



IBM Software Group

## WebSphere Commerce V5.5

### Overview & Strategy

WebSphere software



© 2002 IBM Corporation

#### How to Use / Objectives of this Presentation

This is the "first meeting" presentation and has 2 objectives: first, it provides an update on our product strategy, and second, provides an overview of our latest release in WebSphere Commerce portfolio – Version 5.5

This presentation is part of a sequence of sales presentations developed for the release of WC V5.5. This presentation, termed the “Business Value” presentation, is not specific to any product. Rather, it is meant to serve as an initial overview outlining the points above and is the first in a series of sales presentations – referred to as components – for positioning WC V5.5 with your customer opportunity. Here’s an outline to the presentation components:

1. Business Value Presentation – overall product strategy and overviews latest release, WC V5.5
2. Solution Components – subsequent, individual presentations that transition from the V5.5 messaging to focus on one of the seven (7) Solution areas marketed

## Agenda

- **Portfolio Overview & Positioning**

- e-Business evolution
- Delivering e-business On Demand
- Architecture & solutions

- **Portfolio Details**

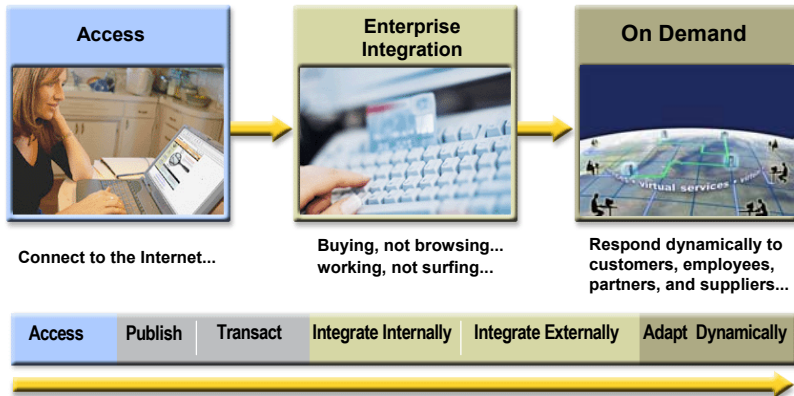
- V5.5 Launch
- Capabilities & Benefits

- **Summary**

2 objectives for this presentation:

- First, I'd like to share with you an update on our product strategy, and
- Second, I'd like to give you an overview of our latest release in WebSphere Commerce portfolio – Version 5.5.

## Evolution of e-business



An **on demand business** is an enterprise whose **business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with speed** to any customer demand, market opportunity or external threat.

I'm sure you all are familiar with the evolution of e-business and IBM's On Demand Strategy.

However, I feel that the e-commerce arena is an excellent place to illustrate the motivation behind our OnDemand strategy. Many of my customers and I believe the marketplace in general is in their third generation rollout of their commerce initiatives. They've invested millions... So what are the key challenges many of them face??

CIO's are struggling with the duplication that exists in their infrastructure. They have multiple systems serving multiple channels and they want to be able to better leverage existing and future investments.

These duplicate systems increase complexity, increase integration costs, and ultimately makes it harder for them to be responsive to the demands of the Line of Business.

That's what the promise of "OnDemand" solves.

## The On Demand Enterprise

### Can you...

...respond in real-time to the most relevant information?

...be easy to do business with -- anytime, anywhere any way?

...rapidly adopt & adapt best practices & processes?

#### An On Demand Business is...

**Responsive** to customer needs & wants

**Flexible** for optimal execution & results

**Integrated** for maximum efficiency

**Agile** for sustainable competitive advantage

...create new business value from your existing IT systems?

...integrate your business operations end-to-end for optimal efficiency?

...quickly adapt to changes, opportunities or threats in your markets?

*We see that the solution is an infrastructure that will be responsive, one where you can truly leverage the IT assets across your enterprise because they are flexible, easily integrate, and allow you to easily extend after they've been deployed.*

*And this is where I see my competitive advantage. I believe that it's just not WHAT your capabilities are, but HOW you provide them. What's the needed architecture and infrastructure which will allow you to leverage this capability across your enterprise.*

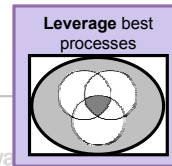
*We will address both these dimensions as we discuss version 5.5. We will explore the new capabilities, and we will also discuss the new on demand infrastructure which truly allows you to leverage the capabilities across the multiple channels and customers you need to serve.*

## Enabling the On Demand Enterprise

*Easily configure to support the unique ways you do business – and the ways your customers want to do business with you*



*Maximize results & improve efficiency using out-of-box processes that support the whole spectrum of doing business*



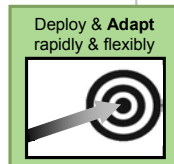
On Demand Business is...

*Responsive* to customer needs & wants

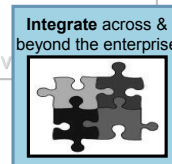
*Flexible* for optimal execution & results

*Integrated* for maximum efficiency

*Agile* for sustainable competitive advantage



*Fully leverage and connect your most important assets – people, processes, systems and information*



*Accelerate ROI by rapidly deploying & adapting to change & opportunities using an open, flexible, unified infrastructure*

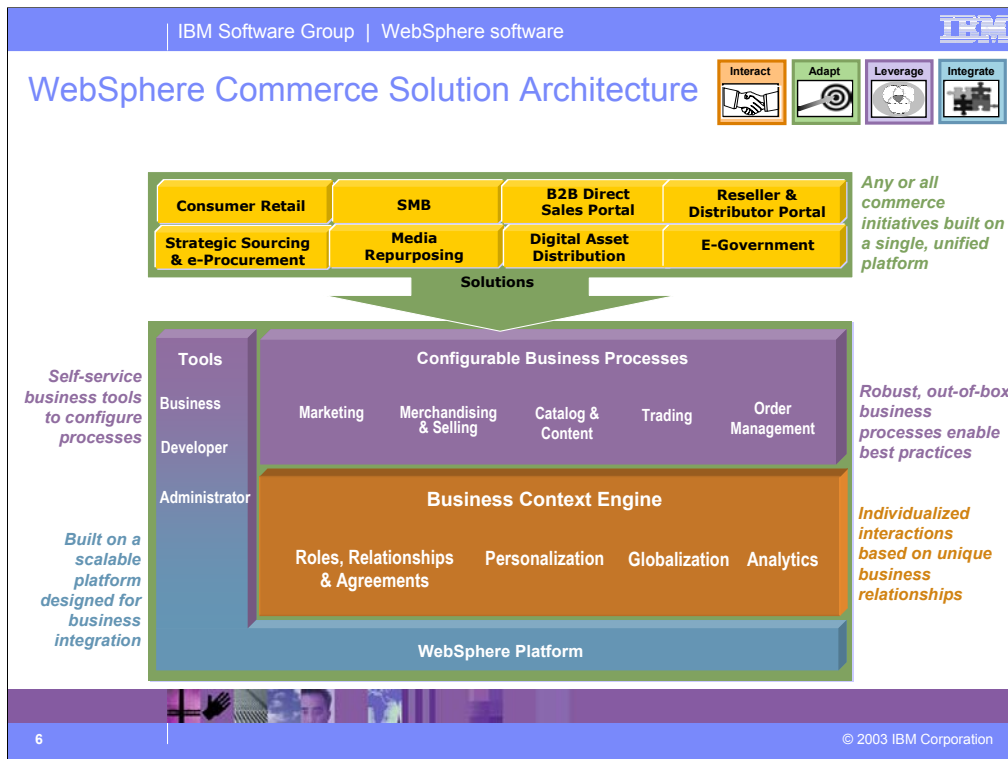
*I'm going to introduce four themes which we logically group our capability under.*

*The First is how we support our customers to Interact with their customers, and more importantly allow customers to interact and do business in their terms.*

*Second we will discuss how we Leverage our best practices to both drive business results and also improve operational efficiency.*

*One of the keys to driving organizational efficiency will be to ensure you can leverage the best practices across your enterprise, and we will highlight our significant integration capabilities.*

*And finally we'll discuss how enterprises need to be able to continually modify and extend their deployed assets to achieve maximum results.*



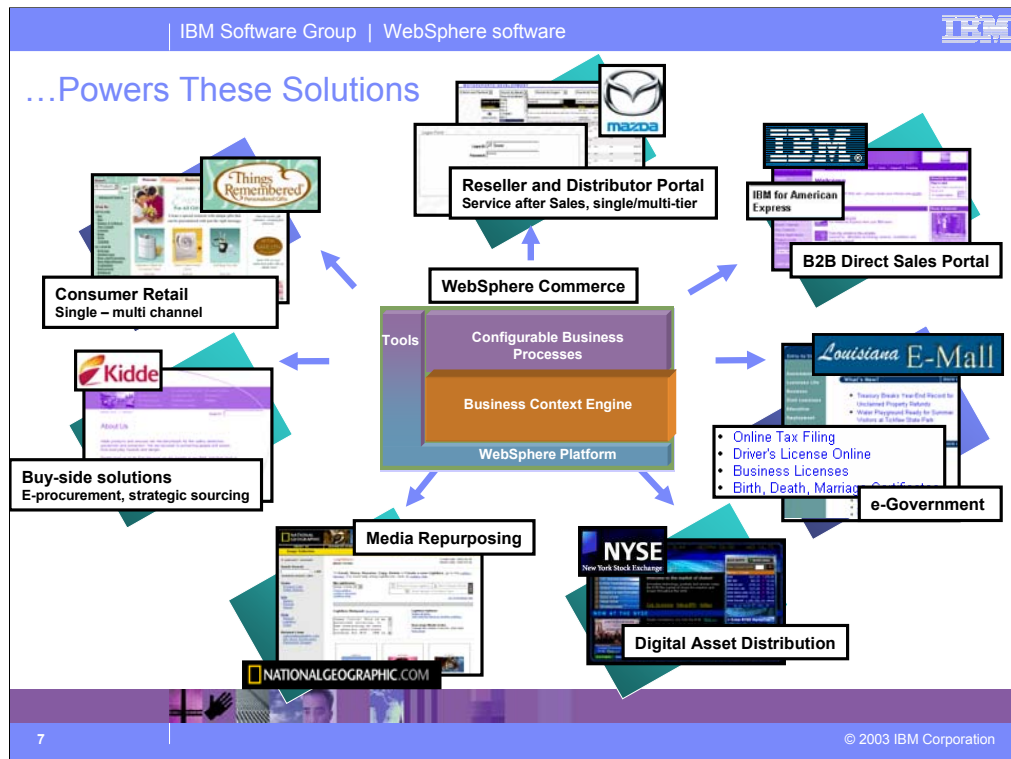
So let's see how we support these 4 thoughts in our Solution Architecture

The Business Context Engine is a key capability we introduce in V5.5. It brings together many individual capabilities we have released in previous versions, but you will see how in 5.5, this capability is significantly enhanced and becomes a key piece of our solution to control the user experience and is one of the key elements that makes our system responsive to individual customer needs.

On top of the Context Engine, is our collection of configurable business processes. And we've made significant enhancements this release to these 5 subsystems you all should be familiar with. Specifically our Marketing, Merchandising and Selling, Catalog, Trading and Order Management business processes.

Obviously the two major components of our architecture, the Configurable Business Processes and the Business Context Engine are built on top of our industry leading WebSphere Platform and leverages wherever possible the great capability of our underlying App Server, Portal Server and Business Integration Capability.

An in depth look at our commerce tooling family demonstrates this exploitation of the underlying platform very well. The Line of Business tools, our admin tools and our developer tools are all built and extensions of our WebSphere platform tooling. We believe this architecture and our tight integration with the underlying WebSphere platform is a key differentiator for us in the marketplace, and gives us and our customers significant competitive advantage.



You can see the power of this platform and another element of our strategy. Our vision is that we will leverage this platform across a wide array of industry solutions.

Today we have key customers in online retail management, reseller and distributor portals, B2B direct portals, e-gov't solutions, buy side solutions, and our most recent solution – dealing with the management of digital assets, some of which are truly commerce – like National Geographic, and excellent example of media repurposing, and others that have nothing to do with commerce but are focused on digital asset distribution.

1. Consumer Retail Solutions
  - Online retail management
  - Multi-channel
2. Reseller and Distributor Portal
  - Service-after-sales
  - Single-tier
  - Multi-tier
3. B2B Direct Sales Portal
4. Buy-side Solutions
  - e-Procurement
  - Strategic sourcing

## WebSphere Commerce Version 5.5



### Powering the Value Chain

WebSphere Commerce solutions allow you to deploy a wide variety of value chain initiatives -- from a simple online sales channel, to e-procurement, to a completely integrated multi-tier demand chain -- all on a single platform.

### Benefits:

- **Strengthen** and deepen business relationships
- **Optimize** sales, marketing & brand effectiveness across channels
- **Maximize** operational efficiency and productivity across the value chain
- **Leverage** & maximize the value every investment
- **Adapt** and grow with agility for competitive advantage

So with that Strategy and vision backdrop, let's turn to slide 8 and focus on what's new in Version 5.5.

Again, we are going to step through 4 key capability themes:

How we support Interacting more effectively – which allows you to strengthen business relationships

How you can optimize sales across channels and maximize operational efficiency by leveraging processes that implement best practices

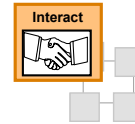
How you can leverage and maximize the value of every investment by effectively integrating across the enterprise

And finally how you can deploy and adapt rapidly and flexibly for competitive advantage



## Interact with Customer Context

*Easily configured to automatically support the unique ways you do business – and the ways your customers want to do business with you*



### WebSphere Commerce conforms to your business:

- Fully supports unique, individualized relationships with customers, employees, partners
- Ensures every business interaction is fully context aware
- Extend existing best practices & policies
- Learns from every interaction



As we discussed in the System Architecture slide, the **Business Context Engine** is designed to help our customers be more responsive to their customers. It fully supports unique, individualized relationships with customers, and their partners. It's designed around the construct that you have roles, relationships between roles and that you can have implicit or explicit negotiated agreements assigned to individual roles. This role based entitlement then presides over the configurable business processes and is what allows one to be truly responsive. And obviously this **Business Context Engine** takes advantage of the personalization and globalization capabilities one would expect. And since managing and measuring the effectiveness of ones responsiveness is so critical, the importance of powerful analytics capability cannot be understated. In V5.5 we significantly enhance the analytics capability with on board analysis tools and reporting technology.

**Value prop:** Does business the way you do -- rather than forcing you to conform your processes to the design of the software, WC leverages & enhances the processes and policies that differentiate your business. Preserves your competitive advantage -- and makes it sustainable

Knows, honors and applies, in real time, the **full context** behind every interaction with each customer and partner:

- o Individual characteristics (e.g. demographics, profile, behavior)
- o Behavior of users with similar individual characteristics
- o Personal preferences (e.g. interests, language, culture, customized views – (i.e. portlets))
- o Organizational characteristics (e.g. company, division/dept, role, responsibility)

## Strengthen & Deepen Business Relationships

Interact



### Benefits:

- Identify, acquire and retain the highest value customers
- Maximize wallet share & customer loyalty
- Increase partner loyalty & lifetime value

### Delivered by:

- Advanced Relationship Modeling
- Single, consolidated view of customer
- Personalized content, offerings, interactions w/ every customer & partner
- Real time customer profiling
- Multiple locales supported in single site
- Analytics for closed loop response

StaplesLink.com currently serves nearly 10,000 medium and large-sized organizations and more than 2.6 million customers,

- ♦ Staples' contract division drives 70% or \$700 million of total B2B contract sales through Stapleslink.com
- ♦ Staples offers integrated workflow and approvals to support multiple purchasing roles and levels of authorization



*If we turn to slide 10, one can see an excellent example of the power and benefit of strengthening business relationships.*

*Staples, in their B2B site takes advantage of the role based entitlements supported in the Business Context Engine, to serve nearly 10,000 medium and large sized organizations.*

*This allows Staples to drive 70% or \$700M of total B2B sales through Stapleslink.com*

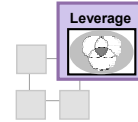
***Build stronger, more profitable relationships by making it easy for customers, suppliers and partners to do business with you -- anywhere, any time and any way they want to. Lock them into a level of convenience and personalized service that your competitors cannot beat.***

### ***Pain points:***

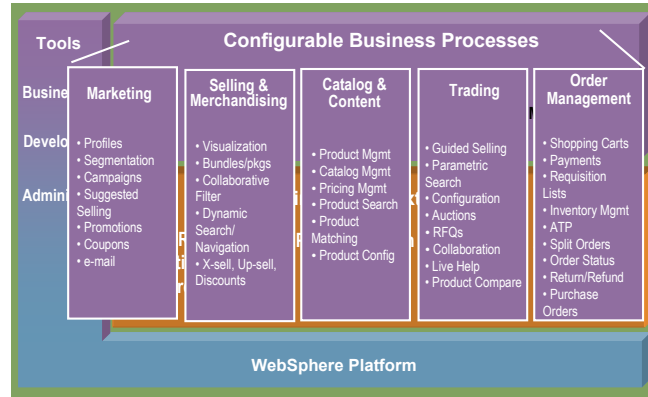
- ▶ Increased customer expectations & demands w/ decreased customer retention and loyalty
- ▶ Servicing customers consistently across touchpoints & channels
- ▶ Managing interactions w/ numerous sales and distribution partners

## Leverage Best Processes

*Maximize results & improve efficiency using out-of-box processes that support the whole spectrum of doing business – across channels and touchpoints*



- **Highly targeted, well informed Marketing, Selling & Merchandizing** for maximum results
- **Robust Catalog & Content** for rich, seamless brand experience
- **Trading** features streamline sales processes & support dynamic, customer-centered search & discovery
- **Advanced, distributed Order Management** to reduce order & fulfillment costs, increase inventory visibility & fully leverage & support channel partners



We will now take a closer look at the Configurable Business Processes we provide out of the box.

In V5.5 we have significantly enhanced the Marketing and Merchandising subsystems with key features like: Rules Based Discounts, Advanced Coupons promotions, and e-mail campaign capability.

We also designed these subsystems to automatically be governed by the powerful Business Context Engine, to ensure only those promotions and marketing options you were implicitly or explicitly entitled to were displayed.

We also partnered with key visualization partners like Scene7, to offer our customers state of the art dynamic visualization capabilities.

We significantly enhanced our catalog and content management tooling to allow LOB users the ability to easily modify and update their catalog content.

And we continue to provide advanced, distributed order management capabilities to effectively reduce order and fulfillment costs, increase inventory visibility and fully leverage and support channel partners.

One of the exciting enhancements in V5.5 is the ability for manufactures or large distributors to host smaller suppliers in a self managed environment.

- ▶ Built-in, end-to-end processes based on best practices
- ▶ Easily configure, tailor or extend them to meet your needs
- ▶ Replace or integrate any with your own best processes
- ▶ Choose extended capabilities from ISV partners

## Optimize Sales, Marketing & Brand Across Channels

### Benefits:

- Strengthen brand -- deliver seamless experience across channels
- Increase revenue per transaction
- Get the most out of marketing dollar
- Improve partner satisfaction & revenue

### Delivered by:

- Merchandizing & marketing
- Advanced catalog/content management
- Selling, trading & purchasing tools
- Reseller marketing, enablement & hosting



### NATIONALGEOGRAPHIC.COM

- Turns video, audio, text and image files — unstructured digital media - into commercially valuable assets that create real business value
- Ability to streamline orders in real-time to optimal partner
- Global customers can log in at their convenience to research and buy from catalog of over 10,000 digitized images
- Expects to triple photographic sales through new channel without increasing staff

### Panasonic

- Currently supports over 20,000 resellers while selling directly to customers
- By adopting WebSphere Commerce, realized a 325% growth in e-commerce
- Handling hundreds of thousands of products with more than 24,000 distinct attributes
- Expects product base to increase to approx 1 million models within next 6-12 months

*there are 2 great examples of how customers are leveraging our out of the box business processes to optimize sales and strengthen brand across channels.*

*In the first example, National Geographic.com, is making use of WebSphere Commerce to provide a self service library of their 10,000 most valuable digital images.*

*This capability has completely streamlined how they interact with their partners and has lead to a 300% growth in photographic sales and reduced the average sales cycle from days to minutes.*

*The second, Panasonic, has realized a 325% growth in e-commerce as a result of exploiting our key merchandising and out of the box business capabilities.*

***Strengthen and extend your brand and improve your bottom line using highly targeted marketing, well-informed merchandizing and customer-focused selling processes -- across all touchpoints and channels.***

### ***Pain points:***

- ▶ Cost and effectiveness of marketing initiatives
- ▶ Effectively managing brand experience
- ▶ Complexity of selling multiple product lines thru multiple channels

## Maximize Efficiency & Productivity Across Value Chain



### Benefits:

- Extend processes beyond the enterprise
- Reduce order and fulfillment costs
- Increase inventory visibility
- Deliver a seamless brand experience
- Increase team productivity

### Delivered by:

- Digital asset management & distribution
- Advanced order & inventory:
  - Distributed order & inventory mgmt
  - Distributor & fulfillment center Integration
  - Order hand-off & lead management
- Collaboration & team selling

- Sell antennas, transmitters infrastructure gear 100% thru channels, 55% of Ericsson's orders placed online
- Challenge – real time info to channels Solution B2B partner portal
- Online automated operational and logistical activities, supporting Assisted Selling and Configurators to sell complex solutions
  - Time-to-market for new products has been reduced by two months on average
  - Decreased selling costs and increased responsiveness by reducing lead-time for creating custom configured proposals from weeks or days to minutes.

Turning to slide 13, Ericson is another excellent example of a customer of ours who has leveraged our advanced and distributed order + inventory management capabilities as they built their B2B Partner Portal.

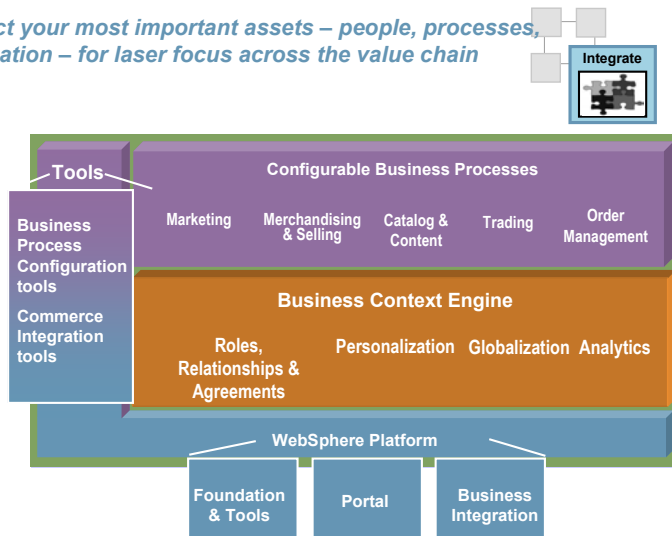
As you know, Ericson sells antennas and transmitter infrastructure completely through channel partners and 55% of that is via online sales.

By taking advantage of our Assisted selling and Product Configuration partner, they were able to decrease selling costs and increase responsiveness by reducing lead time for creating custom configured proposals from weeks or days to minutes.

## Integrate Across and Beyond the Enterprise

*Fully leverage and connect your most important assets – people, processes, systems and information – for laser focus across the value chain*

- Easily configure and adapt the out-of-box business processes
- Unify access to diverse, enterprise wide data and applications via Portals
- Consolidate disparate data sources for more effective customer service
- Leverage existing applications (ERP, CRM, SCM) across the value chain
- Integrate with your customers' and partners' processes and systems
- Extend commerce processes to other enterprises using Web Services



The real power of the provided business processes is determined by their flexibility and how easily one can integrate them to other processes across the enterprise. To achieve this you really need to do 2 things.

One is making sure these business processes can be invoked by external processes, and we achieve this by enabling our business processes to be webservices.

And second, you can allow WebSphere Commerce to be the Service Requester, by enabling it to invoke WebServices hosted by external systems.

We also leverage the multiple integration options provided in our WebSphere Business Integrator, like SAP adapters and connectors.

**WebSphere Commerce leverages and enhances proven IBM integration products and technologies to deliver a comprehensive yet affordable integration solution supporting five levels of integration:**

- ▶ **User Interaction.** Present your core business processes through one interface for a single consolidated view of the extended enterprise.
- ▶ **Information.** Consolidate, analyze and transform disparate data sources for more effective customer service and better decision making.
- ▶ **Application.** Coordinate efficient communication among packaged ERP, SCM or CRM software to enable them to fully participate in the value chain.

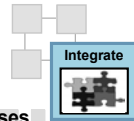
## Leverage & Maximize the Value of Every Investment

### Benefits:

- Lower total cost of ownership
- Accelerate ROI of initiatives
- Increase the value of existing investments
- Decrease redundancy, increase efficiency of cross-app/org processes

### Delivered by:

- Process centric architecture -- allows replace, extend, &/or integrate processes
- LOB tools to configure out-of-box processes
- High performance data integration
- WebSphere Portal for unified interface
- Comprehensive integration framework & tools:
  - Web services
  - WebSphere adapters & connectors
  - WebSphere Business Integrator



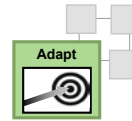
- Easily switched from the legacy web site to WebSphere Commerce integrated to ERP through the strong SAP optimization built into IBM's software products.
- Automatic order routing to Mikasa's SAP R/3 enterprise resource planning (ERP) system, setting the fulfillment process in motion at the warehouse
- Online store up, running and integrated with our legacy ERP system even before we implemented the SAP R/3 solution.

Here's a great example of how Mikasa, which exploited the order capture capabilities of WebSphere Commerce, tightly integrated with SAP's order processing system.

This was achieved via our built in connectors which maps our order capture messages and exchanges them with an SAP system.

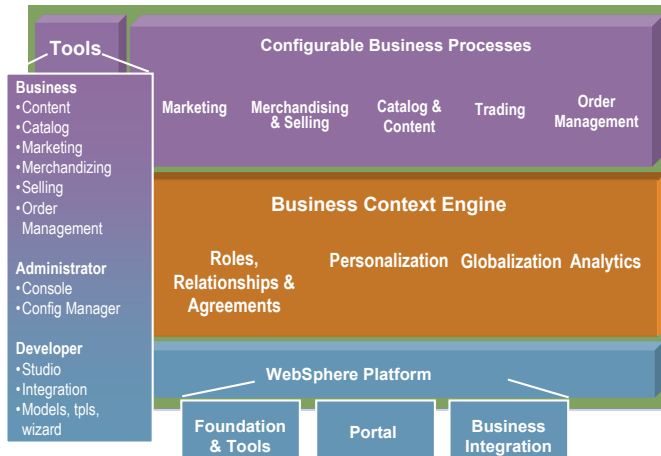
## Adapt & Deploy Rapidly & Flexibly

Accelerate ROI by rapidly deploying & adapting to change & opportunities using an open, flexible, unified infrastructure



### Meet your current and future needs:

- **Flexible** – use what you need, configure it how you need it
- **Adaptable** - rapidly seize new opportunities through open standards
- **Extensible** - differentiate your e-business
- **Scalable** – quickly & non-disruptively scale to meet variable needs
- Take full advantage of the underlying WebSphere platform



So we've now covered 3 of the 4 capability themes we introduced at the beginning. We've discussed our Business Context Engine and how it manages unique relationships and allows our customers to be more responsive.

Then we discussed the wealth of capability we deliver in our Configurable Business Processes.

And then we discussed the key integration capabilities we provide to ensure they can be tightly integrated across the enterprise.

The whole goal here is to accelerate ROI by helping customers rapidly deploy and adapt to change and opportunities using this open, flexible and unified infrastructure.

A key capability we deliver is an entire suite of tools to help our customers deploy and manage their sites.

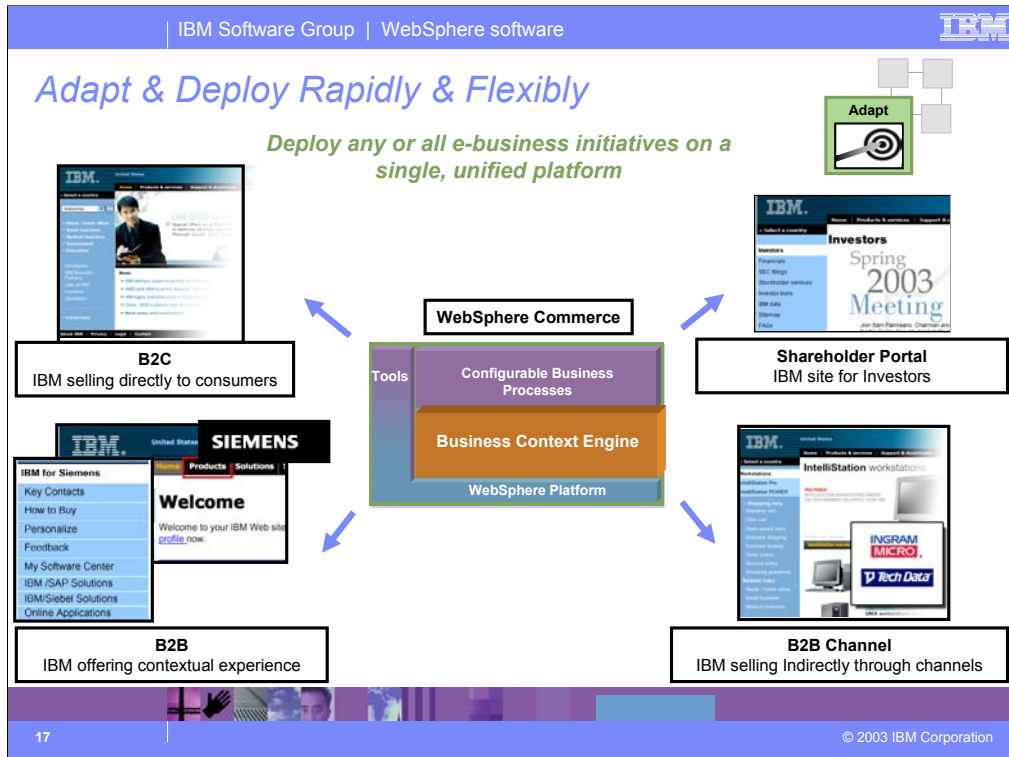
The tooling we provide is targeted at 3 specific audiences.

LOB tools give you the flexibility to easily configure key business processes. For example, one can easily change the behaviour of our sites marketing and merchandising initiatives without any IT involvement.

We also provide admin tools to allow you to easily configure and tune the platform.

And for Java developers, using the latest WebSphere Studio Application Developer tools, you have a complete test, debug and deploy environment.





And excellent example of the power of this platform and how you can easily adapt and deploy is ibm.com on slide 17.

We discussed earlier today how Staples serves their multiple corporate customers. IBM's B2B enterprise sites exploit the same capability.

However, what's really powerful in the ibm.com example is in addition to multiple B2B sites, IBM deploys multiple e-business initiatives on the same unified platform.

The public ibm.com site, the internal employee site, the shareholder site and the B2B enterprise sites all run on top of the same hardware and WebSphere Commerce infrastructure.

This consolidation of the B2B and B2C sites saves IBM 10-13M annually by leveraging this great capability.

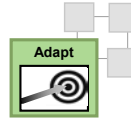
## Adapt & Grow with Agility for Competitive Advantage

### Benefits:

- Rapid ROI plus long term viability
- Improved decision making speed & quality
- Faster time-to-market against new opportunities
- Sustainable competitive advantage

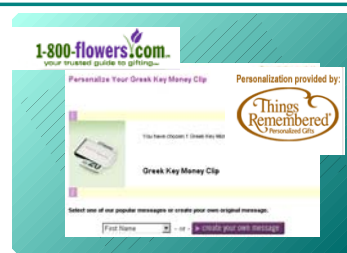
### Delivered by:

- Unified platform approach
- Open, standards based architecture and tools
- Integrated development environment
- Self-serve tools free IT to differentiate and capitalize on opportunities (not support LOB)
- Configurable, extensible, customizable
- Advanced Business Intelligence & Analytics
- Service Oriented architecture with components



### Things Remembered

- Things Remembered (TR) leverages their personalization services for other companies (e.g. 800 Flowers)
- All personalization for 1-800 Flowers provided/managed by TR back-end system
- Developing Kiosk implementation
- Partner prototype; 2<sup>nd</sup> stage is implementing at TR locations



*On slide 18, we have another great of how our customers can adapt and respond with agility using the WebSphere Commerce platform.*

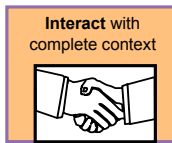
*Things Remembered realized they could drive additional affiliate revenue streams by externalizing their key personalization services to other customers via web services. Since our system could easily be extended with web services, they were able to quickly react to market opportunity and solidify a partnership with 1-800-Flowers.*

***Sense change and respond on demand to dynamic business conditions such as customer demand, market opportunity and competitive threat -- based on an integrated view of customers, employees, suppliers and partners. Adapt quickly, cost-effectively and without disruption.***

### ***Pain points:***

- ▶ Fragmented customer and business intelligence across touchpoints & channels
- ▶ Anticipating, recognizing, responding to change
- ▶ Time to market pressures

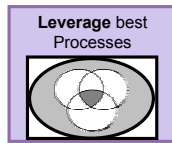
## Capabilities Recap



**Interact with complete context**

**Delivered by:**

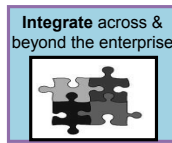
- Advanced Relationship Modeling
- Single, consolidated view of customer
- Personalized content, offerings, interactions w/ every customer & partner
- Real time customer profiling
- Multiple locales supported in single site
- Analytics for closed loop response



**Leverage best Processes**

**Delivered by:**

- Merchandizing & marketing
- Advanced catalog & content management
- Selling, trading & purchasing tools
- Reseller marketing, enablement & hosting
- Digital asset management & distribution
- Advanced order & inventory:
  - Distributed order & inventory mgmt
  - Distributor & fulfillment center Integration
  - Order hand-off & lead management
- Collaboration & team selling



**Integrate across & beyond the enterprise**

**Delivered by:**

- Process centric architecture – allows replace, extend, &/or integrate processes
- LOB tools to configure out-of-box processes
- High performance data integration
- WebSphere Portal for unified interface
- Comprehensive integration framework & tools:
  - Web services
  - WebSphere adapters
  - WebSphere Business Integrator



**Deploy & Adapt Rapidly & Flexibly**

**Delivered by:**

- Unified platform approach
- Open, standards based architecture and tools
- Integrated development environment
- Self-serve tools free IT to differentiate and capitalize on opportunities (not support LOB)
- Configurable, extensible, customizable
- Advanced Business Intelligence & Analytics
- Service Oriented architecture with components

This is provided for your convenience and tries to summarize nicely the key capabilities we have discussed under our 4 themes.

## IBM WebSphere Commerce Leadership

### ▪ Technical Leadership

- Dedication to developing the technology
- Commitment to customer

### ▪ Customer Leadership

- Collaborative development cycle
- Customer Summits to assess requirements
- Lab Advocates
- Commerce Enhancement Packs

### ▪ Market Leadership

- Development of Market Leading technology
- Contribution around Industry Standards
- Partnership Support



### *Powering the Value Chain*

**WebSphere Commerce solutions allow you to deploy a wide variety of value chain initiatives -- from a simple online sales channel, to e-procurement, to a completely integrated multi-tier demand chain -- all on a single platform.**

The key point of this chart is that we think we have a unique value proposition.

In addition to our technical leadership and market leadership, we believe that we have a rather unique customer partnership program.

We have tried from the beginning to form very close collaborative efforts between my development organization and our customers.

This partner ship really help drive the technical and strategic direction of my portfolio

## WebSphere Commerce V5.5 Release

- **Availability -> June 30, 2003**

- **Pricing**

- WebSphere Commerce Business Edition @ \$125K / processor
  - WebSphere Commerce Studio Business Developers Edition @ \$25K / seat
- WebSphere Commerce Professional Edition @ \$80K / processor
  - WebSphere Commerce Studio Professional Developers Edition @ \$15K / seat

- **Availability -> September 30, 2003**

- **Pricing**

- WebSphere Commerce – Express @ \$20K / processor
  - limited to a two processor environment , includes staging server and one developer edition seat
  - additional Developer Edition seats available at \$3.5K each

CEP = Commerce Enhancement Packs

## WebSphere Commerce – Express

*Jump-start or Expand Your e-Commerce Capabilities*

### ▪ Quick installation and store deployment

Installs in as little as one hour - 30% faster and in half the steps of MSCS

Fast-path documentation, new mid-market sample store speeds store creation

Available in  
September

### Low total cost of ownership for a complete solution

- Packaged offering meets production, staging and development needs at one affordable price
- Streamlined design helps keep cost of services low

### Easy to use and administer

- Wizard-based tools for marketing/merchandising needs
- Intuitive product management tools to manage catalog

### Business partners can start a customer small and grow

- Ideal solution for “beachhead” deployments

### Supports open standards

- Customers not locked into a proprietary platform choice
- Java-based, 100% J2EE-compliant, supports Linux

*“CommercialWare's integration with IBM's WebSphere Commerce has always been a competitive advantage for us, and we are very excited about the clear commitment IBM has made to the SMB market with the release of WebSphere Commerce-Express. With WebSphere Commerce-Express, IBM has delivered a competitively priced complete solution that will allow customers to leverage the power of Websphere Commerce while realizing a quick return on their investment.” - Donny Askin, Founder and CEO, Commercialware*

WebSphere Commerce – Express V 5.5, built off the **award-winning WebSphere Commerce platform**, is a new, integrated package of software components to help growing mid-market companies build and maintain e-commerce web sites. WebSphere Commerce – Express lets you **start with the basics** you need to deploy an e-commerce website, and then **grow with the industry leader as your needs change and grow**. Broad platform coverage supports current and future platform decisions, for scalability, flexibility, and reduced risk.

Commerce-Express **installs easily** – in as little as one hour for Windows - 30% faster and in last than half the steps of MS Commerce Server. A new, mid-market friendly fast-path document called the “Express Guide” as well as a new sample store designed specifically for the mid-market all contribute to rapid store creation and customization, resulting in improved productivity and cost containment.

WebSphere Commerce-Express is an **affordable solution**, with per-processor pricing and flexible terms, making this offer attractive even to firms with small IT budgets. But just as important, it is a **complete solution** – providing what you need for production, staging and development all at one affordable price - unlike the leading competitor, which charges you at each step of the way. The streamlined install/store deployment keeps service costs under control, and availability on Linux means the total software solution cost including the operating system can be driven lower still. In addition, the common code base with the rest of the WS Commerce portfolio means that 100% of customized code can easily be migrated, keeping future costs under control as well.

Wizard-based tools facilitate **easy management and administration** with minimal assistance or skills training. Tools such as the WebSphere Commerce Accelerator empower the business professional to create and manage marketing, merchandising, operational and customer service activities with minimal training - and no assistance from IT.

For Business Partners, Commerce-Express represents an **affordable springboard that lets you extend more value over time**. The attractive price point supports “beachhead” installations, an ideal setting for your future value-add services. Easy store deployment gets your customer up and running fast, reducing your costs, and the common code base allows seamless upgrades to more advanced solutions. Partner support is provided with complete training through the Express Enablement program, to ensure developers are ready to deploy Commerce-Express with their customers. Deploy Commerce-Express and let your mid-market customers grow with the e-commerce industry leader!

Finally, **support for open standards** that has become a hallmark of the WebSphere middleware platform continues with Commerce-Express. Supporting Windows as well as Linux and i Series, Commerce-Express will support your current and future platform decisions. 100% J2EE-compliant and Java-based, WS Commerce-Express also integrates easily with backend applications.

## A World Class Platform at a Fraction of the Cost: Commerce – Express Pricing vs. MSCS

Scenario	WebSphere software	Microsoft
<b>Basic Commerce Site:</b> Deliver a basic B2B or B2C e-commerce site, one processor license plus pre-production staging environment	<b>WebSphere Commerce - Express</b> \$20,000	<b>Microsoft Commerce Server Standard</b> \$26,196
	<ul style="list-style-type: none"> <li>■ Production and staging server</li> <li>■ Developer license</li> <li>■ Maint&amp;upgrade protection</li> <li>■ Technical support</li> </ul>	<ul style="list-style-type: none"> <li>■ Production and staging server</li> <li>■ Developer license</li> <li>■ Maint&amp;upgrade protection</li> <li>✗ No technical support</li> </ul>

Scenario	WebSphere software	Microsoft
<b>Growing Customer Base:</b> Basic B2B/B2C site but scaled to higher customer needs with two processor licenses plus pre-production staging environment	<b>WebSphere Commerce - Express</b> \$40,000	<b>Microsoft Commerce Server Standard Edition</b> \$52,392
	<ul style="list-style-type: none"> <li>■ Production and staging servers</li> <li>■ Two developer license seats</li> <li>■ Maint&amp;upgrade protection</li> <li>■ Technical support</li> </ul>	<ul style="list-style-type: none"> <li>■ Production and staging servers</li> <li>■ Two developer license seats</li> <li>■ Maint&amp;upgrade protection</li> <li>✗ Technical support</li> </ul>



## WebSphere Software Momentum

### Comprehensive Market Share Leadership!

**"IBM Has Top Share in All Application Integration, Middleware Markets."**

*Gartner Dataquest, May 2003*

- Enterprise App Servers (37%)
- Integration Broker Suites (17%)
- Portals (13%)
- Message Oriented Middleware (81%)

**31%**

*Gartner 2003 (AIMP)*

### Customer Strength!

WebSphere software customers include **93 out of the top 100 Fortune companies in 2003**

*2003 Fortune 500 and IBM Finance Dec 2002 WebSphere Customer List*

**Continuous quarterly YTY growth for the extended WebSphere software family since 1Q2001.**

*IBM Finance, 1Q03*

### Industry Recognition!

[IBM] is the only company that can offer a **"complete infrastructure stack"**

*Kevin McIsaac from Meta Group in Information Age article: "Back to blue", Jan 2003*



WebSphere momentum is unstoppable with...  
 Dominant Market Share  
 Ever Growing Customer Base  
 And Leading Industry Recognition

According to Gartner Dataquest, WebSphere software is leading the industry in worldwide market share with over 20% points ahead of it's nearest competitor as the most comprehensive application, integration, middleware & portal (AIMP) platform.

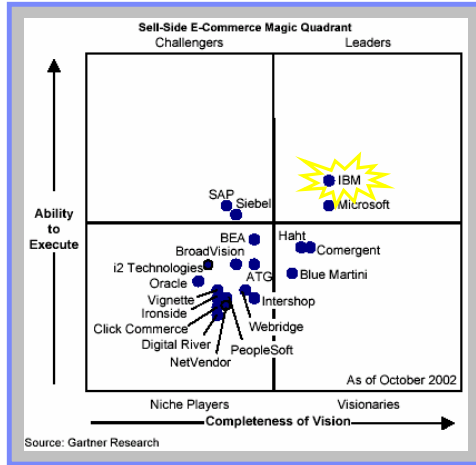


## WebSphere Commerce Awards and Leadership Recognition

- Software & Information Industry Association Codie Awards (SIIA)
  - Best eBusiness Solution
  - Best eCommerce Solution



- Gartner eCommerce Magic Quadrant



## Summary

- 1. Customer demands, economic conditions & competitive pressures have created new e-business imperatives and the emergence of e-business On Demand**
- 2. Companies need an On Demand software platform that allows them to:**
  - Interact with complete context
  - Leverage best processes
  - Integrate across and beyond the enterprise
  - Adapt and Deploy rapidly & flexibly
- 3. The WebSphere Commerce platform approach is the solution for unifying e-business initiatives on a flexible, open, adaptable infrastructure**

[ibm.com/software/commerce](http://ibm.com/software/commerce)



IBM Software Group

## Back-Up

WebSphere. software



@business software

© 2003 IBM Corporation

## Opportunity Identification Questions

Solution		Prospecting Question
1. Consumer Retail	a. <i>Advanced Retail Management</i>	Are you experiencing poor RFM and customer conversion rates from an inability to target the right product to the right customer at the right time?
	b. <i>Multi-Channel Retailing</i>	Are you finding it difficult to drive online customers into your brick and mortar stores as a means to leverage your online channel investment as part of your overall multichannel strategy?
2. Reseller & Distributor Portal	a. <i>Service-After-Sales</i>	Are you experiencing poor RFM and customer conversion rates from an inability to target the right product to the right customer at the right time?
	b. <i>Single-Tier</i>	Would you like to improve your ability to interact with your dealer networks to improve responsiveness to order requests and fulfillment while reducing costs?
	c. <i>Multi-Tier</i>	Do you have a complex network of customers, partners, distributors, etc? Are you challenged to improve the efficiency of interacting with this network to drive revenue?
3. B2B Direct Sales Portal		Are you challenged to provide a personalized view to your B2B customers because the information you need is contained in multiple enterprise applications and varies depending on the contract terms and conditions?
4. Buy-Side Solutions	a. <i>e-Procurement</i>	Would you like to automate the corporate purchasing activity to make it easier for employees to buy needed items while you gain greater control and visibility into the process at the same time?
	b. <i>Strategic Sourcing</i>	Would you like to increase efficiency in the way you select suppliers in a manner that takes into account the most critical variables such as cost, availability, etc?
5. Media Repurposing		Do you have a large library of digital assets that support your business? Would you like to explore a way to create a new revenue stream from this asset in a way that is simple, automated, and easy-to-manage?
6. Digital Asset Distribution	a. <i>Brand Asset Distribution</i>	Do you share and distribute digital brand assets with customers, partners, distributors? Do you have a problem of inconsistent usage? Would you like to hear about an easy-to-use system that will help you reduce distribution costs, improve your ability to understand how these assets are being used and strengthen your brand image?
	b. <i>Digital Learning</i>	Would you like to use digital assets to train employees and customers on your products and services?
7. e-Government Solution		Would you like to improve responsiveness to citizens and make it easier for them to do business with you? Are you challenged to bring together information and applications from multiple different agencies in order to meet your goals?

### General

• Do you want to use the web to sell your goods or services to consumers (B2C)? Or businesses, partners (B2B)? Or All?

### For General B2C Opportunities

- If you already have an online storefront, do you need to implement a multi-channel, integrated selling environment? .....integrated with your physical store, phone, kiosk, wireless, etc access points
- Would you like to automate many of the manual tasks associated with servicing your customers?
- Do you sell complex product offerings? Display and/or sell digital softgoods (video clips, images, audio)?
- Are you facing the challenge of controlling brand experience? Is this impeding your ability to build customer lifetime value? Do you need to automate your marketing and merchandising promotions? Do you need to personalize your storefront environment based on the consumer type?
- Do you need to implement your online commerce site quickly and easily? Are your competitors getting ahead?
- Do you need a commerce solution that will grow with your business and provide the reliability you need?
- Do you need to implement a commerce solution supporting multiple countries around the world?
- Do you need to support wireless devices? Java development?
- What platform of choice would you prefer?

### For General B2B Opportunities

- Do you need to implement a commerce solution for your trading partners? For your Business Customers?
- Do your customers buy under negotiated contracts, with terms & conditions (pricing, product selection, payment terms, etc.) that vary from customer to customer? Do you need to personalize your commerce site based on those contract terms & conditions?
- Are your customers' organizations hierarchical, with different individuals having different levels of authority for purchasing?
- Would you like to reduce your order-taking and call center costs while increasing the level of customer support and satisfaction?
- Do you sell complex product offerings?
- Do you want to become easier to do business with by streamlining the product selection and purchasing process for your customers?
- Would your business benefit by being able to rapidly respond to RFQs and RFPs? By being able to sell products at auction?
- Do you need to implement your online commerce site quickly and easily? Do you need a commerce solution that will grow with your business and provide proven reliability?
- Do you do business in multiple languages/currencies/ geographical locations?
- Do you need to integrate your commerce solution with your (or your partners') existing business systems?

# 1. Consumer Retail: Things Remembered



## Solution: WebSphere Commerce Professional Edition

- Easy-to-use tooling
- Catalog merchandising associations
- Guided selling and advanced search tools
- Back-end systems integration
- Open standards integration

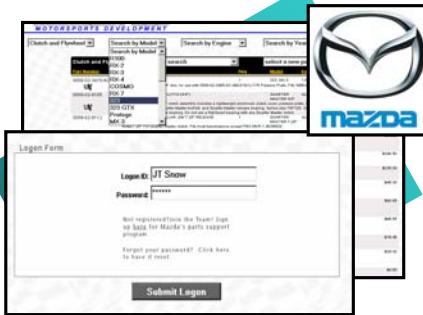
## Benefits

- Sales revenue increased 340% over prior year
- Number of orders placed increased 7X
- Customer conversion rate increased 56%
- Number of repeat customers increased 37%
- Revenue per transaction increased by 15%

## Customer Pains

- Target offers to customers
- Improve customer conversion rate
- Leverage and grow e-commerce platform with existing architecture
- Support affiliate partners on joint offers

## 2. Reseller and Distributor Portal: Mazda



### Solution: WebSphere Commerce Professional Edition

- Rich Product Presentation
- Business Process Automation
- Extensible J2EE Infrastructure

### Benefits

- Projected 25% increase in sales to racing customers in 2001
- Fewer calls to Competition Parts department
- Integrates seamlessly with back-end systems
- Out-of-the-box solution with many features to implement over time to grow its e-business

### Customer Pains

- Deliver a user-friendly online shopping experience
- Call center could not handle call volume
- Required a foundation designed for easy expansion and flexibility

### 3. B2B Direct Sales Portal: IBM.com



#### Solution: WebSphere Commerce Business Edition

- WebSphere Commerce for online and telesales
- Customized e-sites for top-tier customers
- Available 24/7 for order placement and status
- Guided selling and integrated configurator support
- Enable real-time customer
- Executed contracts & roles, enabling "Entitlements"

#### Customer Pains

- Manage contracts with unique pricing and product selection
- Offer personalized experience to mid-sized and small customers
- Consistent online presence worldwide
- Integrate product catalog with back-end SAP inventory system

#### Benefits

- \$26B in online sales in 2002
- Supports 1,540 customized e-sites, 39 languages across 51 countries
- SAP integration provides real-time inventory availability 18,000 products
- Estimated annual cost savings: \$10-14M

## 4. e-Government: State of Michigan



### Customer Pains

- High cost to support and manage web sites
- Poor customer service and hard to work with
- Content management processes were fragmented and inefficient

### Solution: WebSphere Commerce Professional Edition

- Single unified platform to run multiple agency sites
- Easy-to-use LOB tooling to manage and update web content without IT support
- 24/7 access to information and transactions
- Single point of access through a personalized portal

### Benefits

- Expected savings in administrative and mailing costs by moving services online
- Reduced support and maintenance costs by consolidating web sites on a single platform
- Increased productivity by freeing up IT resources to work on more strategic initiatives



## 5. Media Re-purposing: National Geographic



**NATIONALGEOGRAPHIC.COM**

### Solution: **WebSphere Digital Media Enabler**

- Unstructured media files become manageable and valued assets
- Digital assets accessible immediately—internally and externally
- Real-time collaboration
- Streamlined orders process
- Guided Selling and Content Manager TextMiner

### Customer Pains

- Managing & distributing rich media
- Increasing sales opportunities through channels
- Distribution and promotions to predefined groups
- Reducing operational costs through centralization

### Benefits

- NGS plans to triple its revenue over the next three years
- Site launched with 10,000 images; will add at a rate of 1,000 per week
- Online channel builds offers more efficient revenue stream

## 6. Digital Asset Distribution: NYSE



### Solution: WebSphere Digital Media Enabler

- Management, distribution and delivery of digital media
- Various queries, or search by keyword, image content.
- Showcase audio, videos & computer-generated imagery
- Guided Selling with TextMiner engine
- Enable collaborative customer care

### Customer Pains

- Store photographic images of special and on-floor events
- Inefficiencies in managing and distributing rich media internally and externally
- Difficult to locate, view and purchase images and footage
- Protect digital media assets

### Benefits

- Manage assets up and down the distribution channel
- Ensure consistent representation of intellectual property
- Offer rapid access to assets for advertising, product marketing, and e-Commerce

- Able to manage assets up and down the distribution channel and ensure consistent representation of intellectual property
- Able to offer rapid access to assets that support advertising, product

## 7. Buy-side (e-Procurement & Strategic Sourcing): Kidde Plc.



### Solution: WebSphere Commerce Business Edition and Digital Union

- Workflow approval of purchase requisitions
- Suppliers maintain their own catalogs for increased control
- Integration with multiple back-end systems
- Consolidated view of purchases across buyers, buying companies, and suppliers
- Increased order accuracy, reduced costs

### Customer Pains

- Control and visibility into global purchasing to:
  - Reduce costs
  - Remove paper
  - Empower users
  - Consolidate purchasing
  - Improve supplier relationships
- Support complex legacy environment

### Benefits

- Maverick purchasing greatly reduced
- Number of suppliers in use reduced
- increasing supplier satisfaction and reduced Kidde costs
- Improved tracking and monitoring: continuous improvement of the purchasing function

## IBM WebSphere Commerce Family

*Solutions that allow you to deploy a wide variety of value chain initiatives all on a single platform.*



This slide describes the overall Commerce Family of offerings within the WebSphere Brand