The Webb Negócios online marketplace: Bringing e-procurement to Brazil with an IBM and Ariba solution.

Overview

- **Challenge**
  Provide an end-to-end e-marketplace solution, including procurement, spot purchasing, automated online request-for-quote (RFQ) and negotiation functions, to companies in Brazil

- **Solution**
  An IBM and Ariba e-marketplace solution that leverages IBM hardware and services, Ariba® Marketplace™ and Ariba® Dynamic Trade™ modules

- **Key Business Benefits**
  Greater product selection; lower prices and simpler procurement; sourcing transaction processes for companies in Brazil

B2B in Brazil: Webb Negócios online powered by IBM and Ariba solutions
Webb Negócios Online, based in Rio de Janeiro, was founded by the Macal Group in 1999 to create a business-to-business (B2B) e-marketplace solution in Brazil. The company, which now has more than 100 employees, offers comprehensive, hosted e-procurement solutions to small and mid-sized businesses with less than US$50 million in annual sales revenue. In addition, Webb Negócios Online provides modular procurement application services— called the e-commerce Service Provider Offering (ECSP)—for large companies

seeking to leverage prepackaged e-marketplace capabilities that extend the power of their own custom, private procurement solutions.

"In terms of technical competence, of know-how and of experience, we really have the best partners in the local market."

−Sami Haddad, Chief Technology Officer/Chief Operating Officer for Webb Negócios Online

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Webb Negócios Online offers the seamlessly integrated Ariba Marketplace and Ariba Dynamic Trade platforms, plus custom extensions and options, as hosted end-to-end marketplace applications for nearly 1,500 companies and 200 suppliers in Brazil. To complete the transaction, Webb Negócios Online created three e-marketplace engines to handle four different payment methods, local and regional taxes, and freight and transportation services. In addition, the company developed a publishing solution that enables suppliers to easily create digital catalogs for publication in an e-marketplace. These value-added features allow Webb Negócios Online to provide direct and reverse auctions through the Ariba Dynamic Trade platform, as well as facilitate the online interactions between buyers, suppliers and trading partners more easily and effectively.

Offering quick-to-benefit, localized solutions for Brazilian industries
Webb Negócios Online offers online trading and the exchange of goods and services through an e-marketplace currently focused on four vertical industry solutions—health care, automotive, paper and chemical. These four industries were selected based on the relative size of Brazil's economy and the structure and fragmentation of the industry. Leveraging the e-marketplace, Webb Negócios Online has as its first focus to provide direct materials to the selected sectors, and added maintenance, repair and operations (MRO) goods and services across all industries.

"One extremely important effort that we've undertaken, with a lot of help from IBM and Ariba, is creating a very detailed integration scheme," says Sami Haddad of Webb Negócios Online. "Our solution would need to integrate with existing legacy systems or internal ERP systems. So we developed a solution where we can integrate products from specific software vendors in different 'communities' within each vertical market."

Different from competitors' solutions, Webb Negócios Online's end-to-end e-procurement methodology helps customers quickly realize benefits through its easy-to-use and robust features. Webb Negócios Online not only provides an online B2B procurement and payment processing system but also offers automated calculations for Brazil's complex regional and local tax structures, the ability to conduct auctions and reverse auctions, and complete delivery fulfillment and digital catalog publishing capabilities. Additionally, a Webb Negócios Online program enables quick integration of its e-marketplace solution with commonly used enterprise resource planning (ERP) products— such as SAP and J.D. Edwards MICROSIGA—and common industry process and planning software solutions, using IBM MQSeries.

Leveraging a robust platform to deliver remarkable services
Webb Negócios Online was developed on a fast track from the beginning. "The project was initially conceived in December 1999," says Haddad. "In April 2000, we went live with our initial version, based on the IBM Net.Commerce™ (now IBM WebSphere Commerce Suite) platform. In August, we made the decision to build a second generation of the e-marketplace with an Ariba Marketplace solution. With the second generation e-marketplace, we expect to team up with the best local technology partners and utilize the best hardware and software solutions."

Webb Negócios Online partners with Ariba to provide an e-marketplace solution that leverages the Ariba Marketplace with the Dynamic Trade platform to deliver customizable, scalable services for advanced trading and procurement functionality for buyers and suppliers. Webb Negócios Online partners with IBM to provide all the hardware and services, including servers, application hosting, co-location and outsourcing.

"In January 2001, we began migrating to an Ariba solution—a process that only took two months because we have the best technology partner in the local market," adds Haddad.

"The integrated Ariba solution seamlessly manages the entire transaction flow, from requisition to payment, for our customers."
–Sami Haddad

Going to market with comprehensive solutions for complex challenges

The Webb Negócios Online competitive advantage results from providing a comprehensive e-marketplace offering that extends beyond the dynamics of the procurement transaction to value-added services, such as integration with multiple backend systems and automated taxation services. These solutions are specific to local Brazilian markets and strategic hosting for companies interested in launching their own e-procurement and electronic distribution networks.

Webb Negócios Online customers save money with one-stop purchasing, reduced aggregated costs, improved process efficiencies, increased channels of goods and services suppliers, and timesaving solutions, such as reverse auctions and automated RFQs.

In fact, Webb Negócios Online estimates its customers have already realized savings of at least ten percent simply by using dynamic sourcing services. By providing hosted online procurement and strategic sourcing capabilities, as well as prepackaged e-procurement services, Webb Negócios Online can offer Brazilian companies greater product selection, lower prices and simpler procurement transaction processes than ever before.

A healthy solution: purchasing medical supplies online from multiple vendors

The health care industry is just one market that has benefited from the Webb Negócios Online solution. When a hospital generates a list of items to be purchased, the Webb Negócios Online integration module transforms that list into an Ariba-formatted requisition. Using the Ariba automated workflow and requisition process and IBM MQSeries, purchase orders are created in a fraction of a second with prices from catalogs, based on quantity ordered and negotiated discounts. If an item cannot be found in a vendor's catalog, the Webb Negócios Online system creates an RFQ that is submitted to a broader list of vendors for fulfillment.

By using the automated process, the hospital gets its prescriptions and supplies filled quickly, and saves time and money when searching for the best prices available. All these benefits are realized without retraining hospital staff.

For more information

To learn more about IBM and Ariba e-procurement solutions, please visit:

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For more information about Webb Negócios Online, visit:

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