these advantages.

Getting the message across – how government is helping

The government wants more UK businesses to profit from imaginative e-business opportunities and sees for itself a clear role in encouraging the UK to take up the challenges. The uniqueness of e-business means that a new approach is needed to achieve our aims. The private sector is key to the future of e-business, with the government focusing on

getting the environment for it right so that it can flourish.

Private sector-led

We are working with industry to promote e-business awareness. We are ensuring the flexibility to cope with the speed of the information age by developing a unique, light-touch approach to regulation. We are taking a co-regulatory approach to make sure that regulation is minimised.

This means that industry will self-regulate within government-defined public policy objectives – government will step in only if self-regulation fails.

Self-regulation is under way with the introduction of schemes like the Internet Watch Foundation, a major industry-led initiative which seeks to reassure the public and business that the internet can be safe and secure, and Trust UK, an industry-led digital hallmark initiative which will put in place a mechanism for maintaining internet standards.

Government as enabler

Our aim is to help everyone in the UK take advantage of the opportunities e-business presents. We need to tackle concerns about using the internet in areas like security and standards.

Our priorities are first, to get flexible national and international markets right so that businesses carry out a higher percentage of transactions on e-business networks. We are doing this in partnership with industry. Second, to equip people and business with the skills to use the technology effectively and the ability to access e-business networks easily and at low cost. And third, to transform public service delivery to give us leading edge government.

Getting the markets right includes promoting competition in, for example, the telecommunications industry. We are breaking down legal barriers and working to establish framework for e-business transactions locally, nationally, across Europe and globally.

We are equipping people through initiatives which reach businesses and consumers. These include the Information Society initiative led by the DTI, which establishes a national network of support centres to give businesses expert advice and guidance. We are encouraging people to take up these opportunities by offering incentives, like the discounts offered on tax returns filed over the internet, which the chancellor announced on 16 February.

Accreditation schemes are being established to reassure e-business users. Small firms seeking independent advice can ensure that this advice is e-business-friendly by checking for Technology Needs Business accreditation.

The University for Industry will be launched in October this year by the department for education and employment. It is developing on-line support and learning materials for consumers and users, which will be accessible at home, in the workplace and in UfI centres.

The government certainly does not exclude itself from the need to make the most of e-business efficiency. I am working with cabinet office minister Ian McCartney on information age government. We are making government more open by extending the direct email access which the public already has to government. We are learning from industry about business process change to improve the way government works internally by introducing information-sharing networks. We are keen to respond to the needs of the people of the UK – our customers – by learning to deliver the information and services they want, when they want them, 24 hours a day, 365 days a year.

We can only do this by moving to a wholly new, information age model of government. We have started with initiatives like NHS Direct Online and we will gradually make all government services accessible online.

Your role

I have opened the e-Forum, a discussion page on the e-Envoy website, so that we are in continuous consultation with business and the public (http://www.e-envoy.gov.uk). I want us to keep in close touch with people at the sharp end and hope you will use this to feed in ideas about what more we should be doing to help British business make the most of the opportunities presented by e-business. ■

Alex Allan is e-Envoy in the government's cabinet office. He was formerly British High Commissioner to Australia.