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e business software

The Next Wave of e-commerce, more than storefront

Kathy Harper
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IBM Software Group

Agenda

- Trends and Directions
- Business Needs
- IBM eCommerce Offerings
- Links to other WebSphere Solutions
- Why Brick and Morter companies need to do it now
- Customer references

Top Trends for 2002

- ROI Drives Purchasing Decisions
  - Cost Avoidance
  - Increased Operational Efficiencies
  - Automation and Optimization
  - Decrease Service Costs
- Best Buying Practices are adopted
  - Best Buying Processes
  - Minimize Spending
  - Focussed or Project Based Spend
  - Power Negotiation
- Collaboration continues to gain momentum
  - Travel restrictions and business climate following 9/11
  - Increased collaboration in general between business partners

Top Trends for 2002 Continued

- Partner and Channel Management Continue to grow
  - Manufacturers and distributors are increasingly seeking solutions that optimize the effectiveness of their distributor channels and automate interactions with downstream entities. You must be able to sell into this growing market opportunity which is supported by the core of WebSphere Commerce Business edition which we will cover in detail later
- Continued Focus on Customer Service and Value
- Integration of ERP, SCM and CRM

Managing Complex Trading Relationships

- Today's Enterprises have to manage unique business relationships with numerous business entities:
  - Customers
  - Channel Partners
    - Distributors, Resellers, VARs, Assemblers, Consultants
  - Trading Partners
  - OEM Partners
  - Marketplaces

Managing Complex Trading Relationships

- In addition to managing relationships with numerous business entities, there are multiple individuals that participate in the commerce activities:

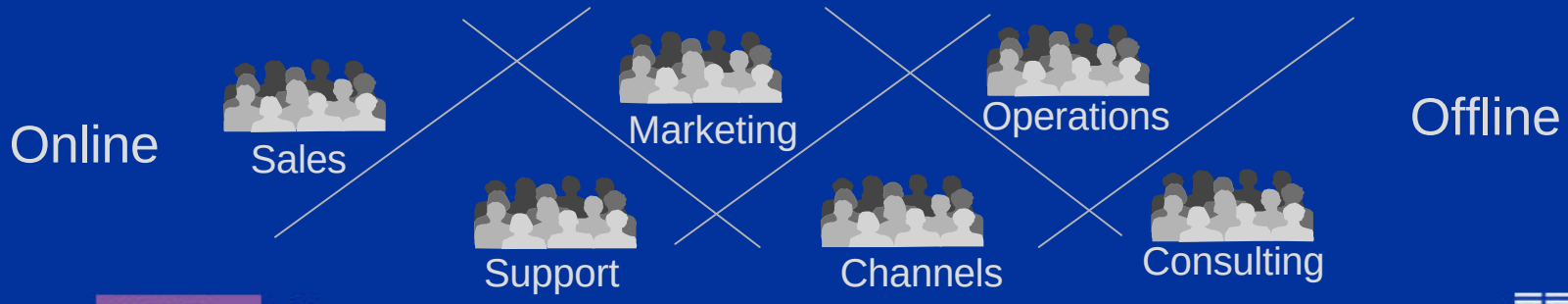
The Sell-Side

- Sales and Account Managers
- Channel Managers
- Customer Service Reps
- Product and Solution Specialists
- Marketing Managers
- Consultants

The Purchasing Side

- Procurement Managers
- Field Engineers
- Consultants
- Channel Managers
- Product Managers
- Operations Managers

Numerous members play critical roles -
However, today's interactions are fragmented and disjointed



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1-to-1 Dynamic Marketing

Global marketing activities span multiple geographies, product lines, channels, and mediums.

- Product and Solution Management
  - Content and Catalog Management
  - Upsells, cross sells, substitutions
  - Pricing
- Merchandising
  - Personalization
  - Positive
  - Campaigns
- Closing the Loop
  - Reporting
  - Data and trend Analysis
  - Strategy Refinement

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Operating on a Global scale (WTO)

Global Logistical Operations

- Order Management
  - Order capture, splitting, ATP, Backorder
  - Dynamic Kitting and Bill of Materials
  - Returns
- Product and Inventory Movement
- Distribution

Commerce and Sell-Side Activities

- Dynamic Negotiations
- Collaboration
- Planning and Forecasting
- Approval Processes

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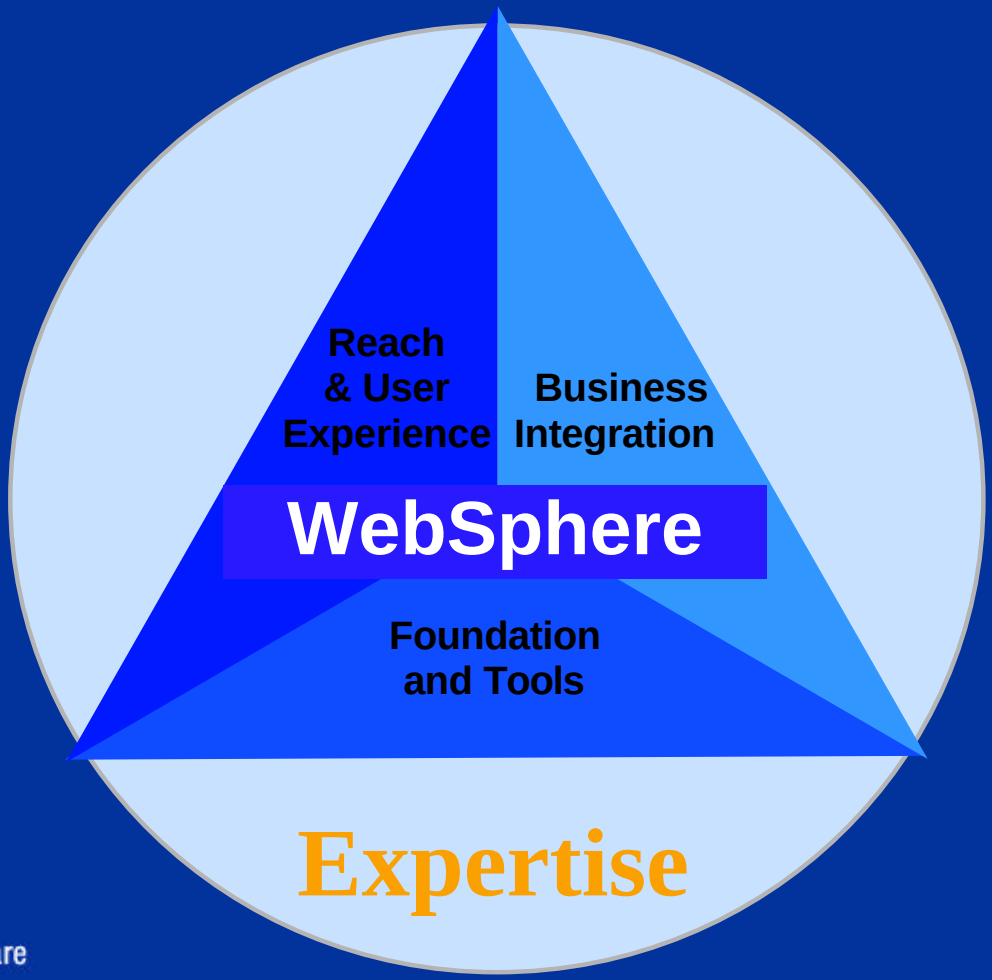
WebSphere is a complete infrastructure for dynamic e-business



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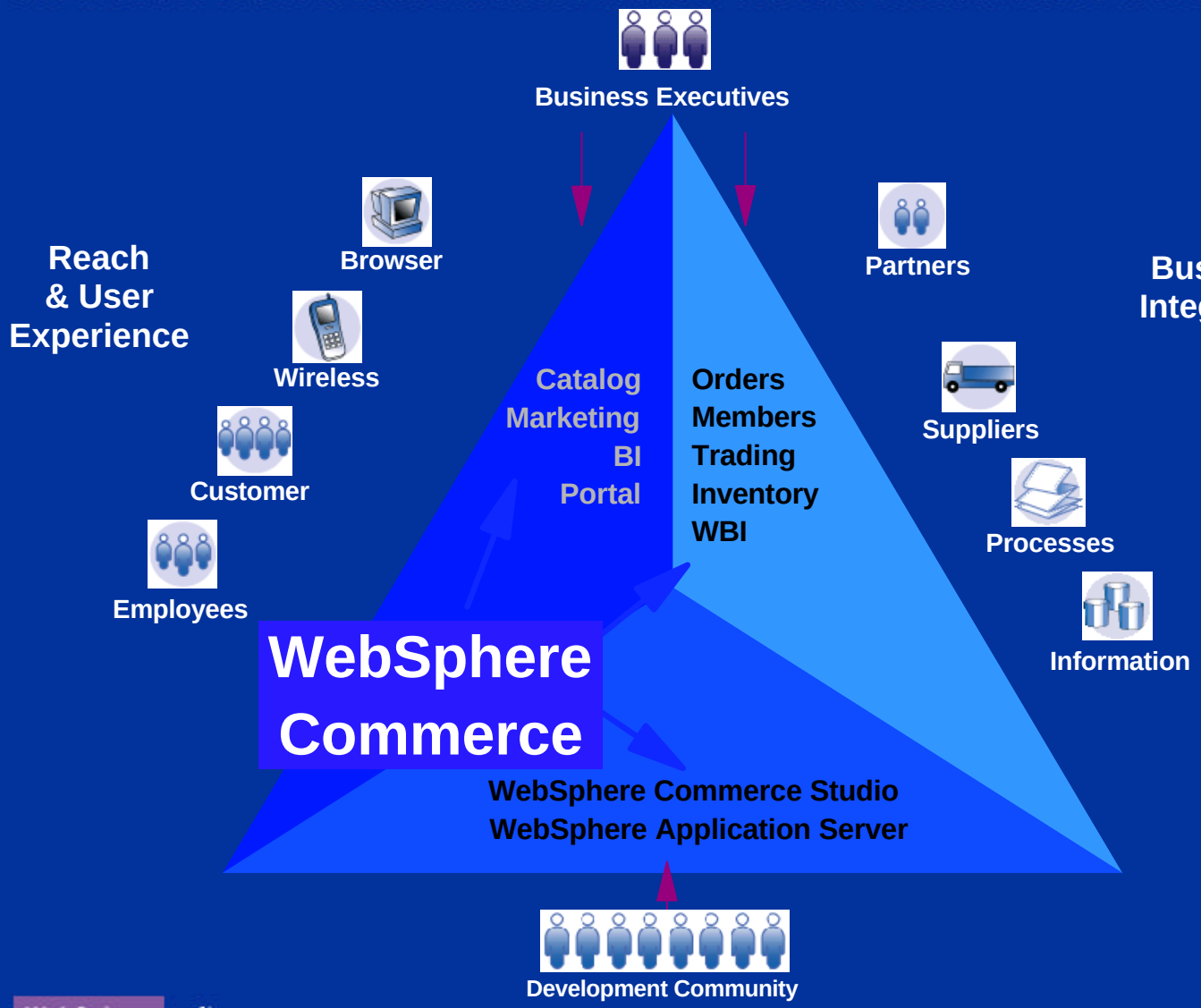
WebSphere Commerce provides both Ease of Use for Business Managers and Flexible Infrastructure for Developers



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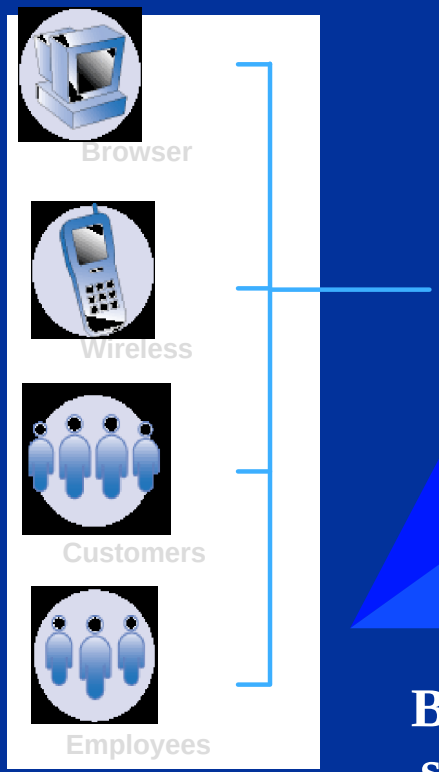
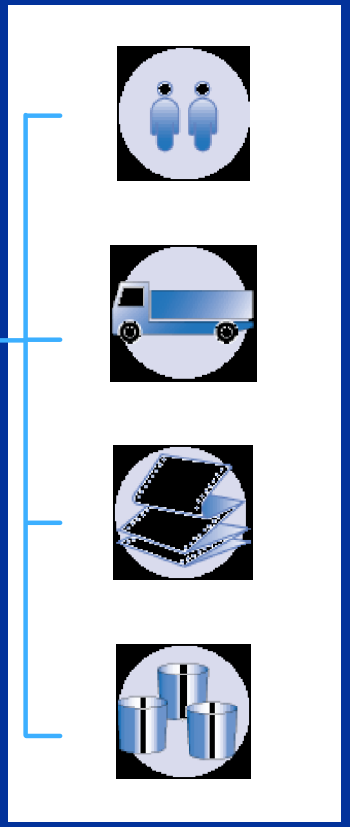
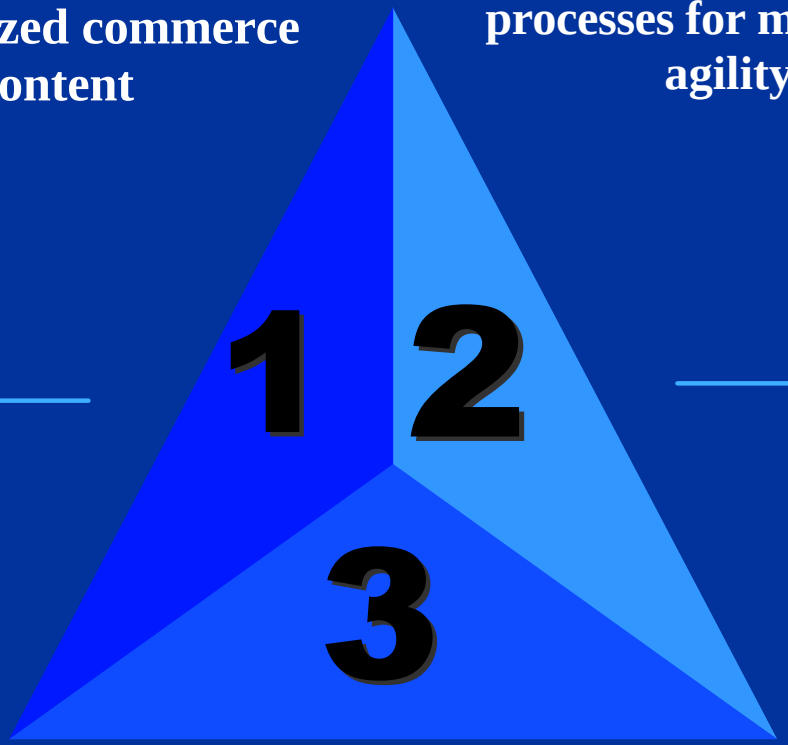
WebSphere Commerce fundamentally enables three things

Provide any user or device streamlined access to customized commerce content



Manage and execute flexible commerce-related processes for maximum agility





Build, connect, and manage secure, scalable commerce applications

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IBM is *The Leader* in e-Business Solutions

Advanced Commerce
- LOB Ease-of-Use
- Customer Management
- Relationship Marketing
- Catalog Management
- Order Mgmt/Payments
- Business Intelligence

Commerce Expertise
5+ Years

License Leader

Magic Quadrant Leader

10x Faster Growth than Competition

65% Market Share

WebSphere Application Server
- Foundation for Building and Expanding on the Web
- Best App Server in Market

WebSphere Business Integrator
- Integration of Internal and External Systems, Partners and Channels

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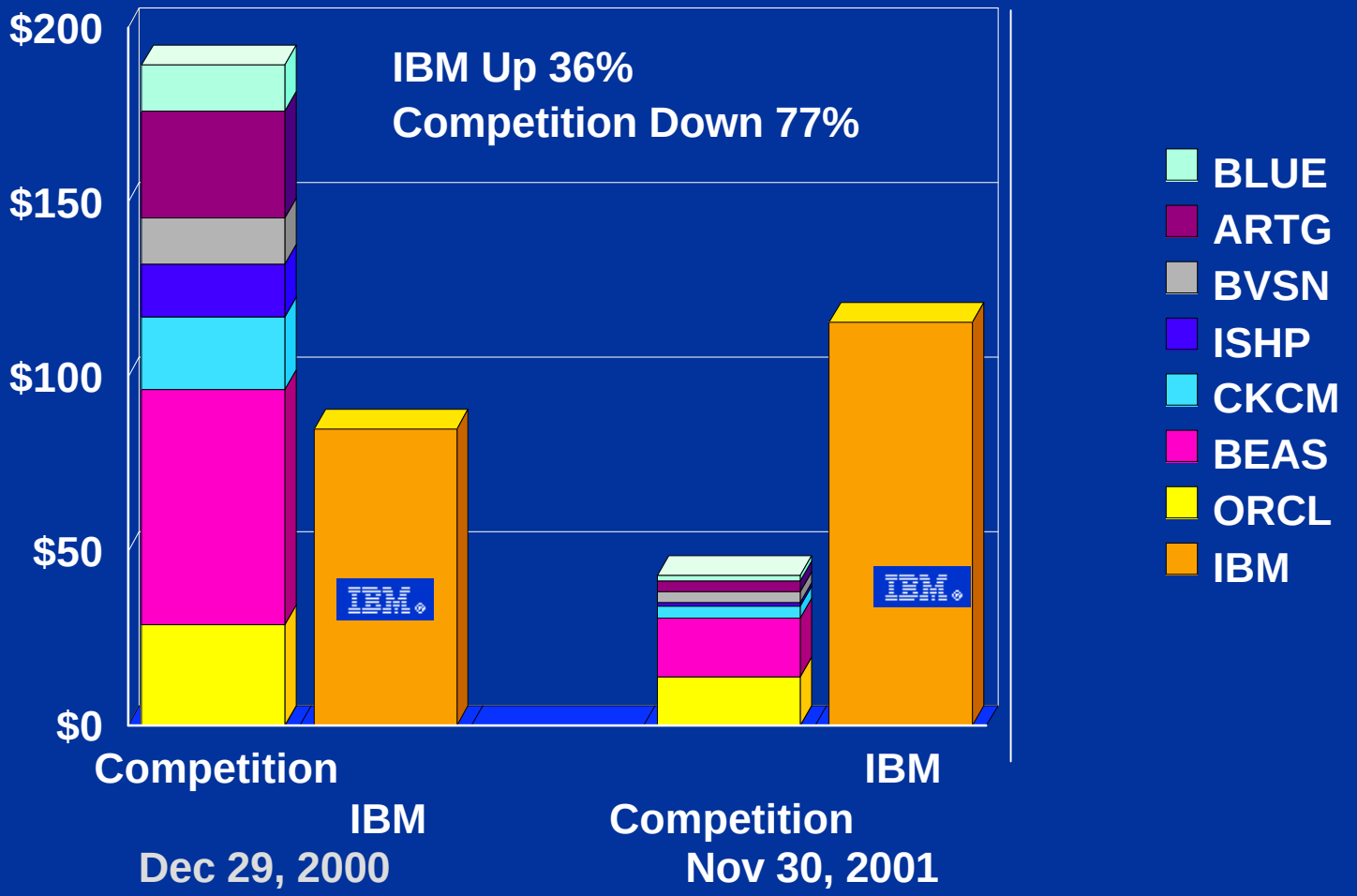
IBM Going Strong

Cumulative Stock Comparison



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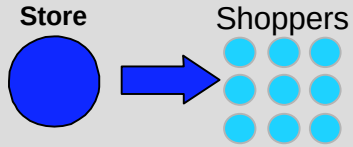
E-Commerce Models

WC Plays

a) Single Store Front (B2C)

Single seller

- LL Bean
- Victoria's Secret



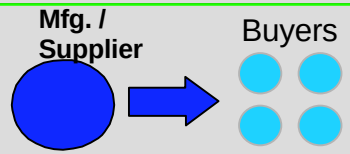
Pro Edition - this is the products roots

- e-Store with rich catalog/ tooling
- Product merchandising
- Customer relationship marketing
- Order creation & management
- Flexible framework to customize & extend

b) Mfg./Supplier (B2B)

Single seller

- Goodyear
- Staples



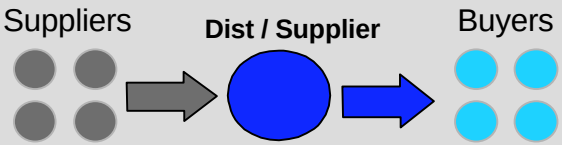
Business Edition - similar to B2C model but adds:

- Contract based commerce
- Collaboration between buyer & seller
- RFQ's
- Requisition lists
- PO creation

c) Dist./ Supplier

Single seller

- Staples
- AMP

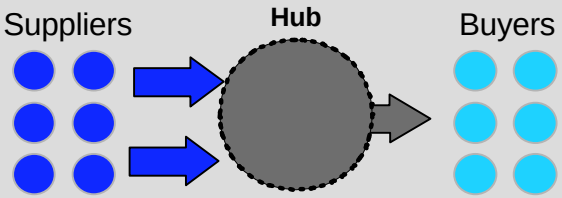


Business Edition - building on core sell-side capabilities, with services & partners add:

- WBI / PAM for programmatic end to end flows (replenishment, JITinventory, etc.....)
- Supply chain integration (i2, Manugistics, etc..)
- Advanced workflows (MQAO)

d) Trading Hub

- B2MIning - Mining (Peru)
- itexhub - Textile and Apparel (Singapore)



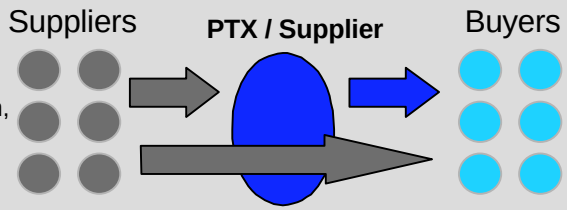
Business Edition serves as:

- On ramp to the hub for suppliers
- For Hub it facilitates supllier enablement

e) PTX

Distributor / PVT Trading Exchange

- eSinoChem - Petroleum, Fertilizer, and Chemical (China)
- Marubeni - Textile (Japan)



Business Edition will add key functions to address this space:

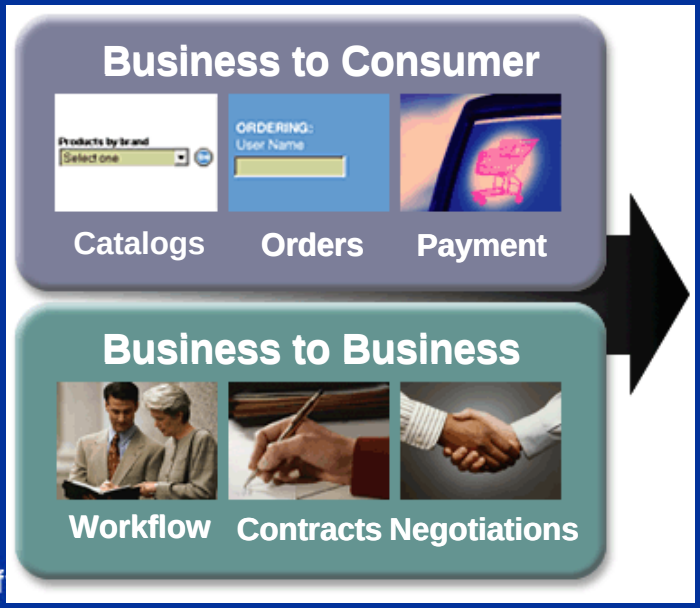
- Aggregated catalog
- Approval processes
- Reverse auctions
- Exchange (match buyers & suppliers)
- Advanced negotiations
- Supplier membership

IBM Powering the World's Leading Commerce Sites

- World's Leading Retailers:
  - Sears, Safeway, REI, Staples, Vans, Payless, Mikasa, Laura Ashley, Things Remembered
- World's Leading Manufacturers
  - Siemens, Panasonic, Goodyear
- World's Leading Catalogers
  - LLBean, Land's End, Lillian Vernon
- World's Highest Performing Sites
  - IBM.com, Olympics Site
- Leading Automotive Manufacturers
  - Mazda, Volkswagen

WebSphere Commerce Capabilities

- Serious sell-side solutions to manage real relationships and complex business interactions
- Ease of use for business managers to maximize revenues
- Tight integration with WebSphere platform and tools
- Accelerates ROI and speed to market for global commerce



Maximizing Value Across Channels

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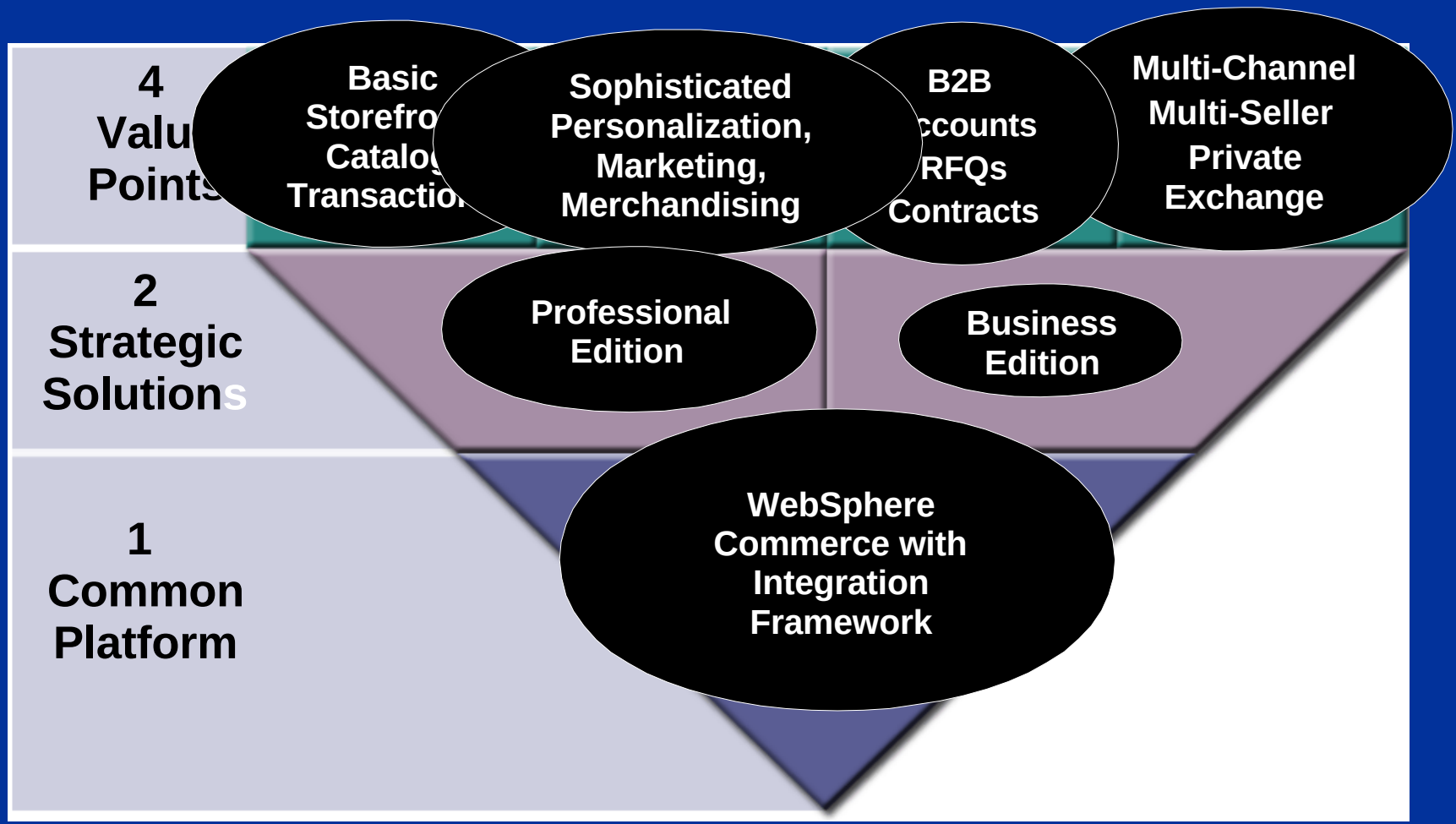
WebSphere Commerce 4-2-1 Strategy

- Focus on Core Offerings on Single Common Platform



WebSphere Commerce Opportunities

1 Basic Storefront

Getting Started with an e-Commerce catalog and transaction engine

- **PROFESSIONAL EDITION or START**

2 Sophisticated Merchandising and Marketing

Selling the right item to the right customer at the right time to maximize revenues

- **PROFESSIONAL EDITION**

3 B2B Contracts, Accounts and Business Policies

Managing complex B2B relationships in a web environment

- **BUSINESS EDITION**

4 Multiple Sellers on Back-end, Multiple Channels on Front-end, Private Exchanges

Collaborating & integrating internally and externally with channels and suppliers

- **BUSINESS EDITION plus services**

WebSphere Commerce: Benefits

- ***Commerce Integrated Framework*** helps customers extend and externalize their business processes, better leveraging their investments in e-commerce
- ***Member Management/Policy-based Commerce*** tackles the complexities of B2B relationships, shifting control from IT to the LOB while reducing costly manual processes
- ***Optimized Order Management*** handles complex orders involving multiple partners, improving the entire order management process
- ***Streamlined Collaboration*** increases efficiency and ROI in commerce transactions, while strengthening working relationships
- ***Commerce Enabled Portal*** allowing customers to bring commerce and non-commerce functions together in a single portal environment

WebSphere Commerce: Technological Advantages

- ***Commerce Integrated Framework***
  - ►WCBE is an open and flexible platform; combined with WS Portal and WBI it can be used to leverage and externalize existing technologies and business processes.
- ***Member Management/Policy-based Commerce***
  - ►Membership management system offers granular access control on both admin and purchasing side with workflow and approval process accommodating all of the players in the typical B2B interaction.
- ***Optimized Order Management***
  - ►WS Commerce technology handles the complexities associated with capture and fulfillment of B2B orders across multiple partners and optimizes the entire order management process.
- ***Streamlined Collaboration***
  - ▪ WebSphere leverages industry-leading Lotus collaboration technologies, making it easy for sellers, partners, and buyers to share documents, have threaded discussions, and track projects in a secure virtual workspace in the commerce environment.
- ***Commerce Enabled Portal***
  - ►WS Commerce and Portal Server can now be integrated, with portlets to select and purchase items, track status of orders, and ability to access via web or mobile devices. Can be combined with access to other app via custom-built or downloaded portlets.

WebSphere Commerce Product Overview

Two Strategic Business Solutions on One Common Platform

- ROLAP Reporting
- Customized Reports

WebSphere Commerce Analyzer, Advanced

- Data Mining
- Drill-down

WebSphere Commerce

Professional Edition V5.4

- Business Manager Interface for merchandising, marketing, member groups, coupons, catalog editing, collaborative filtering initiative
- Customer Service, Auctions
- Globalization Infrastructure
- WAS, HTTP Server, Secureway, DB2
- Store Model, Shopping Cart Functionality
- Rules-based personalization
- Auctions
- Entry Reporting
- Payment Management
- VAJ, Studio (Dev Version Only)
- Advanced Order Management: ATP, Backorders, Inventory Management, Returns Processing
- Catalog Manager Bundled
- B2C Store Models

Business Edition V5.4

- Business Policy "Contracts" Infrastructure and Business Manager Interfaces for:
  - Accounts
  - Contract Pricing
  - Custom Catalog Views
  - Purchase Order
  - Credit Line
  - Invoices
  - Other terms & conditions
- Advanced User Mgmt
- Granular Access Control
- Single-Seller RFQ
- Requisition Lists
- Collaboration (ST & QP Technology)
- B2B Store Model
- + all from Pro Edition

- Business Processes
- Messages

WebSphere Commerce Integration Enablement

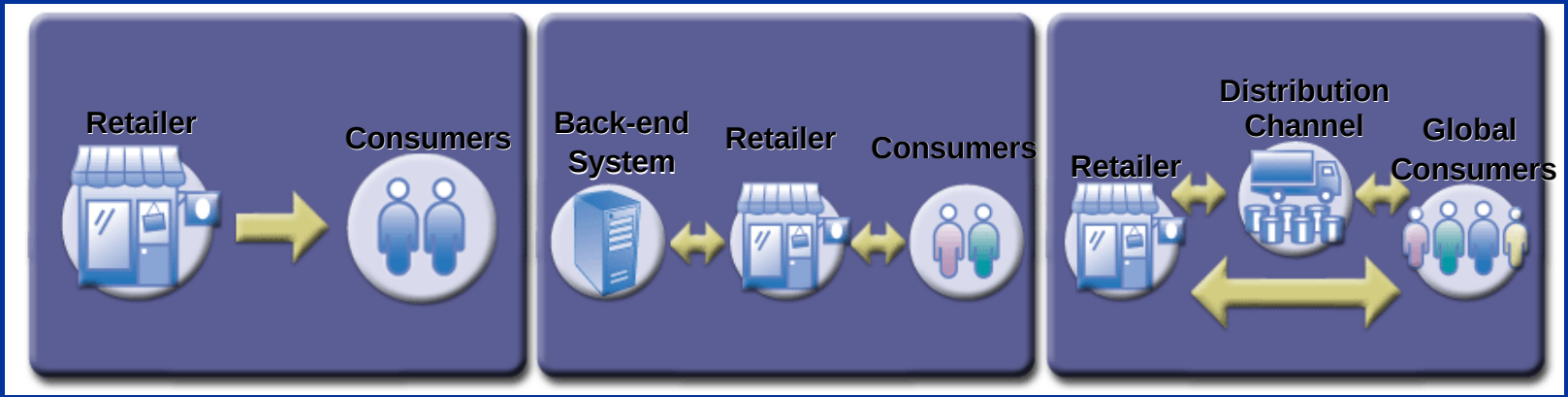
- Connectors
- Integration Methodology

Commerce Customer Pains

- B2C Retailer Challenges:
  - Need consistent buying/service experience and shopper recognition across channels - store, web-site, affiliate sites, portal, contact center, mobile
  - Need sophisticated personalization to provide right products at right price to maximize customer value
- B2B Industrial Challenges:
  - Execute complex contracts and dynamic pricing online
  - Support for complex products and configuration
  - Connect with partner/supplier/channel systems
  - Add new services and maximize value across channels and the supply chain to reduce costs
- Infrastructure: foundation for e-commerce
  - Rich, flexible commerce integration framework that leverages and web-enables existing business relationships and internal and external systems
  - Need to manage sales, marketing, relationships and operations globally

B2C Market Evolution

B2C evolving into 1-to-1 dynamic interactions anywhere, anytime



Basic Retail Model
- Basic Seller Function
- Minimal integration

Personalized Retail
- 1-to-1 Personalization
- Integration with Order Management

Integrated and Optimized Retail
- Business Intelligence and Analysis for Optimized, Dynamic Interactions
- Advanced Channel Enablement

B2C Market Evolution

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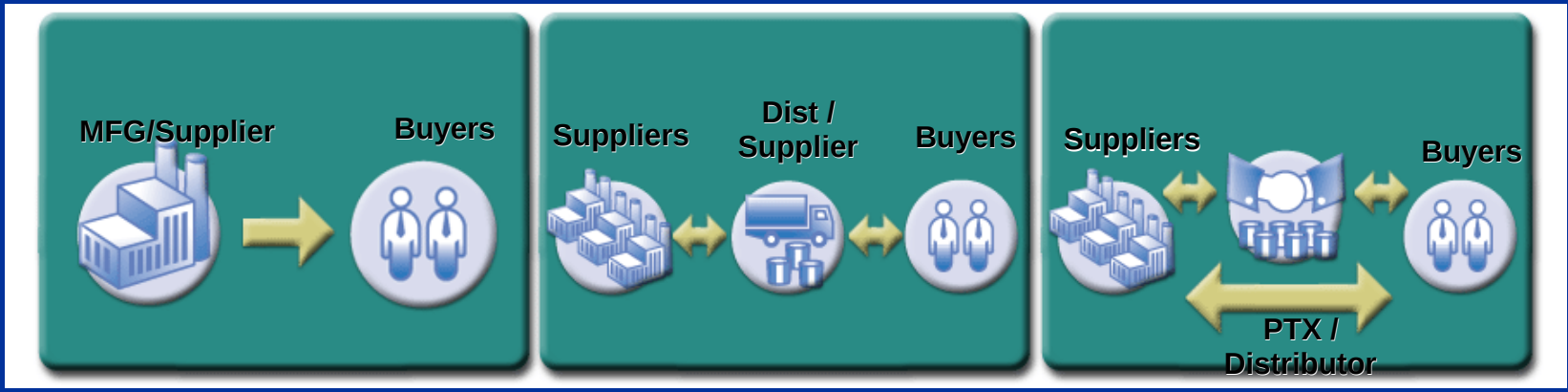
B2B Market Evolution

Single Supplier Model evolving into integrated business process networks



Single Supplier Model
- Basic Seller Function
- Minimal integration

Multiple Supplier Model
- Integration of rudimentary transactions with suppliers and distributors and buyers

Private Trading eXchange (PTX)
- Highly collaborative interactions
- Automated Business Processes

B2B Market Evolution

Single Supplier Model evolving into integrated business process networks

Single Supplier Model

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Private Trading eXchange (PTX)

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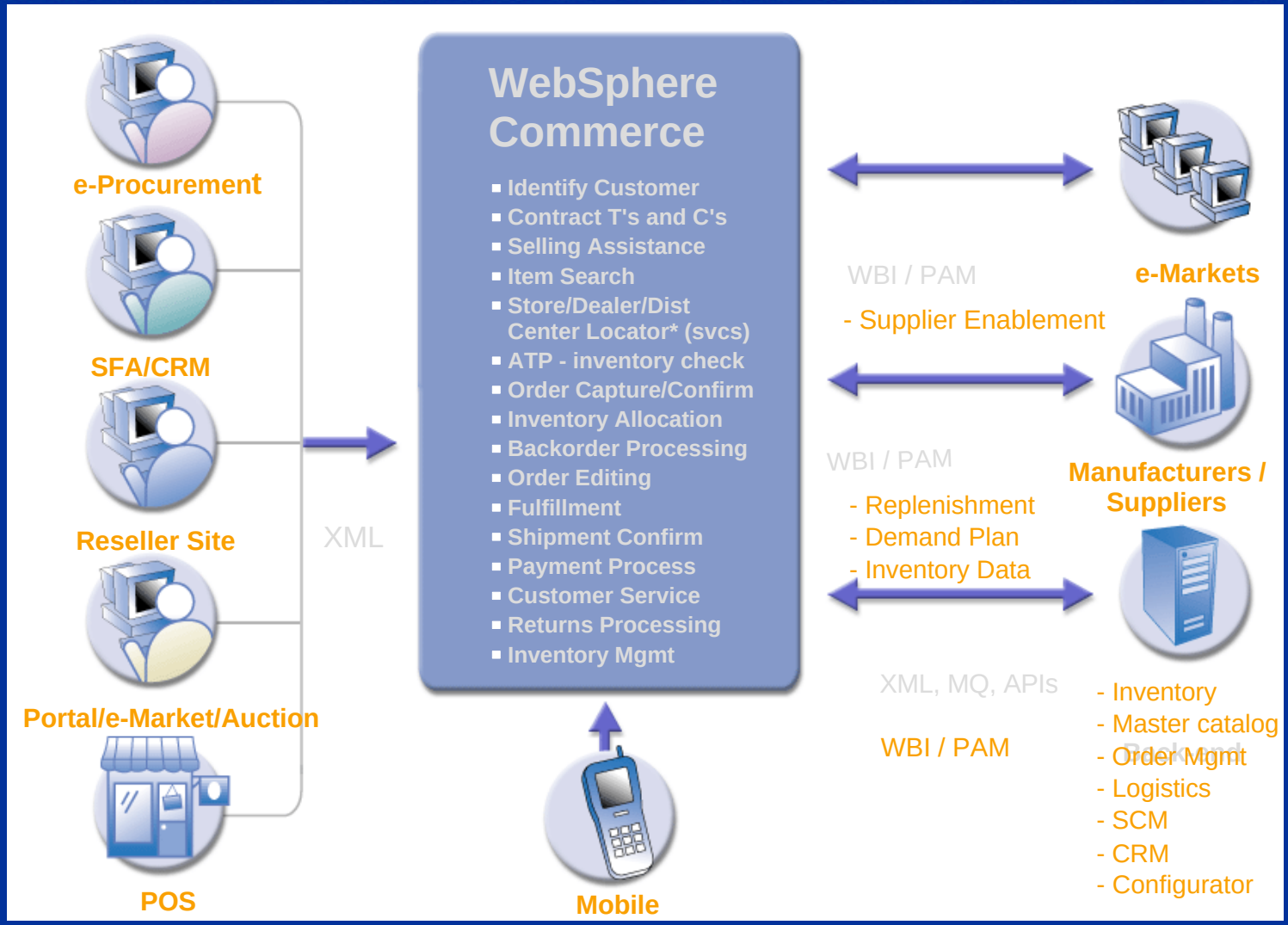
- Automated Business Processes

WebSphere Commerce Portals

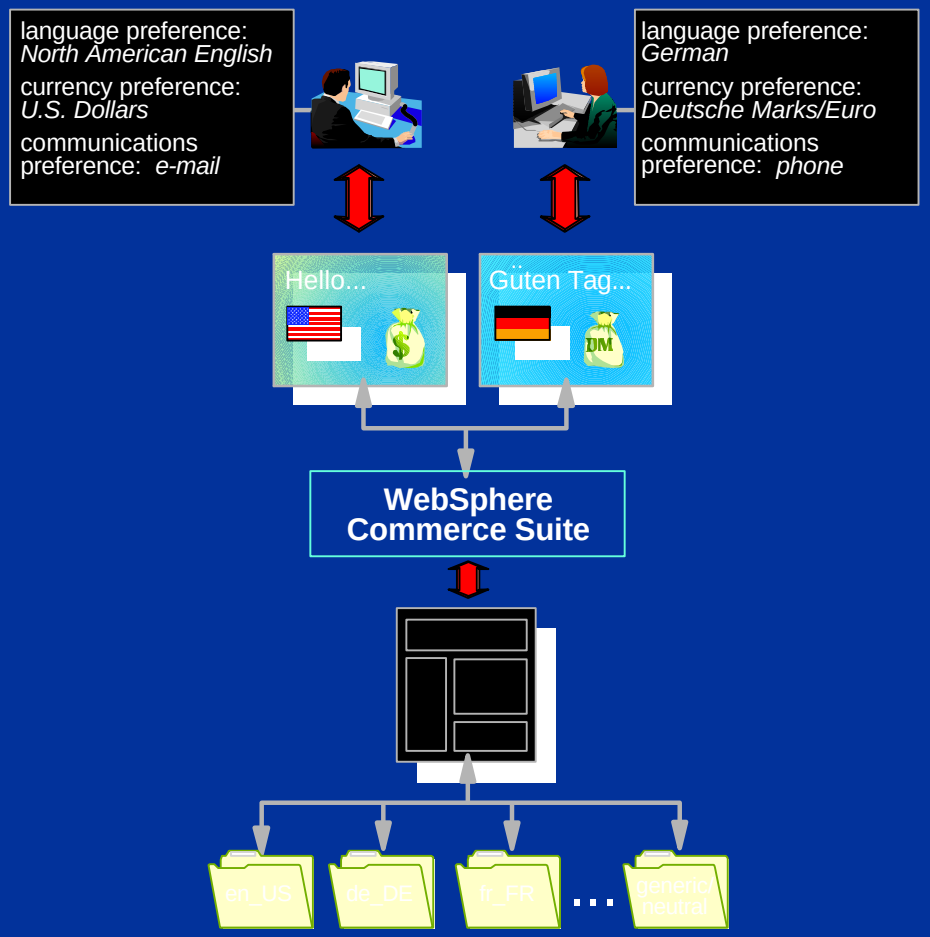
- Opportunities: Businesses with need to provide single user experience combining commerce applications with other applications, i.e. legacy applications and 3rd party systems
- Pain Points:
  - Want single view and look and feel for business managers into many disparate, distributed systems
  - Need to control views based on business policies and user's interests
- Solution Today: WebSphere Commerce Portlets, Integration with WebSphere Commerce and WebSphere Portal Server
- Solution Future: Reference Commerce Portals, Additional portlets coming in future release of WebSphere Commerce
- Solution Benefits:
  - Aggregated access to applications and data
  - Simultaneous access to multiple views of the commerce environment
  - Role-based personalization of functionality & content
  - Multi-channel access (Web, cell phone, PDA, ...)

Multi-Channel Commerce: Retailer

Enabling internal and external integration for true dynamic e-business



Global Site: Accommodating User Preferences



User can specify preferences at registration and modify at any time

Pages will be displayed based on declared preferences or default setting

WCS capable of producing multi-cultural pages simultaneously without need for seperate servers

JSP page templates reference locale-specific files and insert at run-time

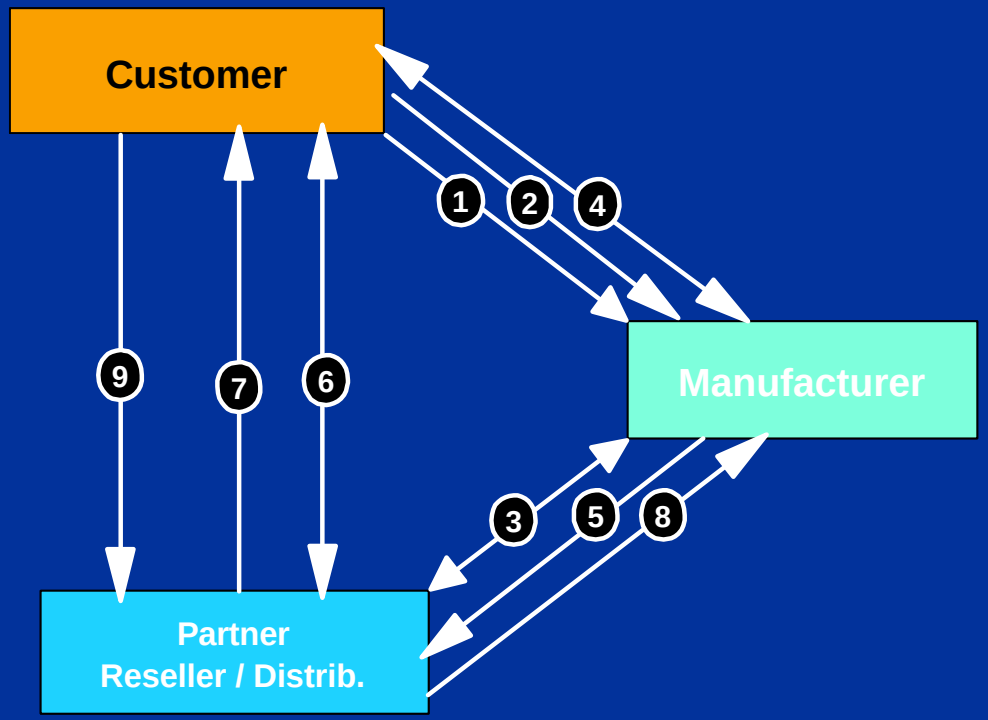
Locale-specific files used to store culturally-specific text and images

Manufacturer with Resellers: Integrated Purchasing Experience

Manufacturer Originated Channel Management

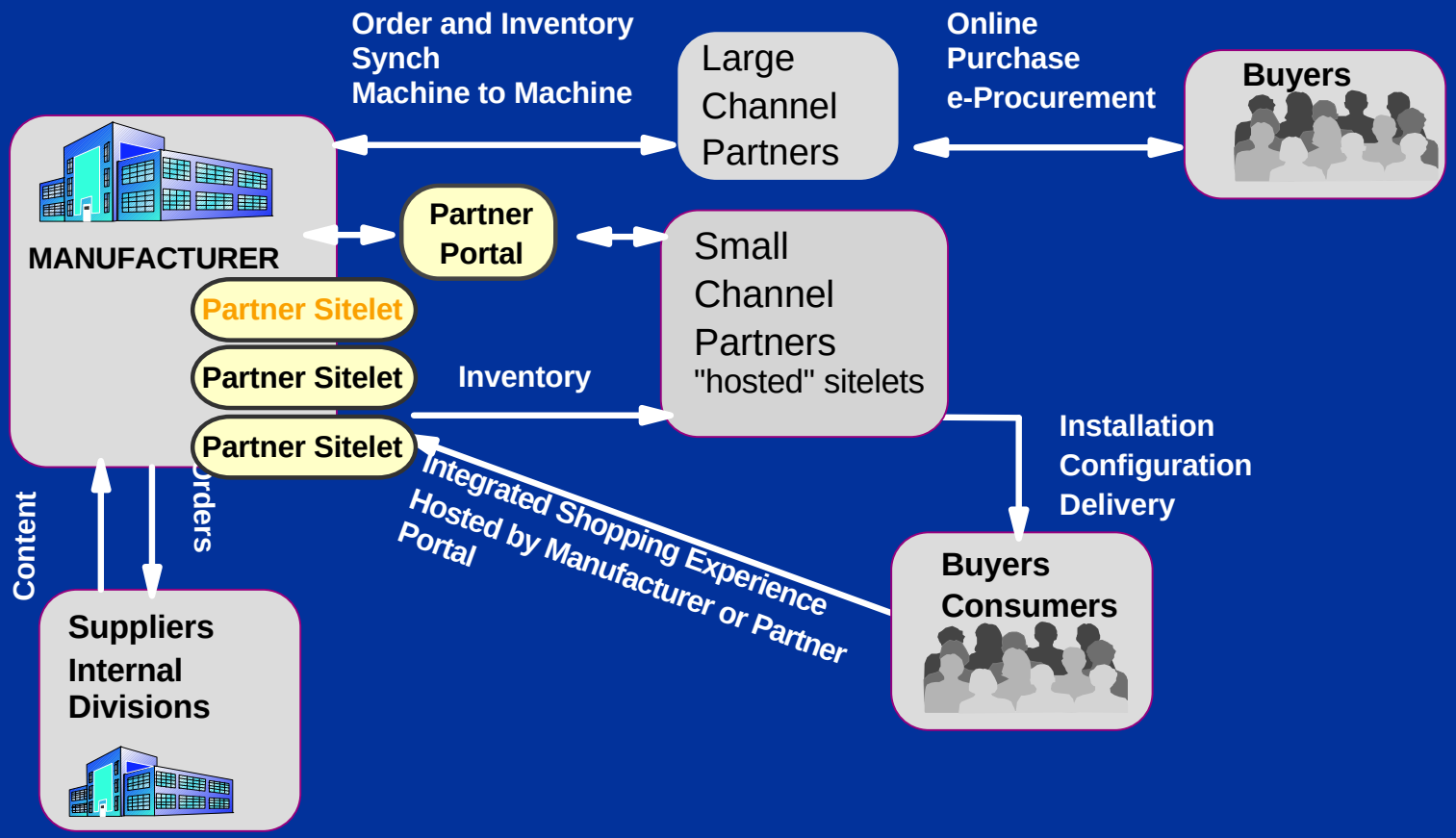
Schwinn builds online presence that drives consumer to dealer network for fulfillment and services

- Provides customers with more convenient way to purchase Schwinn products
- Strengthens both its brand and its relationships with dealers



Portal Partner Management

B2B2C Electronics Manufacturer and Supply Chain



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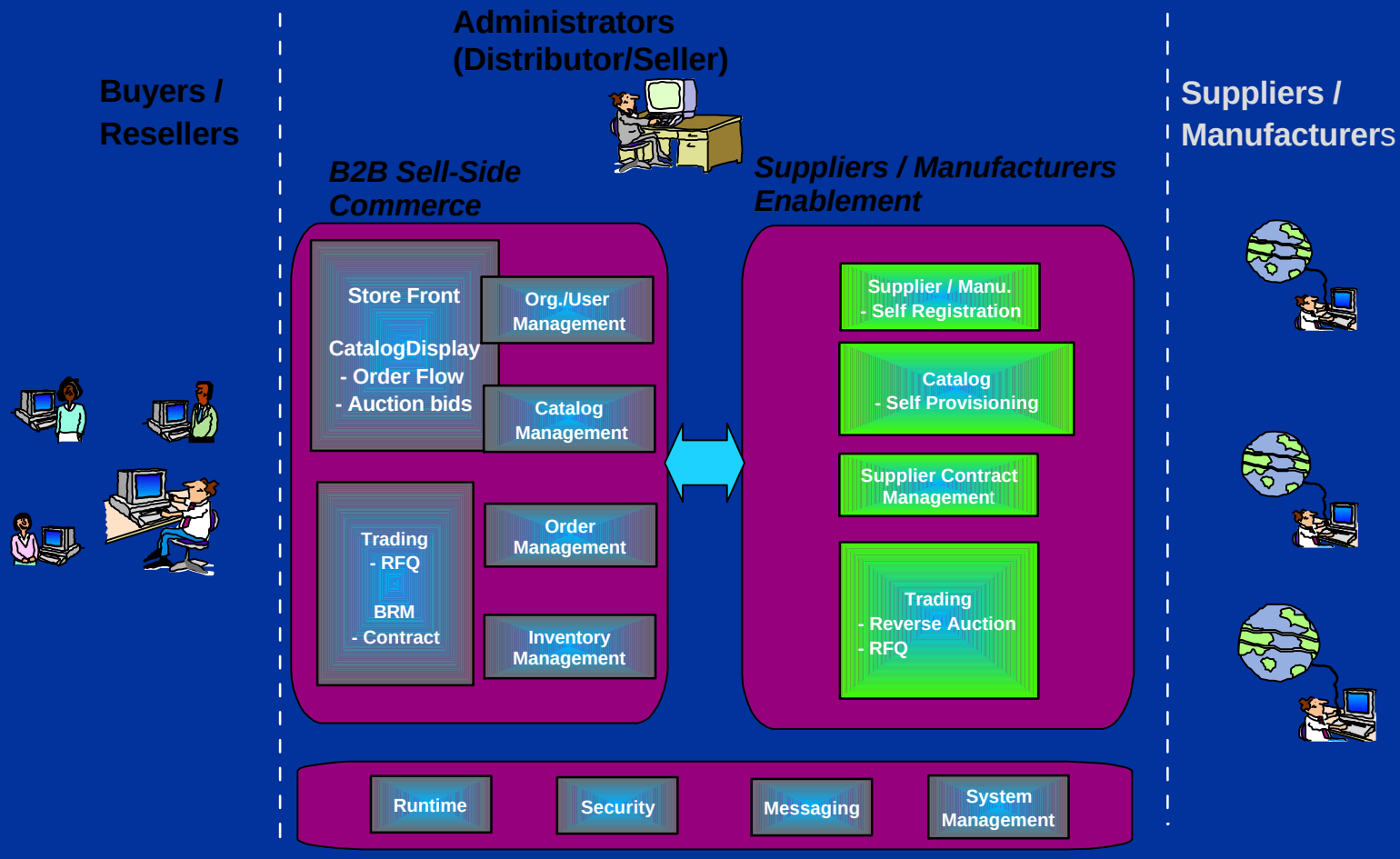
Partner Management and Private Exchange

Internal and External Integration Across the Supply Chain

Dynamic Pricing, Negotiations and Relationship Management



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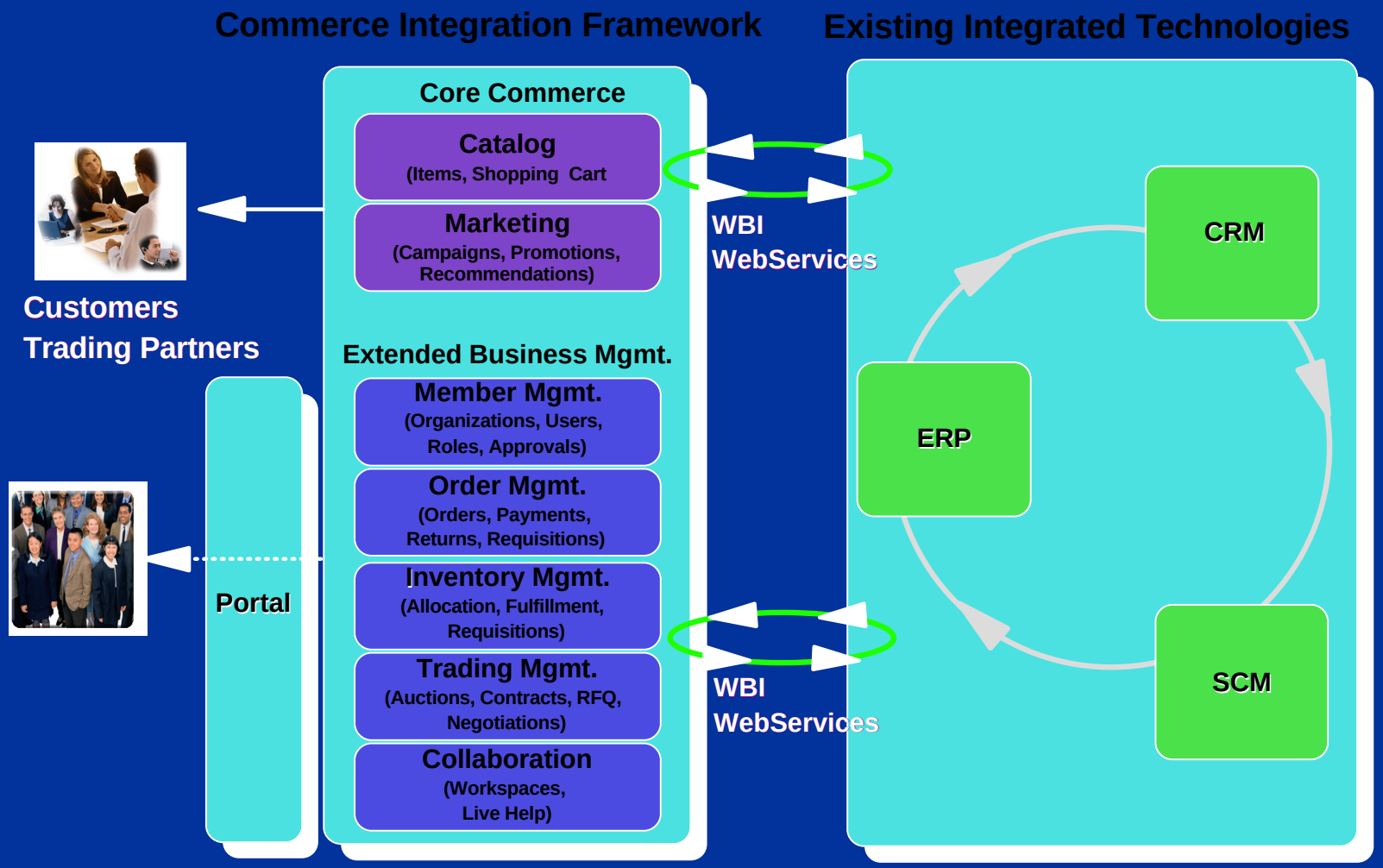
WebSphere Commerce: Architecture



For More Information

- **General information on Business Edition updates:**
  http://www.ibm.com/software/websphere/commerce
  - Benefits!!!
  - Links to latest Business Edition features
  - Key ISVs/partners
  - Link to WCS Community Site & Educations
  - B2B Brochure
  - Business Edition Product Sheet
  - Catalog Manager Product Sheet
  - Business Edition white papers
- **Other URLs:**
  - WCS Community:
    http://www.ibm.com/software/websphere/commerce/communityb