Executive Summary

General Remarks

When speaking about eBusiness as applied to the healthcare market, two questions arise immediately. First, what is eBusiness? Second, why is eBusiness in healthcare different from eBusiness in other industries? In this chapter, we shall give an overview of the foundations of eBusiness, explain the importance of eBusiness within the healthcare domain, and describe the peculiarities of the healthcare market. This chapter acts as a framework for the topics in the following chapters, and describes the context of the economic and business issues, the technologies, and their applications which will be further elaborated in those chapters.

It is the goal of this book to raise the awareness of, and interest in, electronically mediated business processes in healthcare in a large audience of managers, clinicians, pharmacists, scientists, and students. Within the arena of eBusiness in healthcare, we focus on purchasing and selling online as the most advanced application. Here we shall consider both the perspective of the healthcare providers and that of the suppliers, showing the interdependencies between the two and developing concepts for a new synergistic cooperation. By taking an international approach to the topic, our aim is to demonstrate the many similarities of eBusiness problems and their solutions among the different countries and to permit analysis of the differences that are often defined by the national healthcare systems and their rules. Case studies from healthcare institutions and suppliers in the United States, the United Kingdom, and Germany will illustrate the achievements, barriers, and future plans, thus enabling newcomers to learn from previous experiences. This book explicitly addresses clinicians by demonstrating the interconnection between patient care processes and management issues at the level of medical supplies. It makes a plea for a multidisciplinary effort, so that the right product is procured for the right patient, at the right time.

As a rather new discipline, eBusiness in healthcare needs further scientific backing. Against this background, this book will not only provide answers, but will also raise questions for future research. Managing change and innovation, and
establishing the critical mass for eBusiness in healthcare is a major undertaking. The aim of this book is to support this process.

**eBusiness – An Introduction**

eBusiness is not simply the electronic version of conducting business. It does not merely apply new technology to old structures and processes. eBusiness enables a variety of new types of relationships between customers and suppliers from closely interwoven relationships in supply chains to loose, transient relationships mediated by electronic marketplaces. Building upon existing definitions, we understand eBusiness as a global concept that includes all internal and external business processes of an organization that aim at facilitating business by connecting the business partners and that integrate and synchronize the necessary electronic media. Benefit arises from eBusiness in terms of reduced costs for operating in the market (transaction costs), in particular reduced process costs, and improved knowledge sharing.

Within eBusiness, eCommerce is dedicated to electronic trading with its classic business-to-business (B2B) and business-to-consumer (B2C) relationships. Among the many different technical and organizational approaches for connecting the business partners, electronic marketplaces play an important role. They are either forums—understood in its literal meaning—for presenting goods and negotiating prices, or they act as technical hubs for providing connectivity and applications.

In either case, the underlying technology goes far beyond simple email exchange via the Internet. Workflow-oriented systems with well-defined interfaces that support standards and provide secure data exchange are a prerequisite for exploiting the benefit of eBusiness.

To date, after the initial economic turbulence, eBusiness is a well-established and growing part of the economy in many countries. Online trading among firms (B2B) holds the greatest share of eCommerce, both in terms of financial volume and number of firms active in the field. B2C—though better known by the public—is only successful in certain sectors (e.g., tourism and some subsectors within the retail trade) and comprises a smaller volume than B2B. The larger a company is, and the higher its level of information and communication technology (ICT) use is, the more active it is in eBusiness. Company size and the level of ICT are not independent of each other, however. Larger companies have typically more ICT, which hints at the strong overall impact of ICT on eBusiness. The same holds true for countries: eBusiness flourishes in countries with an excellent technical infrastructure but also with a supportive political, social, and economic environment.

**eBusiness in Healthcare**

eBusiness has become a fact of life in all sectors, including healthcare. Statistics trying to reflect these activities and trying to compare healthcare with other sectors, however, fail to achieve their aim. This is because healthcare is different from other industries in many respects and its market is exactly defined by these peculiarities.

Supporting electronic processes in healthcare has a long tradition, as in telemedicine, for example. eHealth is the term most commonly in use today and it embraces all aspects of providing connectivity for care, contents, and