Supplier In A Box

IBM's Ariba On-Ramp Solution
with WebSphere Commerce Suite

Teleconference agenda

- **Presentation**

  - ✓ eMarketplaces
  - ✓ Supplier enablement
  - ✓ IBM's first Supplier solution for BP's - Ariba OnRamp
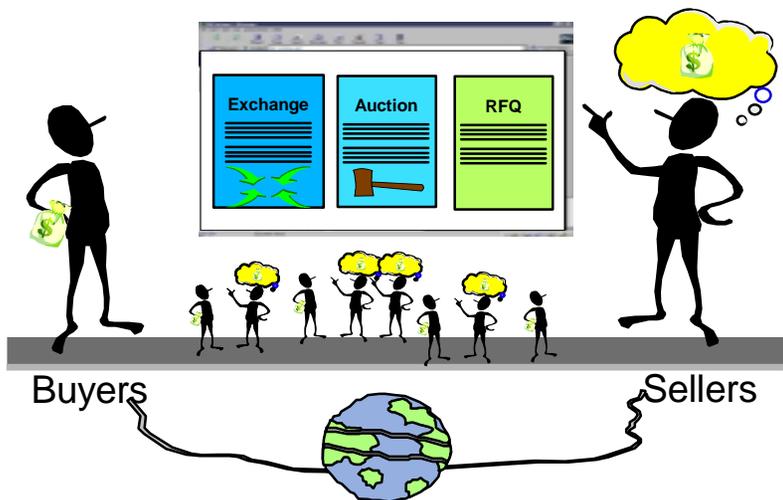 - ✓ What this means for you
  - ✓ How to get involved

- **Q&A**

What is an e-marketplace?

Definition of e-marketplace

e-markets...

- ✓ are sites that provide value-added services for business buyers and suppliers trading on the Web.
- ✓ are also referred to as trading networks, trading hubs, and B2B exchanges.
- ✓ are operated by intermediaries known as market makers who may be existing buying or selling organizations or new entrants who seek to establish a significant leverage point in a market.
- ✓ have various business models...these often include a combination of transactions, subscriptions and advertising.
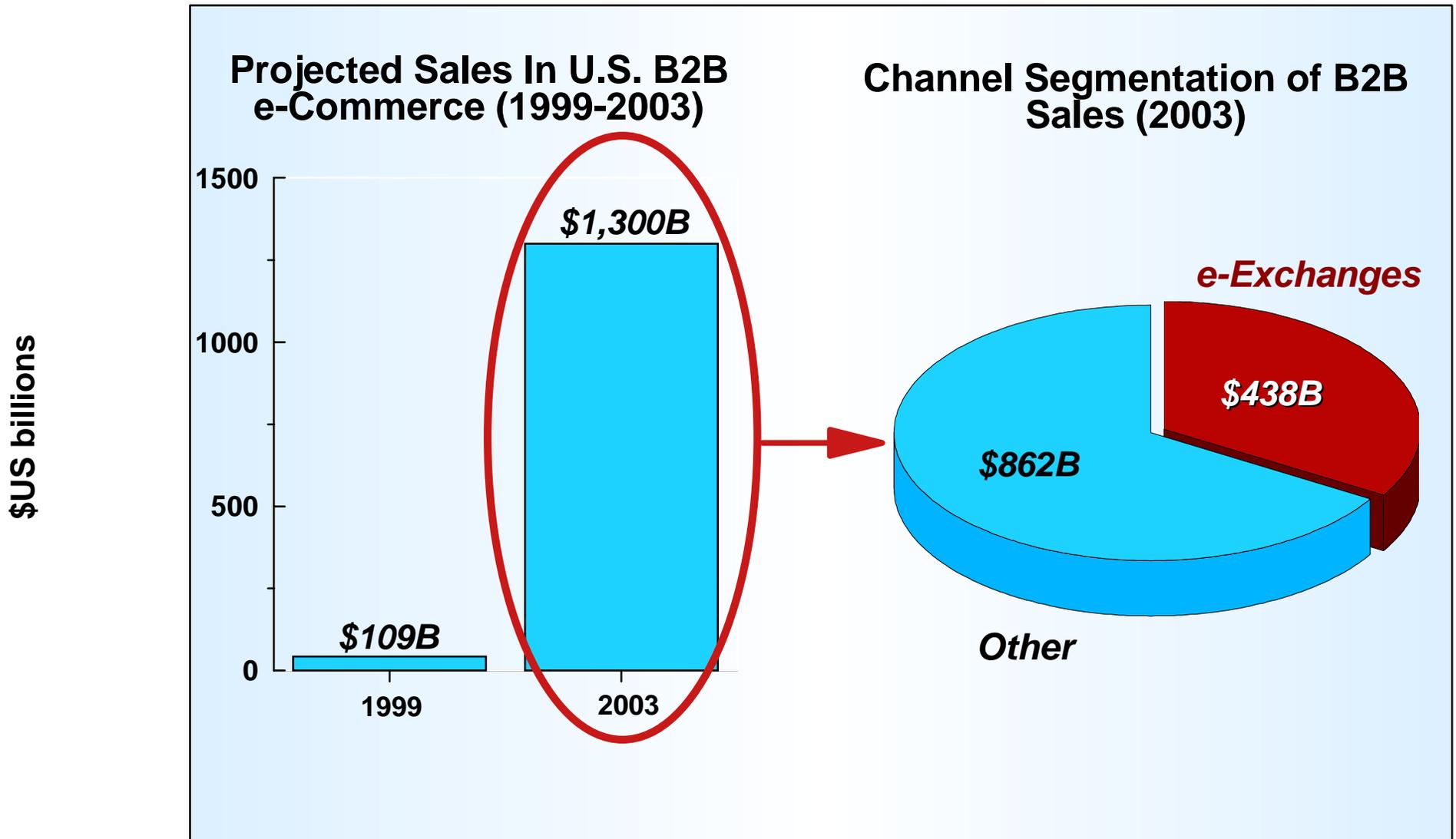

Buyers   Sellers

Value of eMarketplaces

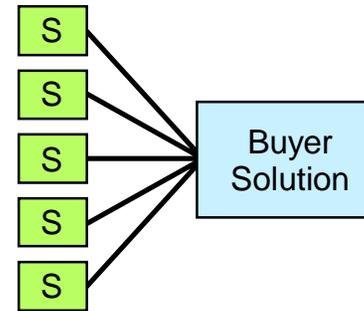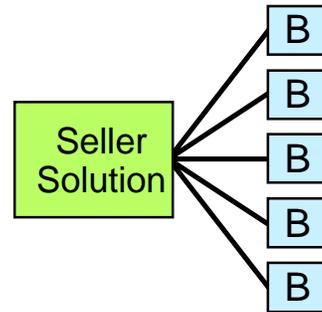| To Supplier	To Market Maker	To Buyer
- **Provides new marketing and distribution channel** - **Provides better customer service** - **Provides more complete product information to buyer** - **Automates order & fulfillment processes**	- **Protects current role or creates new role within the commerce chain** - **Establishes high "value-add" in digital economy** - **Increases service levels to existing customers** - **Leverages current information and customers** - **Provides access to more information and suppliers**	- **Lowers up-front costs and risks** - **Provides access to more information and suppliers** - **Provides access to secondary and excess supply auctions** - **Provides a more comprehensive solution** - **Eliminates on-going software upgrades & maintenance costs** - **Utilizes outsourced expertise**

Source : Net Market Makers

# e-Markets as major facilitators of B2B sales

Projected Sales In U.S. B2B e-Commerce (1999-2003)

Channel Segmentation of B2B Sales (2003)

$US billions

1500

1000

500

0

$1,300B

$109B

1999

2003

e-Exchanges

$438B

$862B

Other

Supplier Opportunity

Seller Solution: increases revenues and reaches a wider market.

e-Procurement : leverages e-business technology to automate procurement and leverage supply chain
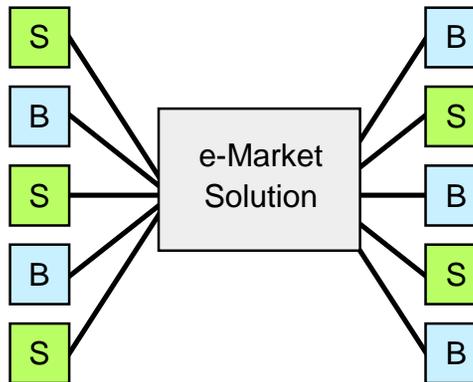
e-Marketplace: provide value-added services for business buyers and suppliers exchanging goods and services on the Web.

Significant opportunity to deploy supplier solutions into procurement hubs and e-marketplaces

What is Supplier Enablement?

Supplier Challenges

Suppliers:

- ✓ want to maintain brand
- ✓ face a bewildering array of emerging e-marketplaces/hubs and connectivity options
- ✓ want to connect to multiple procurement hubs and marketplaces
- ✓ are faced with solutions that are not "out-of-the-box"
- ✓ want to preserve their current infrastructure, e.g., may already have electronic catalog
- ✓ are often driven by the buyer's timeline

Supplier Enablement

What is supplier enablement?

- ✓ solutions aimed at connecting suppliers to procurement systems and e-marketplaces

- ✓ allows companies to rapidly deploy a scalable, secure solution that will enable them to increase their market reach
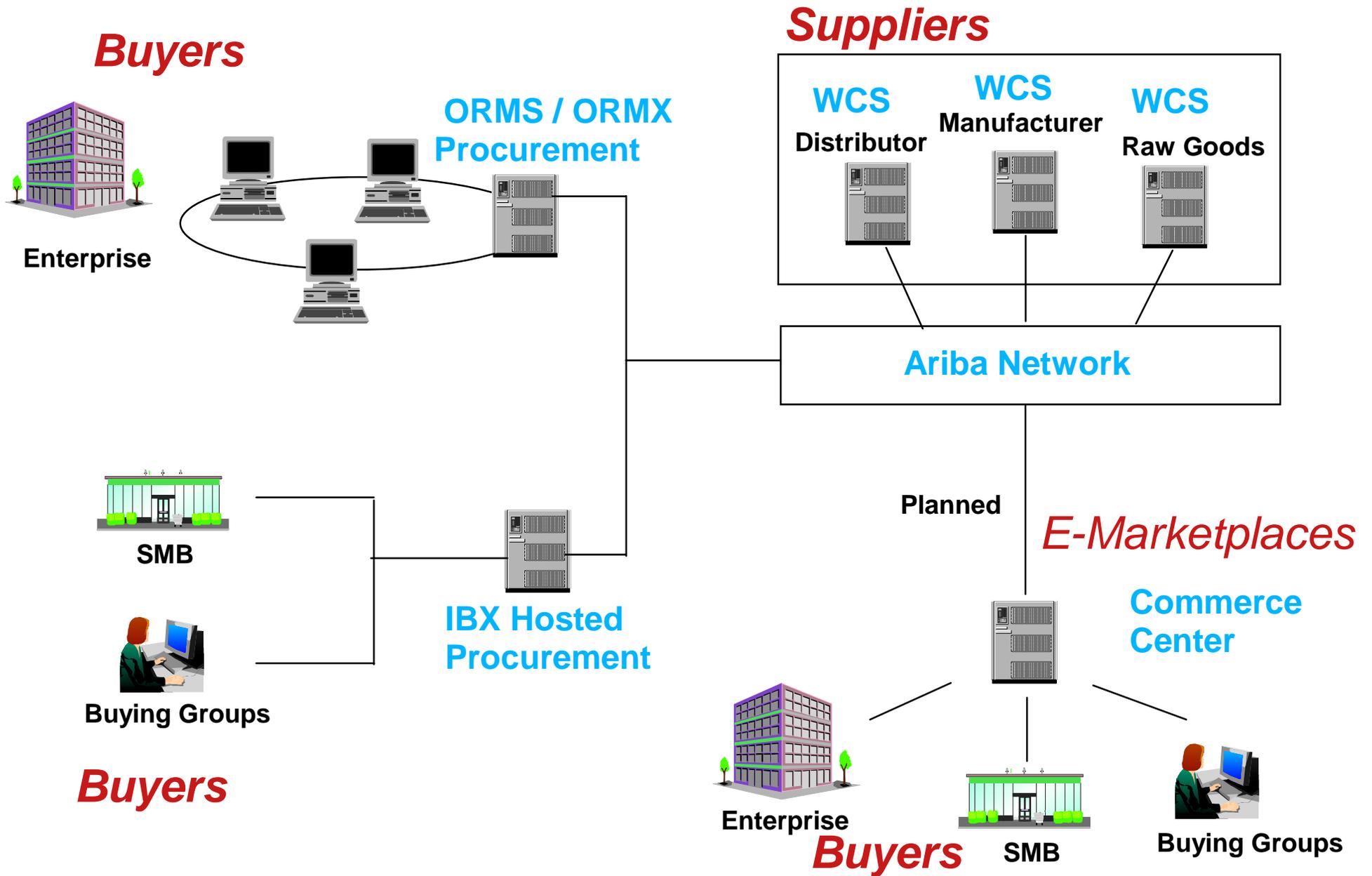
Initial Supplier Offering

Initial IBM Supplier Solution - the Ariba OnRamp

- ✓ aimed at integrating suppliers into the Ariba B2B environment
- ✓ uses WebSphere Commerce Suite V4.1 for supplier catalog
- ✓ Two versions - NT and AS400
- ✓ Ariba OnRamp code and documentation delivered via StartNow program to BP's
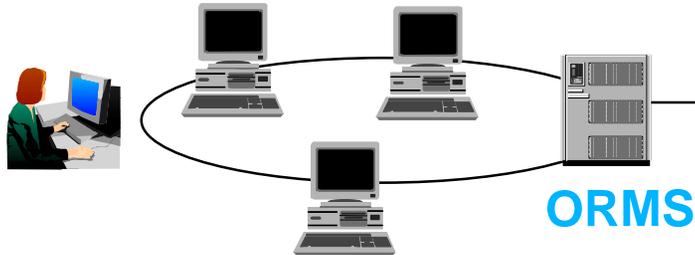
Why Ariba First?

- ✓ signifcant install base of Ariba procurement systems and e-marketplaces
- ✓ significant need to get suppliers up and running and connected to these systems
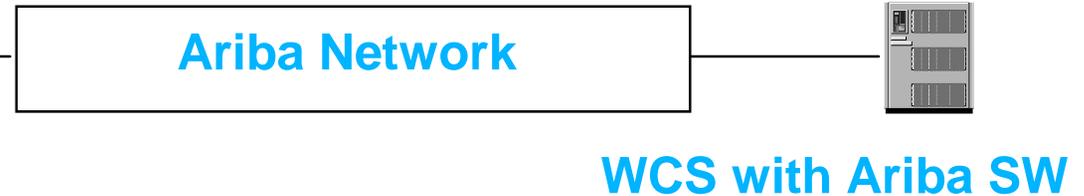- ✓ strong IBM-Ariba partnership

The Big Picture

Buyers

Enterprise

ORMS / ORMX Procurement

Suppliers

WCS Distributor

WCS Manufacturer

WCS Raw Goods

Ariba Network

SMB

Buying Groups

IBX Hosted Procurement

Planned

E-Marketplaces

Commerce Center

Enterprise

Buyers

SMB

Buying Groups

Buyers

Punchout Enablement - 1

Buyer

Supplier

Ariba Network

ORMS

WCS with Ariba SW

1. Buyer selects supplier for punchout

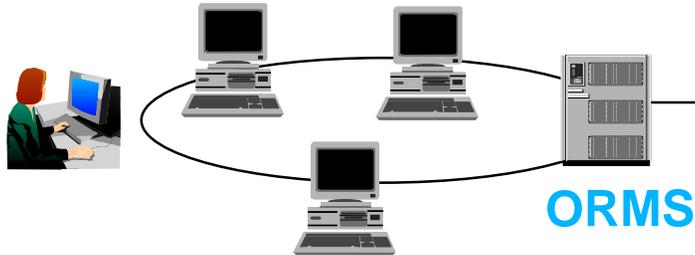**2. ORMS sends request to AN.** *(Punchout Setup Request)*

3. AN authenticates buyer and forwards request to supplier.

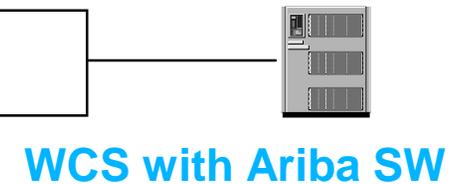**4. Supplier's cXML S/W responds with URL** *(Punchout Setup Rsp)*

5. ORMS opens a new browser window for buyer, using the URL provided by the supplier.

Punchout Enablement - 2

Buyer

Supplier

Ariba Network

ORMS

WCS with Ariba SW

6. Buyer shops at the supplier's web site. Buyer adds items to shopping cart. Buyer clicks "check out" button.

8. ORMS uses shopping cart to create purchase requisition; ORMS workflow used to route requisition for approval. After approval, ORMS creates Purchase Order.
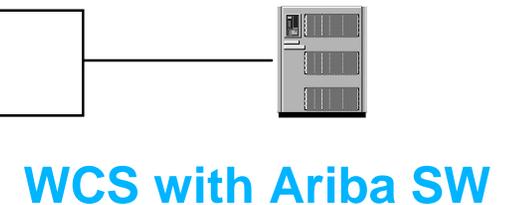
7. Supplier's cXML S/W responds with *Punchout Order* message; sends contents of shopping cart to ORMS.

Transaction Enablement

Buyer

Supplier

Ariba Network

ORMS

WCS with Ariba SW
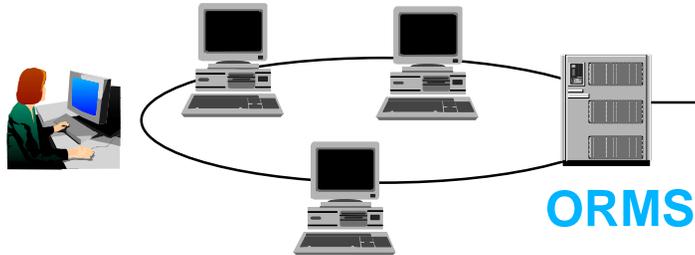
1. Buyer ready to order.

2. ORMS sends order to AN. *(OrderRequest)*

3. AN authenticates buyer and forwards request to supplier.

4. Supplier's cXML S/W responds with order acknowledgement. *(OrderReponse)* Supplier system submits order to supplier back end system for processing.

Range of Supplier Solutions

Small Supplier

Hosted Solution Offering

- WCS or WCS SPE
- Hosted by IGS or Hosting Partner (ISP/ASP)

(Pot. Follow On)

Mid Sized Supplier

Solution Package Delivered By BP's

- WCS Start
- NetFinity or AS400
- Basic Implementation Services delivered by BP
- Sample SOW

July

Large Supplier

Advanced Solution Delivered By IBM or BP's

- WCS Pro
- NetFinity or AS400
- Advanced Implementation Services delivered by IGS or BP
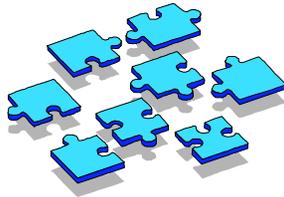
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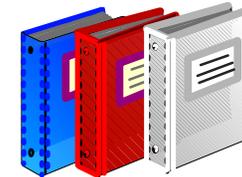
Start Now Enablement Kit
What's Involved

Netfinity **AS/400e**

✓ Collection of solution components presented in Business Partner form

✓ Software applications that allow BP's to kickstart the engagement

Ariba OnRamp SW

**Enablement Kit
Including Sample SOW**

Technical Education
- ➡ Stand-up
- ➡ Web-based

Technical Support
- ➡ E-Mail

What is the Opportunity?

What is the Supplier Opportunity?

✓ Total supplier opportunity 100,000 suppliers
✓ 25-40% of suppliers do not have an e-catalog

Small	Medium	Large
$1-$50M revenue	$50-$500M revenue	$1B revenue
40% of opportunity 40,000 suppliers	35% of opportunity 35,000 suppliers	25% of opportunity 25,000 suppliers
Offering: Hosted solution - hosting partners	Offering: StartNow solution package delivered by BP's	Offering: High End solution delivered by BP and IGS

What is the Value Proposition?

What is the Value Proposition to the Customer?

The Ariba On-Ramp offering quickly enables customers to securely and affordably participate as a supplier in an Ariba marketplace. The scalable and extensible total solution includes hardware, software and services that reduce the complexity and need for highly skilled information technology resources when participating in an Ariba marketplace.

- allows supplier to tap into large buyer 'spend thru' via Ariba Network
- low, predictable solution costs
- predictable implementation timeframe
- scalability and extensibility
- security
- preserves supplier brand image
- preserve current investment in WCS

What is the Value Proposition to the Business Partner?

The Ariba On-Ramp quickly enables IBM Solution Providers to participate in an e-procurement market that is estimated to be $5B in 2003, growing at 125% CAGR. The offering includes hardware, software and services.

- ability to drive services revenue
- reduce complexity through the use of a fixed scope of work
- lessen time required to become skilled in trading exchange solutions
- reduce sales cycle, sample proposals, collateral
- enable to attack $5B (2003) market growing at 125% CAGR and 100,000 Ariba suppliers
- integrated marketing campaigns and technical support through distributors
- low cost solution and available financing

What is the Value Proposition to the Value Added Distributor?

The Ariba On-Ramp provides Value Added Distributors with the capability of delivering a packaged business to business e-commerce marketplace offering to their resellers. The Value Added Distributor provides value through pre-loading software, configuring and testing equipment and by providing training, support and marketing programs to the resellers.

- low, predictable solution costs
- predictable implementation timeframe
- scalability and extensibility
- security
- complete answer to problem, not just tools
- financing

How Do You Get Involved?

How Do I Get Involved...Next Steps

- Get certified in WCS 4.1 - it is the foundation for all the supplier offerings
    - ✓ see www-3.ibm.com/services/learning/roadmaps/adebus06.htm and www-3.ibm.com/services/learning/spotlight/ebusiness/websphere.html

- Learn about the Ariba environment
    - ✓ Access materials by registering on Ariba's supplier network
    - ✓ Go to supplier.ariba.com, click on "Supplier Registration"
    - ✓ After receive password, log on, click on "help" then "resources"
    - ✓ Review Ariba supplier oriented documentation
        - ➡ Ariba Network Supplier Guide, Ariba Catalog Format Reference, cXML User's Guide
    - ✓ Review Ariba free courses
    - ✓ Also at www.cxml.org, you can review cXML 1.1 User's Guide and cXML 1.1 Specification

How Do I Get Involved...Next Steps

- Attend July webcasts on IBM's Ariba OnRamp solution
  - ✓ Sales Training - to train partners on how to identify opportunity, receive leads and sell solution.
  - ✓ Technical Training - to train partners on code, installation, customization, operation and certification

- Access Ariba OnRamp code and documentation materials at www.ibm.com/partnerworld/startnow
  - ✓ NT kit planned July
  - ✓ AS400 kit planned July

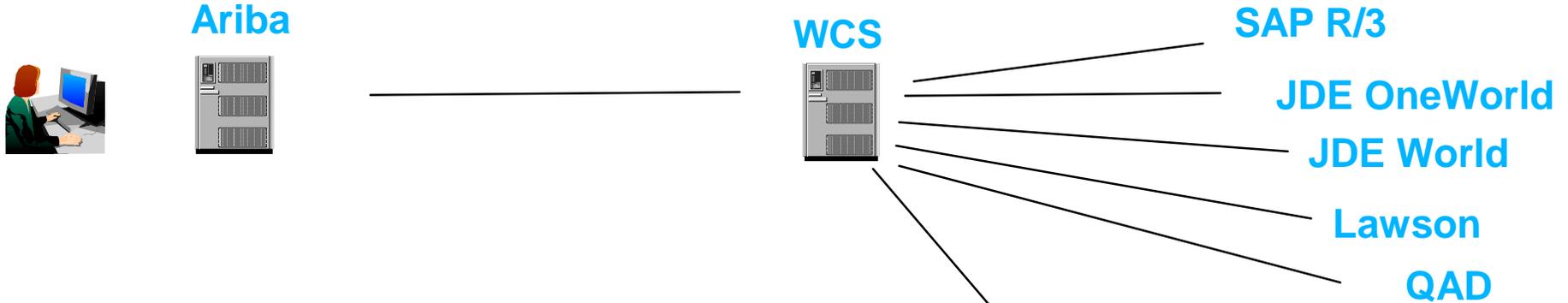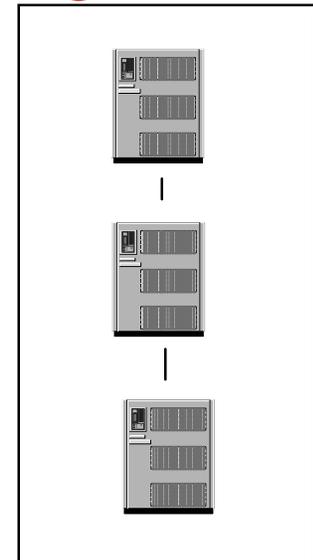# Appendix

Upsell Opportunity

E-Marketplaces / Hub

Ariba

Supplier

WCS

Back End System

SAP R/3

JDE OneWorld

JDE World

Lawson

QAD

Supply Chain Integration

Connect supplier to their back end ERP system and their downstream suppliers

e-commerce Sales Essentials
http://lt.lahulpe.ibm.com/online/preslist.html

The e-commerce Sales Essentials training consists of the following modules:

- WebSphere Commerce Suite Business Perspective

- e-commerce for the Retail Industry

- e-commerce for Business to Business

- e-commerce for Service Providers

- Content Management for e-commerce

- WebSphere Commerce Suite Business Integration

- Personalization Trends in e-commerce and overview of WebSphere Commerce Suite Rules based Personalization

- WebSphere Commerce Suite Technical Perspective

- IBM Payment Suite, Making the Web Safe for Your Money