COBIT5 FRAMEWORK AND ECOMMERCE

Sabin Subedi

Crown Institute of Higher Education

Table of Contents

1. Abstract :

Ecommerce business has been rising as one of the most effective means of carrying out online business, where the primary customers act as the business drivers hoping to get the required product delivered at their home through a few simple steps (Tsagkias, 2021). However, there is a primary requirement of managing the governance of the Ecommerce business structure, which will allow with smoother transition of all the business-related operations in specific terms. As a reason to this, the following document has been prepared in particular to ensure a better understanding of a chosen framework integrated into the Ecommerce business that exists in the modern world.

COBIT5 is a framework that has been effectively chosen for the following discussion, which is to primarily allow with a better understanding of the required business structure that needs to be followed to put forward a better service delivered to every individual customer in specific terms. This stands for Control Objectives for Information Technology and is directly aimed at governance procedures that need to be followed at a specific business.

With respect to this, the following discussion has been carried out to ensure a better understanding of the Governance and Management structures to be implemented at the Ecommerce business with the help of COBIT5 management framework (Soni, 2020). The framework has been applied to every individual section of the chosen business and their likely impact upon the daily business operations carried out in specific terms.

2. Literature review:

According to (bt Mohd, 2019), Ecommerce primarily refers to a specific online activity that has the major involvement of buying as well as selling of products along with services. In other words, Ecommerce business can also be referred to as a primary procedure of carrying out online transactions and at the same time purchase products in particular terms. Ecommerce business has been identified to be on the rise that provides with a helping hand in appropriately meeting the likely demands of the customers to obtain specific products as well as services of their own choice and at the same time allow them meet the daily demands of the customers by disallowing them with the necessary activity of reaching out to an offline store, take out time from the busy schedule and then purchase a product (Jílková, 2021). The issue has already been resolved by the Ecommerce business activity and at the same time has also allowed the

customers to successfully provide with a likely demand of having a greater number of options at the same place with variety of products as well as prices belonging to the same area.

As added by (Gao, 2021), Ecommerce has multiple reasons to initiate with since the start of an ecommerce business, there is a shared existence of various kinds of benefits that can be expected and at the same time allows every individual customer belonging to any corner of the world is offered by the provisioned capability of ordering products, purchasing and at the same time making payments for their purchases at the same time. Some of the necessary benefits as offered by the Ecommerce world to the customers are the likes of Convenience to choose any kind of product and at the same time allow with a better visibility to online transactions in particular terms (Tan, 2021). In addition to this, borderless transactions are also capable of enhancing the provisioned customer satisfaction in significant terms. However, there also is a primary existence of necessary improvements that are required at the Ecommerce business due to the increasing demands of individual customers present across the global online business field.

As stated by (Amali, 2020), COBIT5 is a framework that can be aligned to the various business processes present across the global business field. As a reason to this, a shared existence of appropriate usage of procedures and methods put forward by the COBIT5 framework has been stated in this section. COBIT5 has the primary containment of objectives that can be cascaded as well as can be appropriately utilized for effectively connecting to the primary needs of the stakeholders within any individual business corporation belonging to the global business platform (Damayanti, 2019). This is then supported with objectives that have a direct alignment to the processes of Information and Technology. Such goals having a direct association to implementation of Information and Technology also share a direct link towards enabling goals for providing with a supporting hand to the associated achievement of all the initially determined goals as well as the requirements of the associated stakeholders to a specific business firm (Rooswati, 2018). However, it shall be stated that the associated implementation of the COBIT5 framework into the daily business processes at the organization is likely to put forward with a significant issue, which also might affect the existing Ecommerce business world in a negative manner specifically.

3. COBIT5 framework in Ecommerce:

In this particular section of the document, an appropriately chosen framework to be implemented into the individual business processes across the Ecommerce business world has

been put forward (Sianida, 2020). As a reason to this, the following sub-sections have provided with a likely necessity of implementing the COBIT5 framework into the Ecommerce business to carry out an efficient governance and management of the daily business operations that are carried out at the online businesses on a daily basis.
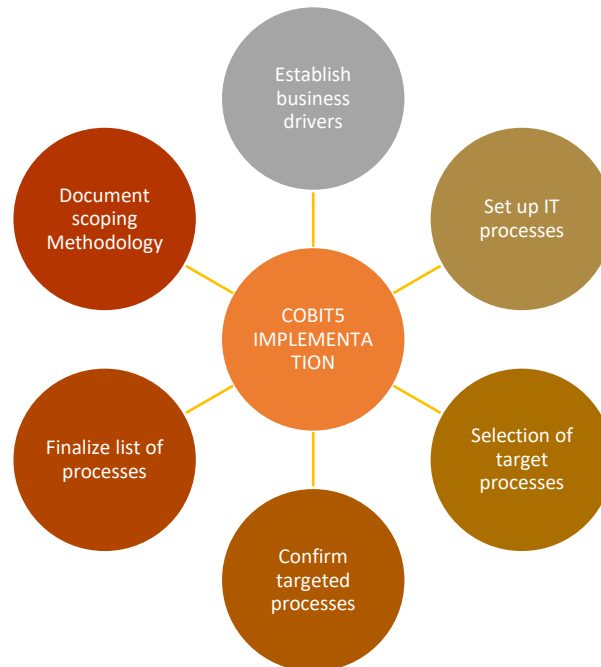

Figure-1: COBIT5 implementation in Ecommerce

(Source- Created by Author)

3.1. Step-1:

In this particular step, an appropriate establishment of business drivers having a direct relevance to the associated IT processes have been documented to provide with a better understanding and a helping hand towards effectively carrying out the process to obtain better outcomes.

Ecommerce business is mainly aimed at allowing their newly developed customer base to have a wide selection of products through an online platform, which will allow them to go through the options that are provided and eventually purchase the same without having to reach out to an offline store and effectively carry out the same process that could have been done online (Fernandes, 2020). However, the primary business drivers need to be documented in the initial step where the basic requirements of the business related to information and technology

is outlined. The same has been discussed in the following discussion points to ensure a better understanding.

a. The Ecommerce needs to document a wide range of global products to meet the primary demands of all the customers present in their existing customer base. This will help the respective Ecommerce business to allow every individual customer get their demanded product without fail. This also helps in an effective customer retention.

b. The business needs to start establishing a global customer platform, which will effectively meet the likely demands of a huge customer base that exists globally. This will allow the respective business to have a broader customer base and increase their business with significant growth in specific terms (Murad, 2018).

c. The business also needs to determine a foreign supply chain, which will supposedly supply them with foreign raw materials, machines as well as other kinds of resources that are necessary for an online business.

3.2. Step-2:

In this step for the COBIT5 framework implementation into the Ecommerce business, an appropriate setting up of the associated IT processes to be conducted at the Ecommerce business has been outlined to put forward a better understanding (Huygh, 2018). Hence, a number of IT processes need to be carried out at the respective Ecommerce business that has been outlined in the following discussion points to provide with a clear understanding.

i. Firstly, the customers are supposed to be provided with a proper website platform or mobile application for individual customers to access the same and purchase products. This should be the primary business driver that will allow the customers to obtain all the products and services offered by the respective business organization.

ii. Obtaining payments for the purchases that have been made to the individual customers will effectively allow them to choose their preferred mode of payment, which is a basic IT process that also has the primary involvement of an online payment gateway to ensure a better protection upon the financial information of the customers and at the same time enhance business growth along with customer reputation (Rizal, 2020).

iii. Inventory management is a necessary IT-based process that is carried out within the business and allows the respective online business to always stay prepared for the

upcoming customer demands to integrate growth into the business in particular terms. Inventory management is basically carried out with the help of software application, which allow the entry of renewed stock and at the same time notify the business in case a particular item or product in demand is out of stock and needs to be renewed to meet the rising demands of the customers in specific terms.

3.3. Step-3:

In this section of the document, the ecommerce business needs to outline a specific set of targeted processes and at the same time ensure a better understanding of the necessary methods to be carried out for a better growth to be integrated into the business (Hartati, 2021). As a reason, the targeted processes to be carried out at the business has been outlined in the following points,

a. Providing the customers with a specific online platform to view all kinds of offered products, browse through a specific selection and at the same time make purchases based on the primary demands in specific terms.

b. Upgrading the existing website or mobile application based on the newest form of technology to allow better performance of the online platform and allow the customers with an effective method in specific terms.

c. Offering the customers with a selective set of payment gateways for them to choose from and allow customer satisfaction by offering them with multiple options in terms of payment.

d. Utilization of an appropriate method of inventory management with the help of an online monitoring system, which will continuously keep a track of the entire inventory for the Ecommerce business, notify in case of running out stocks, contact suppliers, place order and refill the stocks to help the business.

All of the mentioned processes are necessary and needs to be carried out related to IT at the Ecommerce business for a better Governance as well as Management of the business for a better growth in effective terms.

3.4. Step-4:

The formulated list of all the targeted processes as documented in the previous sub-sections of this part also needs to be approved by the primarily associated stakeholders as well as the project sponsor belonging to the respective Ecommerce business. As a reason to this,

each of the stakeholder belonging to the Ecommerce business will be sent a document containing all the necessary changes or implementation of the IT-based processes that need to be carried out at the business for a better management and governance of the business (Pane, 2018.). Additionally, the required budget for implementing the IT-based processes that have been selected will be communicated to the Project sponsor to allow the finances as required.

3.5. Step-5:

The following points have been used to put forward a final list of all the processes that need to be implemented at the Ecommerce business for a better understanding of the associated processes that are necessary for integrating efficiency in specific terms. Hence, the final list of processes are:

    a. An upgraded website/mobile application, with necessary periodic upgrades.

    b. Wide options for payment gateways for the customers to choose from.

    c. Global suppliers and range of global products for meeting the likely demands of the customers.

    d. Real-time inventory management system for better management of inventories and stock of products.

3.6. Step-6:

The IT-based processes that have been outlined and finalized in the previous section will be effectively implemented into the Ecommerce business for allowing with a better management as well as governance of the online business as efficiently as possible (Rizal, 2020). This will allow with a better management of the daily business operations, and will ensure a better growth obtained at the business on a daily basis through the usage of IT-based processes.

4. Conclusion:

Ecommerce business as identified to be one of the rising online businesses that allows the customers to carry out purchasing of products sitting back at their place. However. The utilization of an appropriate framework to implement the IT-based processes into the business has been discussed in the above document. COBIT5 framework has been chosen as the specific framework that has been used to implement the IT-based processes to ensure a better implementation and enhance the likely benefits obtained at the business.

5. References:

1. Amali, L. N., Katili, M. R., Suhada, S., & Hadjaratie, L. (2020). The measurement of maturity level of information technology service based on COBIT 5 framework. *Telkomnika*, *18*(1), 133-139.

2. bt Mohd, N. A., & Zaaba, Z. F. (2019). A review of usability and security evaluation model of ecommerce website. *Procedia Computer Science*, *161*, 1199-1205.

3. Damayanti, R., & Manuputty, A. D. (2019). A Analysis Of Information Technology Governance In Department of Communication And Informatics of Salatiga Using COBIT 5 Framework DSS Domain. *Journal of Information Systems and Informatics*, *1*(2), 97-122.

4. Fernandes, A. J., Hartono, H., & Aziza, C. (2020). Assessment IT Governance of Human Resources Information System Using COBIT 5. *International Journal of Open Information Technologies*, *8*(4), 59-63.

5. Gao, H., Huang, W., & Duan, Y. (2021). The cloud-edge-based dynamic reconfiguration to service workflow for mobile ecommerce environments: a QoS prediction perspective. *ACM Transactions on Internet Technology (TOIT)*, *21*(1), 1-23.

6. Hartati, S., Syamsuadi, A., & Arisandi, D. (2021, February). University Level Management Toward Industrial Revolution 4.0 using COBIT 5 Framework. In *Journal of Physics: Conference Series* (Vol. 1783, No. 1, p. 012021). IOP Publishing.

7. Huygh, T., De Haes, S., Joshi, A., & Van Grembergen, W. (2018, January). Answering key global IT management concerns through IT governance and management processes: A COBIT 5 View. In *Proceedings of the 51st Hawaii International Conference on System Sciences*.

8. Jílková, P., & Králová, P. (2021). Digital consumer behaviour and ecommerce trends during the COVID-19 crisis. *International Advances in Economic Research*, *27*(1), 83-85.

9. Murad, D. F., Fernando, E., Irsan, M., Kosala, R. R., Ranti, B., & Supangkat, S. H. (2018, September). Implementation of COBIT 5 framework for academic information system audit perspective: evaluate, direct, and monitor. In *2018 International Conference on Applied Information Technology and Innovation (ICAITI)* (pp. 102-107). IEEE.

10. Pane, S. F., Awangga, R. M., Nuraini, R., & Fathonah, S. (2018, April). Analysis of investment it planning on logistic company using cobit 5. In *Journal of Physics: Conference Series* (Vol. 1007, No. 1, p. 012051). IOP Publishing.

11. Rizal, R. A., Sarno, R., & Sungkono, K. R. (2020, September). COBIT 5 for analysing information technology governance maturity level on masterplan E-Government. In *2020 International Seminar on Application for Technology of Information and Communication (iSemantic)* (pp. 517-522). IEEE.

12. Rooswati, R., & Legowo, N. (2018, September). Evaluation Of IT Project Management Governance Using Cobit 5 Framework In Financing Company. In *2018 International Conference on Information Management and Technology (ICIMTech)* (pp. 81-85). IEEE.

13. Sianida, R. Y., Afiana, F. N., & Wahyudi, R. (2020). IS Governance Evaluation Using COBIT 5 Framework on the Central Statistics Agency of Banyumas District. *Journal of Computer Science and Engineering (JCSE)*, *1*(1), 1-9.

14. Soni, V. D. (2020). Emerging Roles of Artificial Intelligence in ecommerce. *International Journal of trend in scientific research and development*, *4*(5), 223-225.

15. Tan, W. K., & Chen, B. H. (2021). Enhancing subscription-based ecommerce services through gambled price discounts. *Journal of Retailing and Consumer Services*, *61*, 102525.

16. Tsagkias, M., King, T. H., Kallumadi, S., Murdock, V., & de Rijke, M. (2021, February). Challenges and research opportunities in ecommerce search and recommendations. In *ACM SIGIR Forum* (Vol. 54, No. 1, pp. 1-23). New York, NY, USA: ACM.