



# Web-EDI: To Reach Your Electronic Commerce Goals

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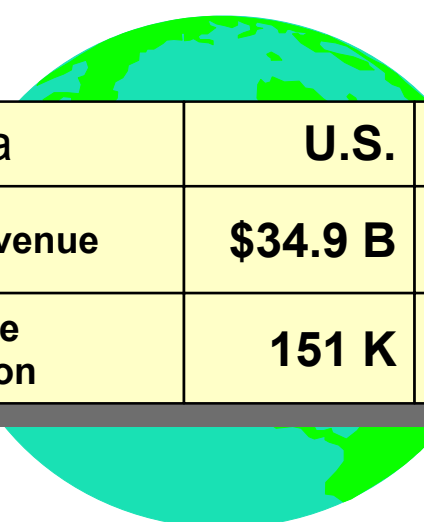
# IBM Worldwide Environment



North America



Latin America



98 Data	U.S.	Global
Total Revenue	\$34.9 B	\$81.7 B
Employee Population	151 K	270 K



Europe / Middle East / Africa

- World's Largest Information Technology Provider
- Has 5 Principle Lines of Business
- Does Business in 160 Countries
- Has Employees in 72 Countries
- Has 27 Manufacturing Facilities
- Has 8 Research Labs



Asia Pacific



# Operational Necessities and Strategic Changes Required a Transformation in How We Operate...

## ■ Operational Necessities

- Reduce Cost
- Improve Customer Satisfaction
- Reduce Cycle Time
- Improve Ease of Doing Business

## ■ Common Processes

- Reduced Cost
- Increased Sharing
- Reduced Learning



## ■ Strategic Decisions

- Leverage Size and Scale
- Global Industry Focus
- Dramatic Services Growth
- Multiple Routes to Market

## ■ Global Data / Global Resources / Simplification / Teaming / I/T Infrastructure

- Collaboration
- Connectivity
- Information

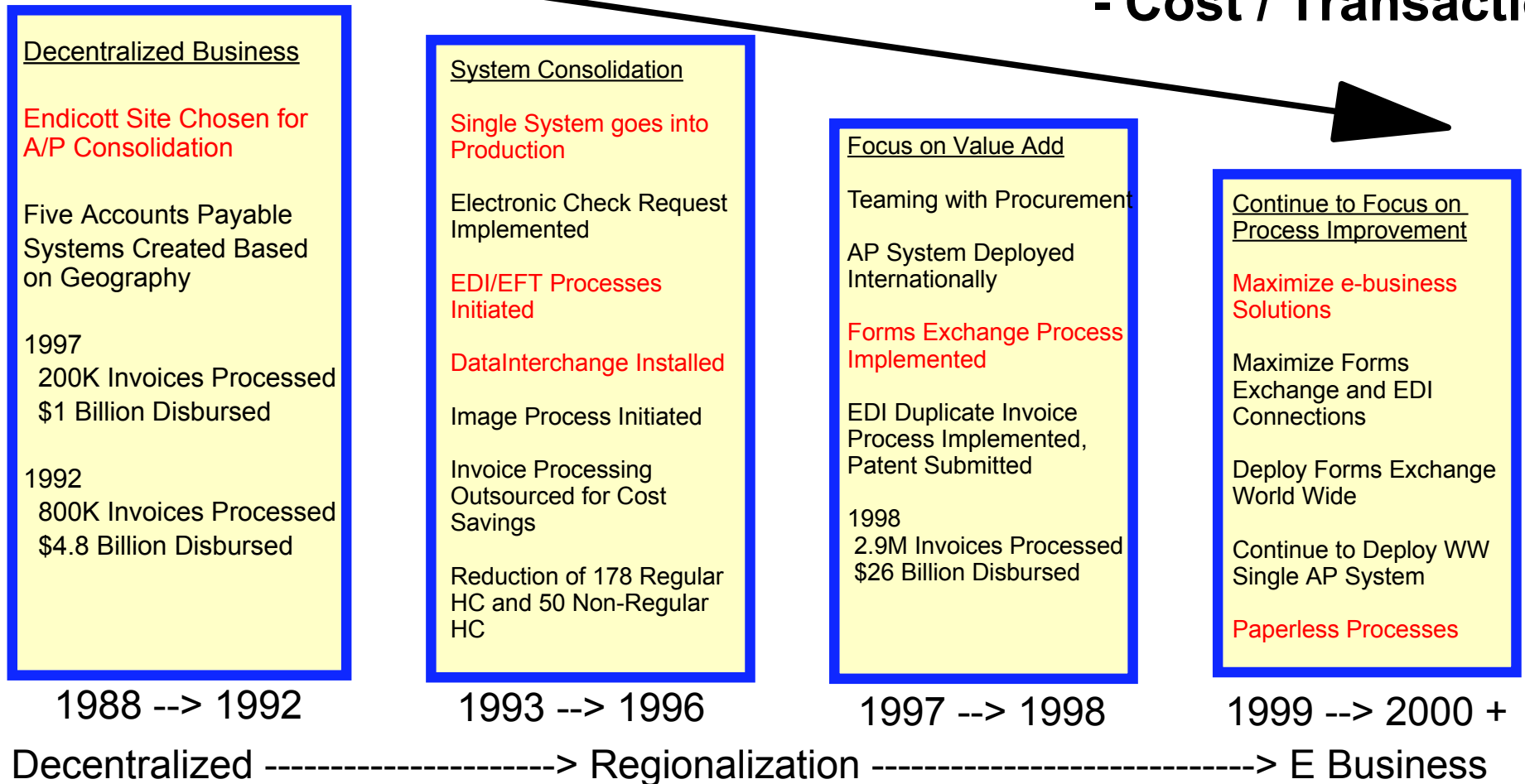


# IBM Accounts Payable Center - Evolution

- Processing Locations

- Headcount

- Cost / Transaction



# IBM Accounts Payable Center - Evolution

- Processing Locations

Decentralized Business

Endicott Site Chosen for A/P Consolidation

Five Accounts Payable Systems Created Based on Geography

1997  
200K Invoices Processed  
\$1 Billion Disbursed

1992  
800K Invoices Processed  
\$4.8 Billion Disbursed

1988 --> 1992

System Consolidation

Single System goes into Production

Electronic Check Request Implemented

EDI/EFT Processes Initiated

DataInterchange Installed

Image Process Initiated

Invoice Processing Outsourced for Cost Savings

Reduction of 178 Regular HC and 50 Non-Regular HC

1993 --> 1996

**System Consolidation**

**Single System goes into Production**

**Electronic Check Request Implemented**

**EDI/EFT Processes Initiated**

**DataInterchange Installed**

**Image Process Initiated**

**Invoice Processing Outsourced for Cost Savings**

**Reduction of 178 Regular HC**

1993 --> 1996

/ Transaction

Continue to Focus on Process Improvement

Optimize e-business processes

Optimize Forms Exchange and EDI Applications

Deploy Forms Exchange Wide

Continue to Deploy WW AP System

Eliminate Redundant Processes

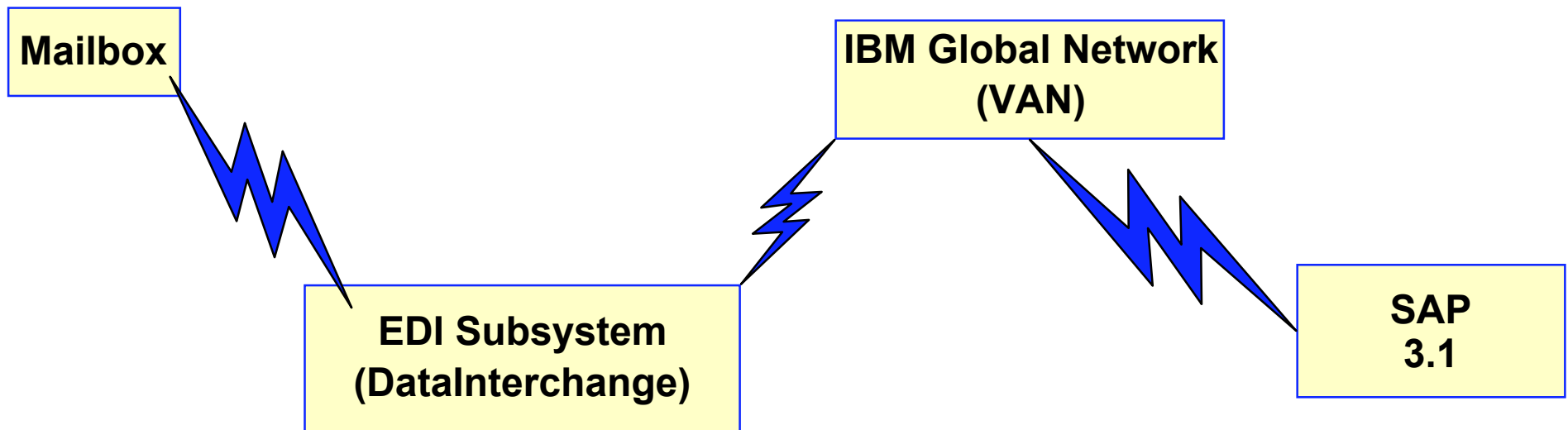
2000 +

Decentralized -----> Regionalization -----> E Business



# DataInterchange - Implementation

- Started EDI implementation with DataInterchange v1.0
- Currently using DI v1.5 and testing DI v2.1
- Current staff: 2 mappers and 6 administrators
- Approximately 500 TP's enabled before Forms Exchange, now have over 4,000 TP's enabled



**"EDI is GREAT!!"**

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**1,000,000 EDI Invoices Processed Annually**

**Automated Duplicate Invoice Rejection**

**Reduction in Vendor Processing Head Count**

**Greatly Reduced Transaction Cost**

**Fewer Errors - Electronic RTV**

**But....**



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# **"Why Can't We Get Every Supplier to go EDI?"**





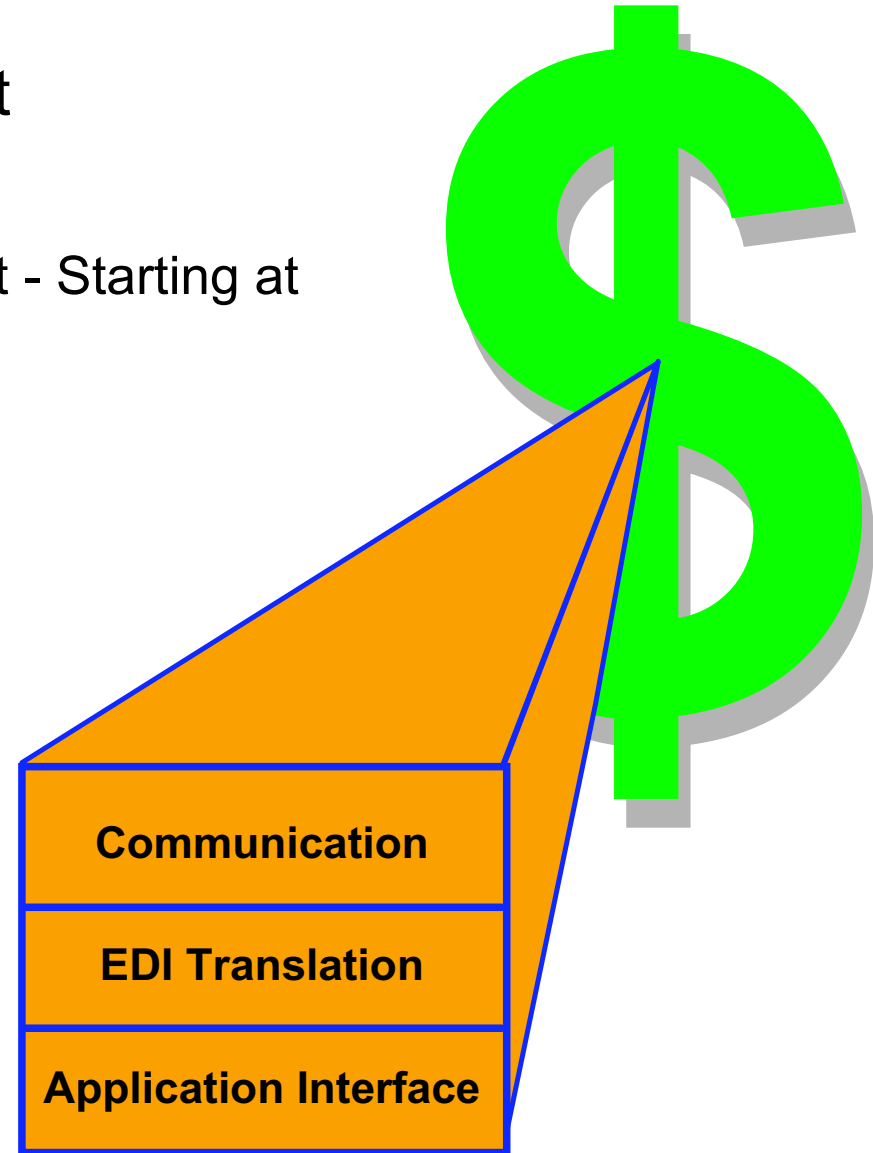
# EDI Inhibitors - for Small/Medium Suppliers

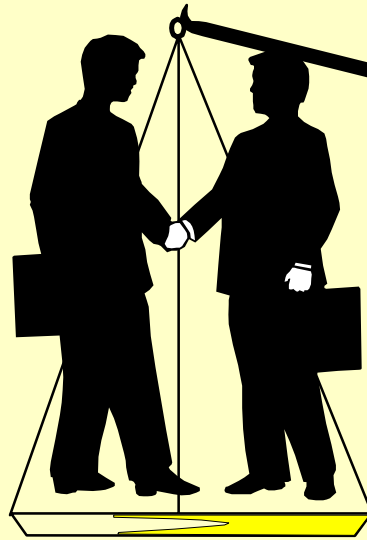
## ■ Hardware / Software Investment

- ◆ Dedicated System Required
- ◆ EDI Translation Software (Avg. Cost - Starting at \$3,000.00)

## ■ Technical Requirements

- ◆ EDI Standards Mapping
- ◆ Implementation
- ◆ Testing





**20% Trading Partner  
80% Invoice Volume**

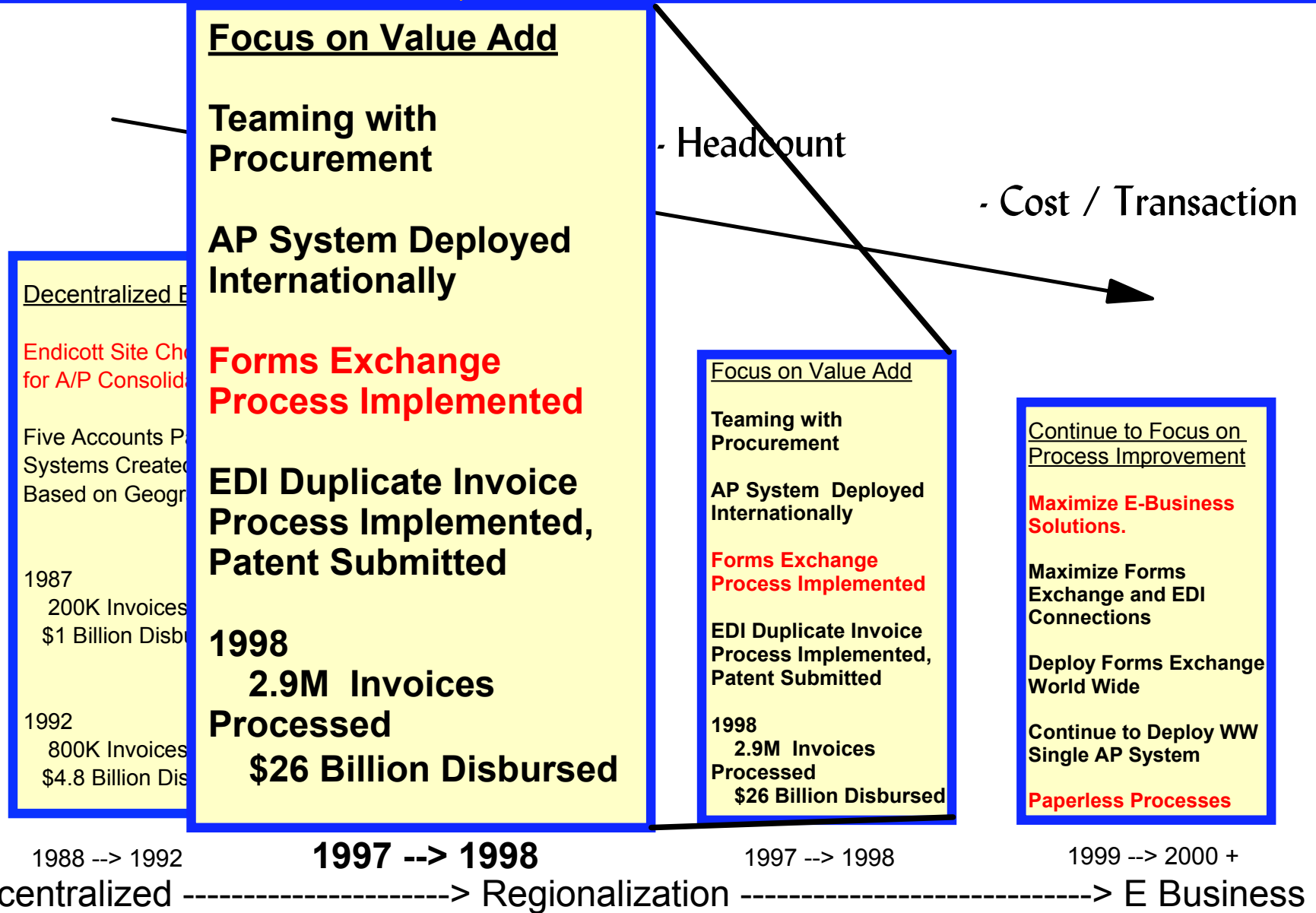


**80% Trading Partner  
20% Invoice Volume**

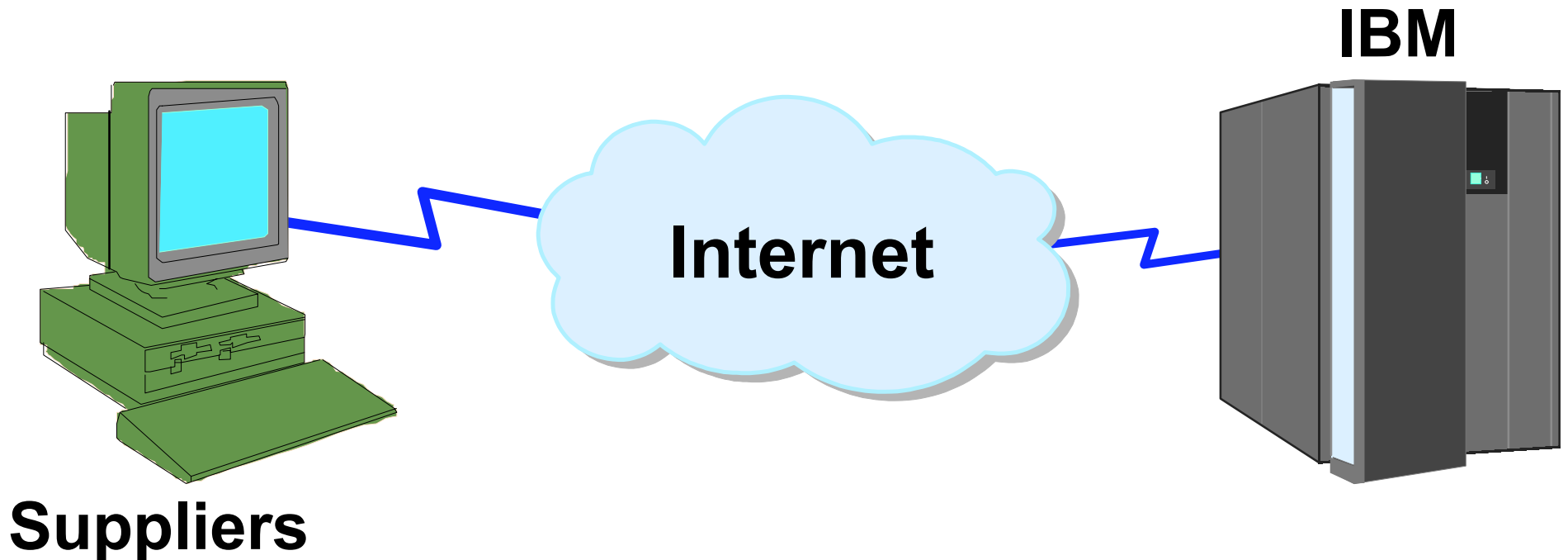
**"So What We Need is a Method of Targeting  
the Small to Midsize Trading Partner"**



# IBM Accounts Payable Center - Evolution



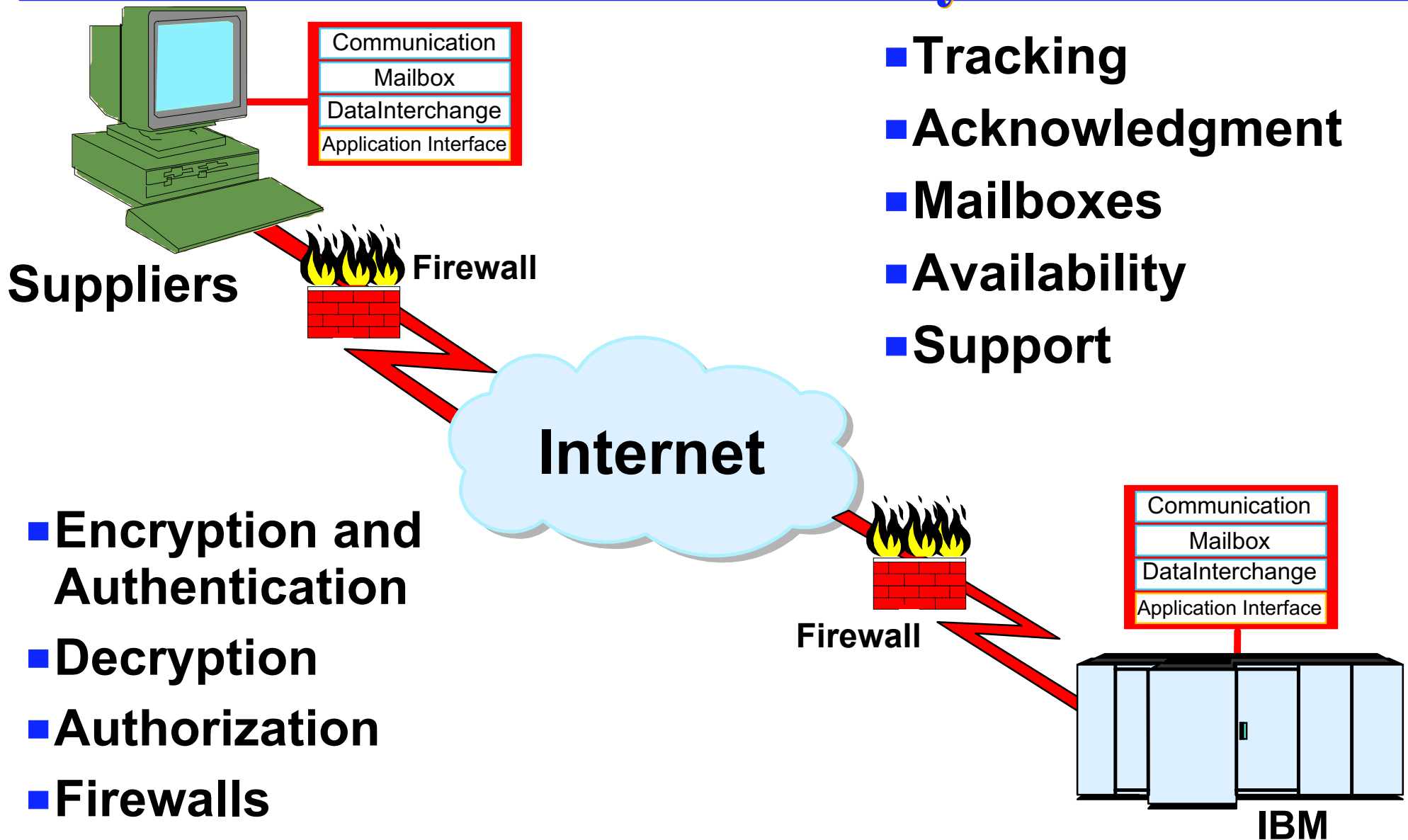
# "What About the Internet?"



- Access to Millions of Potential Trading Partners
- Minimal Investment



# Internet EDI: The Whole Story



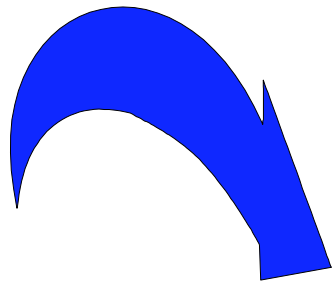
# Teaming with Procurement Is Key!



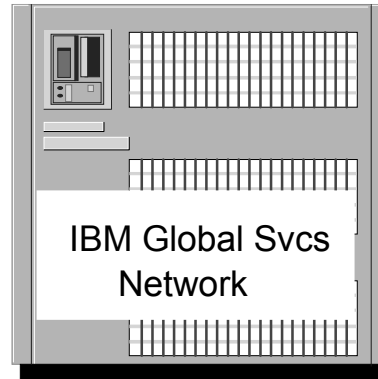
Purchasing



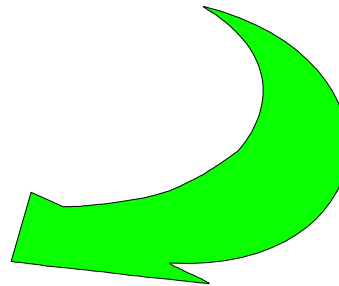
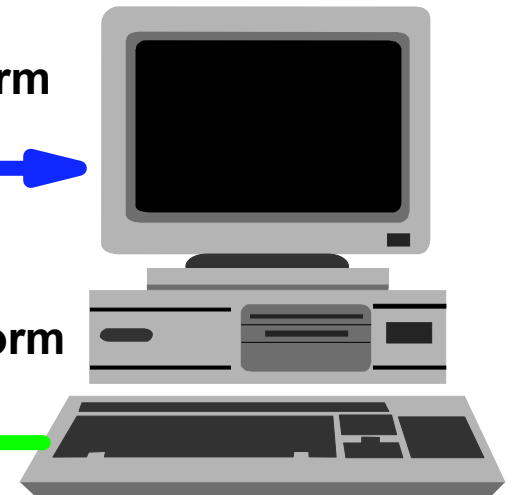
Accounts Payable



EDI X12  
850 (P.O.) P.O. Form



Invoice Form

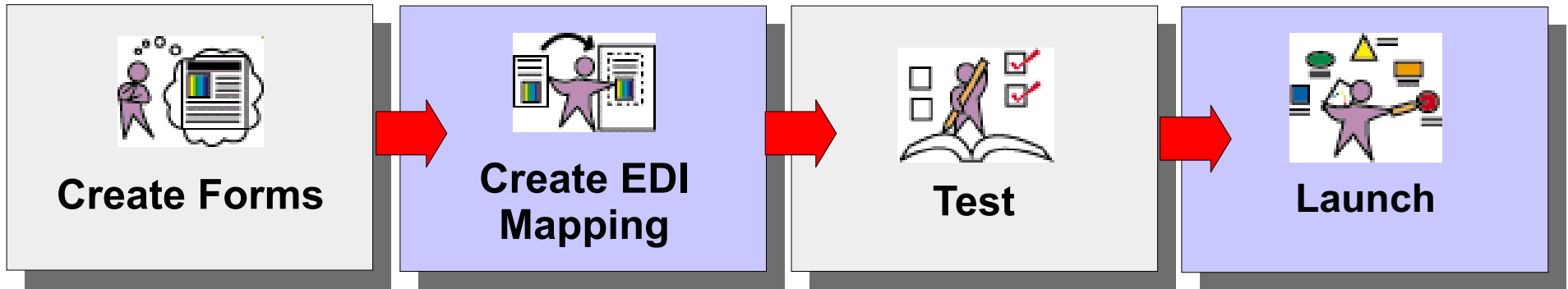


EDI X12 810 (Invoice)

**P.O. Form** Transformed  
to **Invoice Form** With  
a **CLICK OF A  
BUTTON**



# Forms Exchange: Roles and Responsibilities

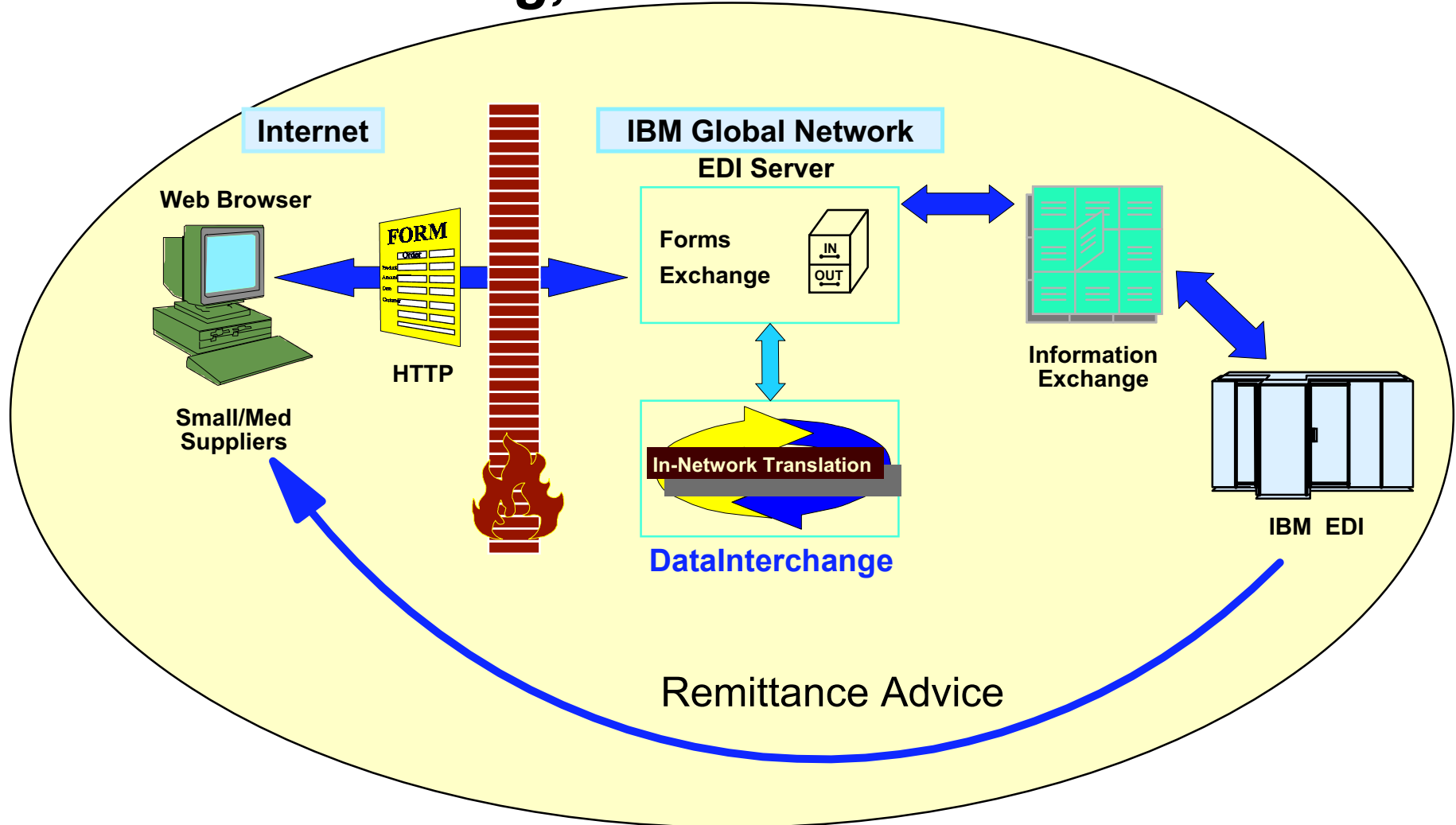


IBM Global Services	IBM Procurement	Suppliers
<ul style="list-style-type: none"> <li>■ Manage Forms Exchange service</li> <li>■ Provide sample forms</li> <li>■ Customize forms</li> <li>■ Mapping</li> <li>■ Trading Partner enabling</li> </ul>	<ul style="list-style-type: none"> <li>■ Provide form layout</li> <li>■ Provide EDI Implementation Guide</li> <li>■ Pay for form development and mapping</li> </ul>	<ul style="list-style-type: none"> <li>■ Register</li> <li>■ Send and receive forms</li> <li>■ Pay for services</li> </ul>



# Accounts Payable Electronic Commerce

## Forms Exchange - Internet Purchase Order, Invoicing, and Remittance Advice





# Accounts Payable Electronic Commerce



The screenshot shows a Netscape browser window displaying the IBM EDI Services website. The browser's title bar reads "Netscape" and the menu bar includes "File", "Edit", "View", "Go", "Communicator", and "Help". The address bar is empty. The main content area features a blue header with the IBM logo and the text "IBM EDI Services". Below the header, it says "Welcome to the IBM EDI Services Web site" and "Service News". There is a "Log in" button and a "User's Guide" link. A navigation bar at the bottom contains links for "Customer Care", "User's Guide", "Help", "Privacy", "Legal", and "Contact IBM".

IBM EDI Services

Welcome to the IBM EDI Services Web site

Service News

Are you ready for e-business?

If you are a registered forms exchange or Web data transfer user, please click here: [Log in](#)

When you log in, your user name is used only to access this service. Other personal information is neither collected nor stored.

To learn more about forms exchange or Web data transfer, click **User's Guide** in the navigation bar.

Customer Care	User's Guide	Help
Privacy	Legal	Contact IBM

Forms Exchange - Log in Screen



# Accounts Payable Electronic Commerce

GIF image 604x292 pixels - Netscape

File Edit View Go Communicator Help

**IBM** Global Services  
© 1998 IBM Corporation

*Network Services*

Purchase Order Date: 980623  
Type: *Original*

[Delete Purchase Order](#)  
[Return to Inbox](#)

Create an Invoice From this Purchase Order

**IBM AP Purchase Order**

P.O. Number:	2000002868	Date:	980623
Purpose:	Original	Type:	Stand-alone Order
Release No:		Contract No:	

[Order Instructors / Purchasing Note:](#)

Currency ID	Buying Party (Purchaser)	Code	USD	Exchange Rate	1
Tax ID		Tax Exempt Description			

Forms Exchange - On-line Purchase Order



# Accounts Payable Electronic Commerce

GIF image 604x292 pixels - Netscape  
File Edit View Go Communicator Help

IBM Global Services  
© 1998 IBM Corporation  
Network Services

[Delete](#) [Help](#) [Return To Outbox](#)

\*\*\* - Red Fields Are Required

Bill To Address: PO\_Box\_9005

**Basic Invoice Information**

YY	MM	DD	Invoice No.:	2112	
Invoice Date:	98	09	04	Purchase Order No.:	2000002868
Release No.:	.....		Invoice Type:	Credit	
IBM Assigned Supplier No.:	0000005150				

**Administrative Communications Contact**

Name:	MARK WILEY	Mode of Communication:	Electronic Mail
Phone No./Email Address:	MARKWILE@IBM.US.COM		

**Name and Address Information**

Issuer of Invoice		Bill-To Party	
Name:	FOXMED	Name:	IBM CORPORATION
Additional Name:		Additional Name:	ACCOUNTS PAYABLE
Address:	1 LYNN BABUDA STREET	Address:	PO BOX 9005
Additional Address:		Additional Address:	


Forms Exchange:  
On-line Invoice



# Accounts Payable Electronic Commerce

GIF image 604x482 pixels - Netscape

File Edit View Go Communicator Help



**Global Services**  
*Network Services*

[Delete Payment Order/Remittance](#)  
[Return to Inbox](#)

**IBM AP Remittance Advice**

Remittance Information Only

Debit Amount: \$38786.00      ACH Demand Cash Concentration/Disbursement Plus (CCD+) Debit

IBM Company Identification Number: 120574843  
Effective Date: 980514

EFT Number: 2000026679

Transaction Creation Date: 980513

**Payee Information**

HADCO CORP  
Supplier Number: 0000023675  
HADCO CORP  
DALLAS, TX 753730368 US

Seller's Invoice Number	Gross Amount	Discount Amount	Total Amount
<a href="#">227762</a>	\$8,651.00	\$0.00	\$8,651.00
<a href="#">227963</a>	\$3,115.00	\$0.00	\$3,115.00
<a href="#">228466</a>	\$26,600.00	\$0.00	\$26,600.00
<a href="#">228467</a>	\$420.00	\$0.00	\$420.00

Total Number of Invoices	Total Gross Amount	Total Discount Amount	Total Amount
4	\$38,786.00	\$0.00	\$38,786.00

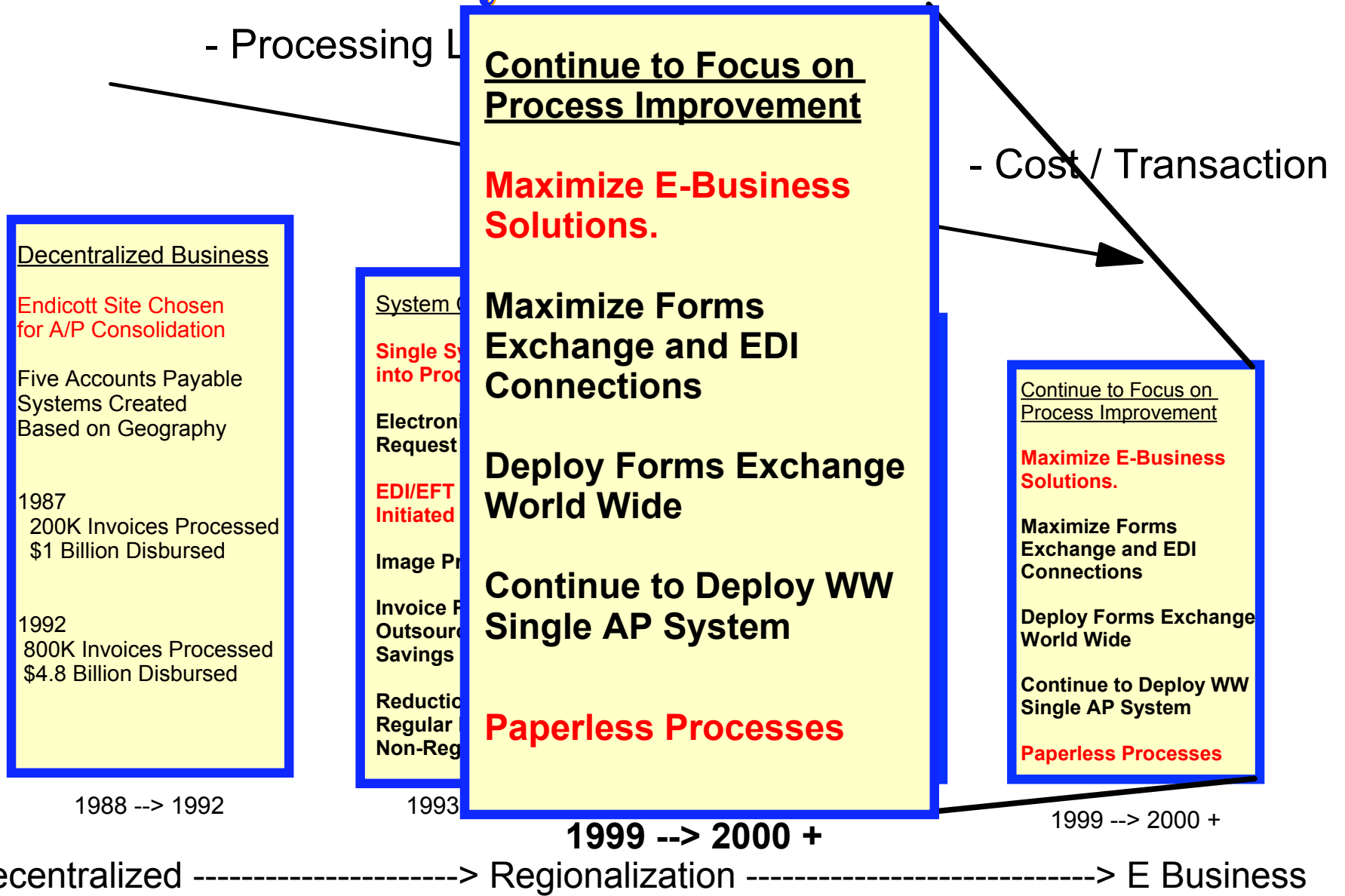
Menu    Inbox    Outbox    Customer Care    User's Guide    Help

Forms Exchange:  
On-line Remittance  
Advice

**Closed Loop Procurement / Accounts Payable Process**



# IBM Accounts Payable Center - Evolution



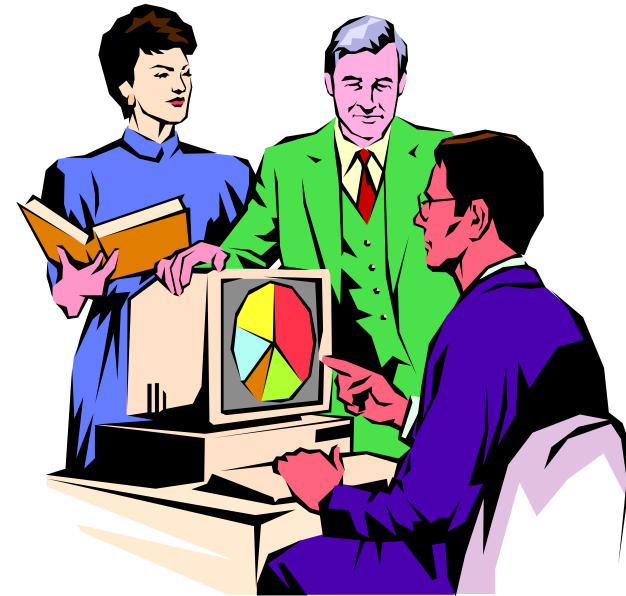
# IBM Accounts Payable: The Future!

- 1999 WW IBM Forms Exchange Goal:
  - ◆ 12 Billion Dollars 10,000 Suppliers
- FAX To EDI
- Intranet/Extranet Queries
- XML Enhancements to Forms Exchange



# IBM Internet Invoicing: "Lessons Learned"

- Teaming is Critical and Basis for Improvement
  - ◆ Procurement
  - ◆ Accounts Payable
  - ◆ Suppliers
  - ◆ IT with EDI Administration & Support
- Process Integration
- Transaction Simplification
- Benchmarking/Best Practices



# IBM Internet Invoicing: "Keys to Value-Add Success"

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- Align Procurement and A/P Goals and Targets
- Understand the Business Needs (They Change)
- Paperless, Paperless, Paperless (End to End)
- Do Not Underestimate the Resistance to Change...
- People Empowered and Recognized
  - ◆ Change Agents
  - ◆ Cross Functional Teams (The Way Work Gets Done)
  - ◆ Enhancing Skills (Priority on Project Management)





# "You are the EDI Experts"

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# "You need to take the Lead"

