

Extant research on e-business project investment falls into two research streams. Therefore, instead of developing an explicit form, numerical methods based on Monte Carlo simulation and the least-squares regression to estimate the net cash flow are applied in the real option approach (Longstaff and Schwartz 2001; Zhao et al. 2004; Chow and Regan 2011; etc). This increases the complexity of the numerical illustration, reduces the accuracy of the net cash flow analysis, and more importantly, weakens the possibility of showing the real characteristics of the net cash flow, which then affects the decision on the IT investment. The second research stream evaluates IT investments using real options theory (e.g. Li and Johnson 2002