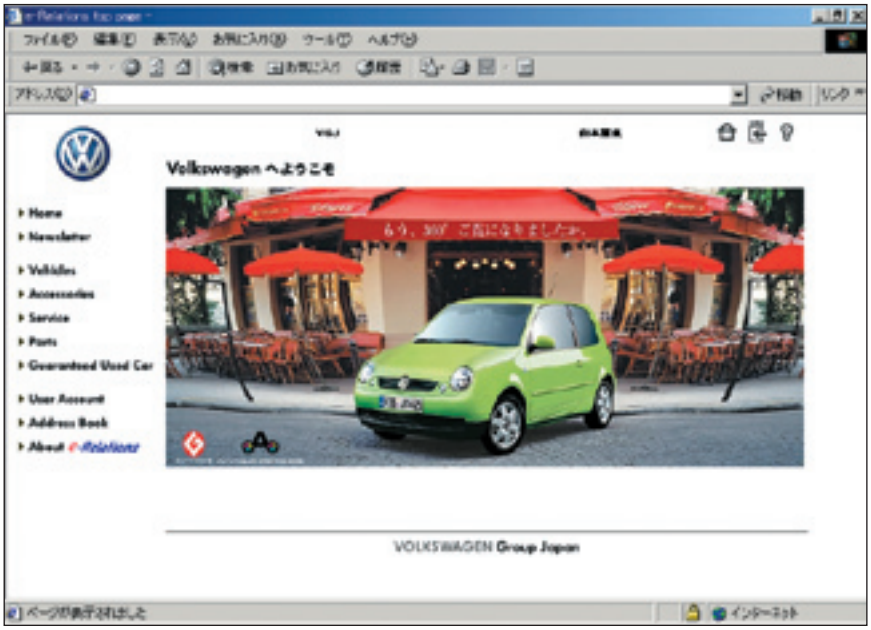
VOLKSWAGEN Group Japan enhances dealer relations with IBM solution.

Overview

- ***Challenge***
  Improve VW dealer productivity and satisfaction by providing faster, easier access to sales and service information
- ***Solution: Early Stage***
  e-Relations, a B2B content intranet serving as many as 5,000 users
- ***Why IBM?***
  Longtime satisfaction with IBM software and servers
- ***Key Business Benefits***
  Expected increase in sales through higher dealer productivity; improved dealer retention; reduced time and cost of distributing information; fewer phone inquiries, allowing VGJ staff to attend to other tasks
- ***Business Partner***
  Toppan M&I



Volkswagen's aggressive promotions, clear branding, consistent advertising and well-trained sales force have enabled it to outsell all other foreign car makers in Japan.[1]

For most of the world, putting an "e" in front of a product or service name simply alludes to its connection to the Internet. But in Japan, where "ea" means "good," a B2B application called "e-Relations" must prove not only its creators' Web savior-faire but also their skill in managing customer relationships.

And indeed it does. e-Relations is the brainchild of VOLKSWAGEN Group Japan (*www.vwj.co.jp*), a 320-employee, wholly owned subsidiary of Volkswagen AG and Japan's leading importer of Volkswagen (VW) cars.

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–Masaya Yamamoto, Assistant Manager of Systems Development, Information Systems Division, VOLKSWAGEN Group Japan

Key Components

Software

- IBM WebSphere® Application Server, Advanced Edition, Version 3.5
- IBM WebSphere Edge Server
- IBM VisualAge® for Java™
- IBM DB2® Universal Database™ for AIX®
- IBM Tivoli® Access Manager
- IBM AFS®

Servers

- IBM @server xSeries™ 330, 340
- IBM @server pSeries™ 640

VOLKSWAGEN Group Japan (VGJ) wanted to improve its relationships with its 242 dealers by giving them more convenient access to vehicle sales and service information. Previously, VGJ had faxed and mailed hard copies of the requested information.

To help eliminate the inefficiencies of printing, faxing, mailing and filing, VGJ decided to deliver the sales and service information online. VGJ considered leveraging the traditional host-terminal connectivity that its dealers had been using for other online transactions, but quickly realized that this approach would not work. "The dealers' traditional host-based systems did not support the visual, graphical information we needed to disseminate," explains Masaya Yamamoto, assistant manager of systems development in VGJ's Information Systems division. "So we looked to Internet technology—and to IBM—to create another online path to our dealers."

Building on proven technologies

VGJ was no stranger to IBM. The company had been using an IBM mainframe since its inception in the early 1990's and more recently it installed an IBM @server xSeries for its office automation applications. "We were familiar with the xSeries server and very happy with it, so it made sense to adopt the platform for the e-Relations application," Yamamoto says. "Using IBM also made it easier to introduce the application to our dealers. They had been using IBM desktop computers for some time, and some of the larger dealers had IBM @server iSeries™ systems installed."

"Java technology support is an important consideration for VGJ. And WebSphere Application Server has become increasingly popular in the application server market because of its excellent implementation of Java standards."

–Masaya Yamamoto

Beyond its familiarity with the IBM server platforms, VGJ was also confident because it could leverage IBM DB2—the same data management system it used on its mainframe. "We had always considered DB2 to be highly scalable and reliable in the mainframe environment, and when we began planning the e-Relations system, we were happy to find that we could extend those advantages to the AIX and Microsoft® Windows NT® platforms," Yamamoto says.

Another consideration was the possible future integration of e-Relations with VGJ's legacy mainframe systems. Adds Yamamoto, "We thought the IBM solution would make it easier to do this because it would more likely be compatible with our mainframe-based IBM CICS® applications."

More productive dealers can lead to higher sales

Working with IBM and IBM Business Partner Toppan M&I, VGJ used WebSphere, Tivoli and DB2 software from IBM to create a B2B content delivery intranet. Used by approximately 620 salespeople (as of July 2002) at VGJ dealerships throughout Japan, the intranet is expected to serve as many as 5,000 users once it is adopted by all the dealerships.

"e-Relations is a much faster method of information delivery than traditional mail and faxes," Yamamoto says, noting that as the Web self-service site improves dealer productivity, it is also expected to lead to higher sales. The higher sales figures—along with the convenience of the new system—should, in turn, translate into dealer satisfaction and ultimately, into greater dealer retention.

Not only is VGJ getting the information into its dealers' hands faster, but it is also spending less staff time and money getting it there. And because dealers are obtaining more of the sales and service information they need through e-Relations, the dealer support phones at VGJ are ringing less often, allowing VGJ staff to attend to other important tasks.

e-Relations in action

As part of its role in supporting sales and aftermarket activities for Japan's VW dealers, VGJ reviews the sales and service information it receives from its parent company in Germany and disseminates to the dealers the information that is most valuable for the Japanese market. VGJ stores the information it reviews in IBM AFS (a file system designed for rapid access in a distributed computing environment).

Dealers log on to the intranet from standard Web browsers. At VGJ, IBM WebSphere Edge Server (formerly known as WebSphere Performance Pack) routes incoming information requests to IBM Tivoli Access Manager (formerly known as Tivoli Policy Director). The Tivoli software validates the user name and password and then dispatches the information request to either of two instances of WebSphere Application Server, Advanced Edition, Version 3.5. Servlets contained in WebSphere Application Server verify data access rights and request the appropriate files from AFS. The access rights, as well as usage logs, are maintained in DB2 Universal Database.

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Tivoli Access Manager is part of a comprehensive Web authentication infrastructure, which VGJ envisions will enable users to sign on once to access all their online applications.

WebSphere Application Server, AFS and WebSphere Edge Server all run on high-performance, cost-efficient xSeries servers. For functions that require very high throughput and availability, such as the authentication and access verification performed by Tivoli Access Manager and DB2, VGJ selected the IBM @server pSeries platform.

Driven to long-term success

Yamamoto points out that VGJ's technology choices stemmed from a vision of the comprehensive role of e-business within its operations. With this vision in mind, the car importer decided to establish a Web authentication infrastructure before developing any e-business applications. In planning this infrastructure, VGJ had evaluated several solutions, among them a solution based on authentication and application server products from multiple vendors. But VGJ decided the preferred route would be to use Tivoli software from IBM, since IBM also offered all the other software required for e-business: IBM VisualAge for Java (now called WebSphere Studio Application Developer), an integrated development environment; DB2, a scalable, multimedia, Web-ready database; and WebSphere Application Server, a Java-compliant application server.

In particular, Yamamoto calls WebSphere Application Server a key element of VGJ's e-business strategy. "Java technology support is an important consideration for VGJ. And WebSphere Application Server has become increasingly popular in the application server market because of its excellent implementation of Java standards."

Balancing the need for best-of-breed technology for each application with the demand for technology consolidation is never easy. But with its IBM e-business solution, VGJ is driving its own success. "Ultimately," Yamamoto says, "e-Relations will become the interface through which VW dealers in Japan can conduct all their online business."

For more information

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[1] *www.successstories.com/feb01.htm*

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