

A Strategic Framework for your Website - Have you thought it through?

By Johanne L. Rémillard

Many Québec firms have launched Internet sites which they intend to use, in the short or medium term, for “e-commerce” transactions with current or prospective customers. In the rush to gain a presence on the Web, firms have often set up their sites hastily, without properly considering site use and site management strategies, which should have been developed beforehand. Does your company fall into this category?

The Importance of a Framework

The quality of the rules governing the use of a firm's website and its environment is crucially important. A site's success is in large measure attributable to the relevance and transparency of those rules.

The rules which govern activity on a particular website should be tailored to its characteristics. Every website developer is therefore responsible for making decisions and “legislating” a set of rules which shall provide the site with the appropriate standards corresponding to its functions and specific objectives.

In fact, the real challenge lies in developing and implementing a fair and balanced set of rules that meet user requirements and expectations, create a user-friendly environment and ensure security and confidentiality on the site.

Methodological Prerequisite

The nature and variety of issues surrounding every transactional site often call for specific and distinctive rules of procedure and conduct.

Objectives and Target Markets

The first step is to determine the objectives and target markets for the products and services to be sold online.

The target market for online transactions should be identified as soon as possible. Determining the geographic regions concerned makes it possible to adapt the rules and conditions governing site use, while taking into consideration the

applicable legislation, specifically that pertaining to public order, consumer protection, privacy and transaction-specific requirements.

Every firm should adopt an e-commerce strategy and incorporate it into its existing development and marketing plans. It should also define and establish the strategic role of e-commerce in relation to its current business operations, with a view to allocating the technical, administrative and financial resources necessary for the success of this particular mode of transaction.

Type of Operations and Associated Risks

The next step is to determine the type of information that will be released on the site as well as the type of activity displayed or executed (e.g.: advertising; contractual terms and conditions; method of payment; acceptance of outsider presence at the site, etc.), along with the general and specific risks each entails. This exercise thus makes it possible to ascertain, for reference and control purposes, the business risks associated with the operations that occur or originate at the site.



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The identification of the risks involved reveals the specific areas that require standards and rules. This means determining the operations and operational sequences for which it is either desirable or necessary to adopt a methodology, provide guarantees, draft specifications or establish conditions of use.

Self-Regulation

This term refers to standards that are voluntarily developed and agreed upon by those taking part in a given activity. Obviously, the persons in control of a website have the necessary latitude to adopt and impose rules governing access, acceptable behaviour, and prohibited activities.

The rights and obligations of customers who engage in online transactions at the site may be presented either in the formal language of a “code of ethics” or in the informal style of a “user’s guide”.

Terms and Conditions Governing Site Use

A site should contain a list of the terms, conditions (including notices and waiver of liability clauses) and penalties for improper use. Visitors to the site should be required to read these conditions before being given site access for the purpose of transacting business.

Notices and waiver of liability clauses appearing on a site’s home page should ideally be reproduced on each of the site’s subsequent pages.

A policy should always be devised regarding the links that third parties are allowed to create using the website.

Truthfulness of Information and Copyright

The information published at a site should be truthful and accurate. Regardless of whether the information is in textual or graphic form, it must also comply with the rules governing intellectual property in the broad sense of the term, and the legally recognized symbols for copyrighted material and trademarks should be used accordingly.

Internal Management Procedures and Persons in Authority

Any firm wishing to do business on the Internet stands to gain by adopting internal administrative procedures for day-to-day site management. For example, tasks such as filling orders, processing payments, managing the warranties attached to the products and services sold as well as other forms of contractual commitments should be based on precise guidelines and placed

under the responsibility of clearly identified persons in authority. The same applies to the procedures for managing and tracking contractual relations with other parties, including suppliers.

The conditions applicable to the protection of privacy, the conservation or archiving of relevant data, the regular maintenance of the site and the systematic updating and integration of information are key factors that would also benefit from being assigned to the supervision of a manager or trusted employee.

Certification as a Means of Regulation

The certification issued by a recognized third party (e.g. a law firm or accounting firm) provides written assurance that a product, service, quality system, or that a business complies with specific technical, financial, legal or other requirements. This approach could very well form part of the strategy adopted for regulating a site or service.

Certification is granted on the basis of a set of standards, and it guarantees that they have been complied with. It is always in the best interests of a business that wants to be taken seriously to obtain such certification, regardless of its nature or purpose.

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Subsequent Management

Handling Complaints and Obtaining Customer Feedback

A mechanism for the processing of complaints should be established, either internally or on an outsourcing basis. An appropriate set of operating procedures should be devised, depending on whether responsibility for handling complaints is assigned to a contact person or a committee.

The site should also include a page where visitors can make suggestions or provide feedback concerning site administration.

Self-Evaluation, Consultants and Site Updating

From a practical standpoint, companies wishing to do business on the Internet should adopt norms and standards for site upgrading and development. It is also worth monitoring competitors' strategies, as well as supplier and customer behaviour and expectations, in order to identify areas which may require adjustments or more aggressive development efforts. Furthermore, technical or commercial opinions must occasionally be sought from well-informed consultants, to enable companies to seize opportunities for the creation of new

services or the formation of strategic alliances (e.g. by acquiring access to various sectoral platforms related to the company's mission and objectives).

The data compiled from self-evaluations can also contribute to establishing an ongoing site updating process, which is essential for optimal site management.

Policy on Electronic Communications

In its interim report entitled "Beyond Compliance: Building a Governance Culture" released in March 2001, the Joint Committee on Corporate Governance¹, established in July 2000, states that all boards of directors of public companies (i.e. those listed on a stock exchange) should ensure that they have developed a policy which sets out the "accountabilities and approval processes for the establishment and oversight of electronic communications channels".

This recommendation speaks of itself and highlights the impending importance of approval and control processes in the field of e-commerce, particularly in the case of companies that may eventually be listed on a stock exchange.

Final Note

Several benefits may be derived from the various stages involved in creating a website framework, such as better planning of site use and improved site management, which in turn may help to avoid potentially costly pitfalls.

On April 5, 2001, Bill 161 — *An Act to establish a legal framework for information technology* — was restored to the Order Paper of the Québec National Assembly ... yet another reason why you should be giving serious consideration to this topical issue.

Johanne L. Rémillard

¹ This committee was created by the Canadian Institute of Chartered Accountants (CICA), the Canadian Venture Exchange (CDNX) and the Toronto Stock Exchange (TSE) to recommend changes to ensure that the governance of Canada's public companies ranks among the best in the world.

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