



## Business Process Integration: An Overview of the Opportunity for IBM Business Partners

### The On-Demand Vision

In October 2002, Sam Palmisano set IBM on the path toward IBM's vision, that On Demand will help our customers better respond to their customers, competition, and markets. An On Demand business, by definition, can respond with speed to any customer requirement, market opportunity or external threat because their business processes are integrated end-to-end across the company and with key partners, suppliers and customers. Business Process Integration is an integral part of the On-Demand vision.

**Business Process Integration (BPI)** is about improving efficiencies by linking applications and processes, internally and externally, across the value chain. Internal integration helps a company's systems and applications work together to achieve efficiencies and provide better customer service while, external integration helps companies connect and coordinate with their suppliers and customers to achieve efficiencies and improved communications. BPI enables businesses to:

- Ensure continuity of business operations in the event of a disruption
- Simplify and streamline core or strategic business applications and processes
- Comply with and respond to industry and government regulations
- Improve operational efficiency
- Comply with value-net leader mandates
- Automate core business processes

For our customers, participation in the *integration* stage of e-business evolution has recently increased from 26% to 43% and BPI has become the

number one priority for SMB customers. Primarily because it provides the means to solve specific business issues along with providing a short-term ROI.

The fact that Business Process Integration is a fundamental part of IBM's On Demand strategy is highlighted by the establishment of a new Emerging Business Opportunity Unit to capitalize on the rapidly growing BPI marketplace.

### IBM Product Offerings

IBM's BPI product offerings allow business partners to develop end-to-end solutions for mid-market customers to address their key integration needs:

- Application/System Integration
- Supply Chain Integration
- Business-to-Business Integration
- Regulatory Compliance

These solutions will help IBM and our business partners capitalize on process integration related IT spending in the following industries:

- Retail
- Electronics
- Wholesale
- Automotive
- Consumer Products



## Business Process Integration: An Overview of the Opportunity for IBM Business Partners

### IBM Product Offerings

#### Application/System Integration: *MQ Express*

Without dedicated application connectivity software, sharing business information between applications can, at best, be difficult and, most likely, impossible. The applications that customers use to run their businesses may come from a number of different sources; from within the company and from outside vendors. These applications can produce information in a variety of different formats that may be incompatible with each other or running on different compute platforms.

With WebSphere MQ Express business information can be moved safely and securely to wherever customers may need it, within or outside the business, without writing complex networking code. WebSphere MQ Express not only speeds up development time for integration projects and new application development, but it can also make customers business information more widely available within the company and greatly reduces the time to integrate further applications in the future.

#### Supply Chain Integration: *WebSphere Business Integration Server Express*

Application connectivity addresses the requirements for connecting various applications, allowing information to be shared and used across heterogeneous application systems.

Business process integration allows the business to control and coordinate activities across various process constituents, people and applications, internal and external to the enterprise, in ways that fully and efficiently implement defined business processes. With WebSphere Business Integration Server businesses can start small, scale rapidly, support multiple platforms and implement a reusable open integration

#### *WebSphere Business Integration Server Express (cont'd)*

infrastructure that spans department initiatives, and evolves as more projects emerge, becoming the integration backbone of the entire company.

#### *WebSphere Business Integration Express and Express Plus for Item Synchronization*

Today's suppliers - consumer packaged goods companies, manufacturers, and wholesalers - face many challenges. Each year, 20000 Universal Product Code (UPC) items are created and it typically takes 10 to 30 days to get these new items and price changes to market. Data elements that describe these individual items typically change up to four times per year. Furthermore, nearly three out of five orders placed need to be revisited and reworked before completion. To meet these escalating data demands on suppliers, UCCnet has implemented multi-industry standards for product identification and related electronic communications. A subsidiary of the Uniform Code Council Inc., UCCnet is a neutral industry organization that implements these standards by requiring its community of trading partners to provide standardized item data in particular formats to its registry.

Built to meet UCCnet standards, IBM WebSphere Business Integration Express for Item Synchronization and IBM WebSphere Business Integration Express Plus for Item Synchronization are mid-market solutions that automate item synchronization business processes using proven WebSphere Business Integration technology. These UCCnet certified solutions provide a cost-effective, easy-to-use approach to accelerating a supplier's transition to automated item synchronization.



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### IBM Product Offerings

#### Business-to-Business Integration: *WebSphere Business Integration Connect Express*

IBM can now demonstrate leadership in the community integration space with its new portfolio of WebSphere Business Integration offerings. These provide connectivity between enterprises of varying sizes who want to ensure they effectively integrate their trading relationships. Companies will derive better value from their integrated value chain. They will shorten the end-to-end process of communicating with their partners and will be able to streamline the business processes which rely on interactions with those partners. They will derive greater interoperability and realize dynamic and fluid connectivity in their community of trading partners. By improving levels of automation used in B2B exchanges and interaction, community participants will gain substantial reductions in human errors and associated costs.

#### Sarbanes-Oxley/Regulatory Compliance: *Lotus Workplace for Business Controls and Reporting*

This solution provides a dynamic work environment in a single, scalable, reliable platform that can be easily deployed. The solution helps provide greater visibility into a company's internal controls and business processes to help respond more efficiently and effectively to new legislative requirements, now and in the future. Role-based access to disclosure controls documents, internal controls matrices, testing procedures and results, residing in a single repository, helps individuals to quickly identify issues and help mitigate risks. Capabilities are modular in approach and can be expanded, as required, to meet changing business needs.

### Become an IBM BPI Partner

By working with IBM's BPI EBO team, IBM Business Partners will be able to leverage IBM's On Demand messaging, demand generation and IBM's market leadership in business integration.

#### For more information contact:

Americas: Rick Schwitzer, [schwitze@us.ibm.com](mailto:schwitze@us.ibm.com)

EMEA: Yvon Mullink, [yvon\\_mullink@nl.ibm.com](mailto:yvon_mullink@nl.ibm.com)

AP: Barry Feyder, [barryf@au1.ibm.com](mailto:barryf@au1.ibm.com)

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*"...a staggering 42% of transactions are still paper based."*

*– Gartner*

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*"In 2004, the top emerging areas in which organizations plan to invest are application integration and wireless technology..."*

*– AMR Research*

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## Retail

The retail industry includes the following specialty areas: Specialty Hardline, Specialty Softline, Consumer Electronics, Department Stores, Drug Stores, Discount Retailers, Convenience Stores, Eating & Drinking, Grocery. (see Appendix for detail on each specialty area)

### Retail Industry Snapshot

- **2004 is Year of the Store:** Average IT spend is 1-3% of revenues, up 3% (AMR)
- US\$1.17 billion worldwide middleware opportunity
- Focus on SMB segment: 100-4999 employees
- Top cities/states in G9: New York, London, Shanghai, Toronto
- Top solution areas: Networking, Internet, Enterprise Security
- Top infrastructure areas: POS Systems, Multi-site solutions
- Industry mandates: Global Data Synchronization (UCCNet, SINFOS, WWRE, etc.), AS2, RFID, Sunrise 2005, ARTS for POS Data, Retail Event Management

Small and midsize retailers face many of the same challenges as their larger competitors: slow industry growth, pressure to increase profit margins and fluctuating consumer confidence. However, these retailers typically have fewer people and less money available to tackle these challenges.

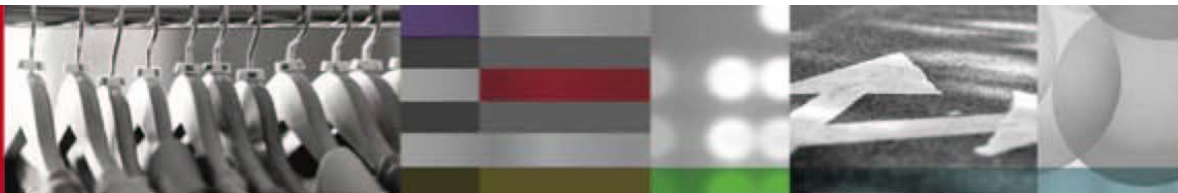
The economic downturn of the past few years forced retailers to substantially decrease, and in some cases freeze, their IT spending to sustain their margins. This lack of investment contributed to a number of problems, especially aging, inadequate point of sale systems and a low level of systems integration at the store level and across the enterprise. Importantly, the recent economic recovery has opened the door for retailers to explore increasing IT investments in newer technology solutions that can improve the customer experience, revenue and profits including real-time in-store and on-line marketing, wireless registers, customer relationship management, stock-out detection and inventory management systems.

### Retail Industry Challenges and Solutions

The success of the retail industry is highly dependent on successfully managing fluctuations in customer demand. Retail companies must be able to effectively exploit real-time sales opportunities across channels, ensure adequate inventory to meet sudden spikes or declines in demand and target their most profitable and loyal customers to ensure more consistent revenue streams.

Needs	Pains addressed	Solution
IT Media Production & Mgt	Excessive media costs Error-prone media production Long production time Not leveraging existing media/images	Digital Media/Content Mgt
Supplier Integration	Labor intensive inventory management Poor forecasting replenishment & allocation due to disparate info systems	Supply Chain Integration
Meeting customer demand	Shrinkage, out of stock situations Order delays between warehouse and shop floor Labor intensive inventory management	Wireless Inventory Mgt
Targeting most profitable customers	Inability to leverage customer data to make fast, intelligent accurate Business decisions Customer retention	Customer Analytics/Data Mining
Deliver a multi-channel customer experience	Siloed customer information Lack of integration between website and traditional sales channels	B2C e-Commerce





## Breaking the Ice with e-Business on Demand in Retail

Retailers who deploy solutions based on IBM software reap the benefits of becoming an On Demand e-business.

### Business Flexibility and IT Simplification

Retailers who can respond faster to shifting market dynamics including demand, industry consolidation and industry mandates such as Global Data Synchronization, AS2, RFID, Sunrise 2005, ARTS for POS Data, Retail, and Event Management are better positioned to succeed than their competitive counterparts.

Retail solutions built on IBM middleware connect people, process and information internally and externally across Windows, Linux, UNIX, AS/400 and many other operating platforms to provide a simpler IT environment and single view of the business. CEOs, CMOs, CIOs and other executive teams will be able to respond faster than competition to emerging opportunities that will grow their businesses. Integrating business applications and systems across disparate platforms creates a more flexible, responsive, on demand business environment.

### Investment Protection

Retailers should avoid being locked into proprietary technologies and solutions from only one vendor so they are free to choose current and future best-of-breed solutions that enable them to be the best they can be in their industry.

Unlike other vendors' proprietary software, IBM software is built on open, modular technologies that work with and connect your existing IT environment. This capability protects and extends the value of your current IT investments while helping you avoid the excessive time and costs associated with ripping and replacing to commit to a single IT vendor. In addition, retailers can be assured of taking advantage of future technology innovations regardless of the vendor they come from to protect future IT investment opportunities.

## Security-rich Business Processes

Downloading security patches to protect against viruses and hackers is costly and painful. Unlike other software vendors, IBM has a rich history of providing secure and reliable solutions that reduce the total cost of ownership and secure our customers' most important asset—information.

## SMB Retail Solution Area References

- [Digital Media and Content Management Solutions](#) (click to open url)
- [Supply Chain Integration](#) (click to open url)
- Wireless Inventory Management: NONE
- [Customer Analytics/Data Mining/CRM](#) (click to open url)
- [B2C e-Commerce](#) (click to open url)

## Additional information

### Retail Industry Playbook Download:

<http://w3.ibm.com/software/sales/teleweb>

Left nav click on SWG offerings/SMB/ and right nav click on retail

### Retail Industry Enablement Materials:

<http://w3.ncs.ibm.com/SMB-Retail>

This site provides further insight on the latest industry trends, customer needs and on demand sales enablement for the SMB Retail industry. This is not software group specific.

### Product Pricing Terms and Conditions:

<https://prcbk.lotus.com/internal/ePricer/PbCfqInternal>

This is the IBM Distributed Software Pricebook

### Business Partner Locator:

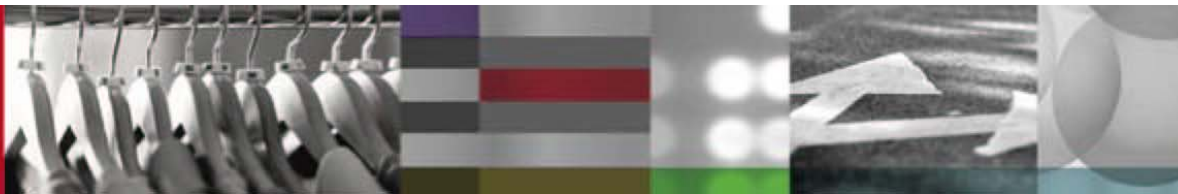
Industry Solutions Directory: <http://www-1.ibm.com/solutions/ism/>

Software: [http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu\\_blic/035AF97B32F20AA686256E6F005DC0F7?OpenDocument&NL=en](http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu_blic/035AF97B32F20AA686256E6F005DC0F7?OpenDocument&NL=en)

### Software SMB Retail Industry Site:

<http://www-306.ibm.com/software/smb/na/solutions/retail/>





## Appendix: Retail Industry Segments

### Specialty Hardline

- Furniture, appliances, home improvement, service stations, automotive, nurseries, etc.
- These retailers sell items that are durable (don't spoil) but can be seasonal, their merchandise have a decent shelf life but can go out of style. The products generally have scannable with bar codes. Book and furniture stores are classic examples.

### Specialty Softline

- Home furnishings, apparel, jewelry & accessories.
- These retailers sell items that are highly seasonal like clothing and accessories that have shelf life in terms of months.
- Another distinguishing feature is that the merchandise carried has "dimensions" such as size, color, style codes etc. Many systems are designed specifically for Softline (also known as Soft goods) because of the needs to handle these multiple dimensions from point-of-sale to inventory ordering, being out of a certain size or color in the fashion clothing business can be a killer for the chain. Lady's fashion and accessories are classic examples of Softline stores.
- Another characteristic is that the stores generally have very few cash registers per store but have a lot of stores, usually in strip or large shopping malls.

### Consumer Electronics

- TVs, Stereos, Computers, etc
- These chains sell computers, stereos etc, and branch out to sell CDs, Video Tapes and DVDs. Best Buy and Circuit City are classic examples. These chains are similar to specialty hardline in many ways except they specialize in a particular goods category.
- Distinguishing features include the needs of store personnel to answer complicated questions about the products.

### Department Stores

- Mixed merchandise apparel, home furnishings, cosmetics
- Department Stores carry a large variety of items from clothing to cosmetics to home and garden. These stores are usually of a large square footage with multiple departments, and target specific demographics (e.g. Neiman Marcus attracts the high end, Sears attracts the mid-market).
- Many serve as a traffic draw and "anchors" shopping malls. With department stores, the emphasis is on customer service since their prices are pressured by Discount Retailers in specific categories.

### Drug Stores

- Prescription & patent Medicine, cosmetics, toiletries
- As the name implies, these chains sell OTC (Over the Counter) medications and usually has a pharmacy for prescription drugs fulfillment. There are specific requirements for pharmacies because of medical and HIPPA government regulations.
- These chains are also high customer service especially for the pharmacy environment, and very often they expand into other categories such as snack food to increase revenue. Longs Drug and Walgreens are the large chain examples

### Discount Retailers

- Discount prices, "category killers"
- These are retail chains that specialize in low prices, often in specific product categories. Wal-Mart and Toys R Us would be large chain examples of Discount retailers.
- The characteristics of these retailers is that they carry assortments that changes regularly because they are buying seasonal items (in season or out of season) at a low price and sell them to consumers.

### Convenience Stores

- Small format stores
- These are small format stores, nowadays most commonly attached to fuel stations. They sell fast food, alcohol and sundry items for drivers.
- There are usually 1-2 Point-of-Sale systems in the store and they are usually linked to a central host for ordering and management. There is not a lot of IT in each store but the chain size usually adds up for technology purchases.

### Eating & Drinking

- Owned & franchise full service restaurants
- These are restaurants from fast food sit-downs, drive thru and fine dining. These chains have specialized needs because they sell service as much as food, and many restaurants are single proprietor or franchisee of corporate brands (such as McDonalds).

### Grocery

- Dry goods, meat, frozen, dairy, seafood, deli/bakery
- These are supermarket chains that sell perishable items and Ready to Eat Meals. There has been heavy consolidation in this industry and there are still some regional chains that compete against the national brands like Safeway, Kroger, Albertson's etc.
- These store type usually has 8-10 point-of-sale terminals minimum and does a lot of transactions, many are also in the process of implementing frequent shopper card programs to track consumer purchases and offer target marketing.
- There is also an emphasis on pricing management because of the large number of items variety (also known as SKU Store Keeping Units) carried in the stores.





## Solution Area Tagline

Broaden markets, services and opportunities by providing a highly available –and highly convenient – online experience

## Solution Area Description

Advanced Web serving, database, collaboration and storage technologies that integrates e-commerce websites with traditional retail channels to provide customers with a personalized multi-channel experience (e.g shop online, make in-store return). Integration capability that drive customer information gathered online to other business areas and automates operational tasks like order management, fulfillment and logistics by providing seamless integration with back-end systems.

## End Customer Value proposition

For midmarket retail customers who want to increase revenue by maximizing the effectiveness of the e-commerce channel, IBM partners with local retail solution providers to deliver offerings that:

- **Streamline operations and eliminate manual processes** by sharing customer information gathered online with other business areas, such as inventory management or customer support
- **Increase profit margins** by accommodating custom or personalized orders and by using online purchasing data to up-sell purchases or cross-sell related items
- **Enable targeted customer retention** by using analytics to identify online shopping trends and enable retailers to dynamically personalize offerings
- **Enable coverage and expansion into geographically dispersed markets** via the web

## Prospecting Questions

### Vice President of Sales

- Given that the Retail industry has just seen a 29% increase in web commerce from Nov-Dec 2002 to Nov-Dec 2003, (per NY Times), how are you tapping into the web to drive additional revenue and growth? What percentage of your revenue currently comes via the web?
- What if you could sell more product volume with a relatively fixed cost structure? How would this impact your bottom line?
- Would it be helpful to not just have your product catalog online, but enable customers to order, have integrated fulfillment (pick, pack, ship, and track), as well as provide advanced customer service?

### Vice President of IT

- Is your current web application built to handle your expansion requirements? What changes, if any do you think will have to be made?

### Vice President of Marketing

- Does your website currently have the ability to automatically up-sell or cross-sell products when customers browse your catalog?
- Are you able to dynamically target relevant offers? How do you or would you personalize offers based on online activities?
- Do you currently do target email campaigns to customers based on purchase history (or site activity) and provide value based promotions to drive cross brand purchases or traffic to your affiliated sites or stores? Are you able to see the results of those efforts? How is your business impacted by these promotions?
- Are you able today to differentiate yourself by providing unique online pricing, service and customer value via a customer value centric online shopping experience?

## IBM Solution Area Components

### WebSphere Commerce Express

[http://www-](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8597)

[1.ibm.com/solutions/ism/overview.jsp?solutionid=8597](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8597)

Provides an industry leading set of features to help SMBs drive site loyalty and increase revenues. Business users can create, update and manage catalogs, with full control of features and attributes, without having to involve IT professionals.

### WebSphere Portal Express/ Express Plus

[http://www-](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8089)

[1.ibm.com/solutions/ism/overview.jsp?solutionid=8089](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8089)

Out-of-the-box portal solution that integrates access to the right information, processes and people into a single, personalized environment to make faster, easier, smarter buying decisions -- helping increase customer loyalty, cross-selling opportunities and ultimately revenue.

### Lotus Domino Utility Server Express

<http://www.lotus.com/products/product4.nsf/wdocs/dominoexpress>

Combined with offerings from ISV partners, delivers powerful, point-and-click e-commerce sites, quickly and at low cost, to allow easier access to and leverage of customer data and increase multiple-channel selling.

### Tivoli Access Manager for ebusiness

[http://www-](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8099)

[1.ibm.com/solutions/ism/overview.jsp?solutionid=8099](http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8099)

Provides a unified security environment for establishing transactions with large number of customers and maximize system availability to minimize profit losses during peak selling periods.

### IBM Solutions Builder Express Portfolio

Easy Creation of an e-Commerce Website for Retail

<http://www.ibm.com/partnerworld/solutionsbuilder>

This Solution Starting Point Defines the tasks, design considerations and implementation steps for a growing retailer to easily create a first-time e-commerce storefront.





## Solution Area Tagline

Reduce costs and improve margins by integrating across your supply chain

## Solution Area Description

Create an uninterrupted flow of product, customer and supplier information between each link in your value chain. Link communication and collaboration channels between people and locations to help reduce lag time in supply-chain processes, minimize errors and deliver products in a timely fashion.

## End Customer Value Proposition

For mid-market retail customers who want to improve product availability, maintain optimal inventory, improve sales, and reduce order-related costs, IBM partners with industry solution providers in your local area provide solutions with the following benefits:

- **Reduce purchase order errors and accelerate time-to-market**
- **Collaborate with suppliers more effectively**
- **Reduce stock-outs and excess inventory shrinkage**
- **Increase revenues and improve customer service** through higher product availability and order customization

## Prospecting Questions

### *VP of Marketing, VP of Merchandising, VP of Sales*

- What supply chain issues are causing the greatest customer satisfaction issues?
- How much do stock-outs cost you?
- How quickly can you fulfill your customer orders?
- How quickly can your suppliers respond to your needs? Is this impacting your ability to make your customer delivery dates? New product launch dates?

## Prospecting Questions (cont'd)

### *VP of Store operations, VP of Logistics*

- How do you currently collaborate with your suppliers? Are some easier to deal with than others? Why? Would it help if you had a more effective way of communicating with them? How do you think a streamlined communication processes with suppliers could improve operations? Would this decrease costs, and improve customer satisfaction?
- Are you able to consistently maintain optimum inventory levels? How are these levels affected on a daily, weekly, monthly basis? Do you tend to normally have to little, or to much of a product line?

### *CIO and IT manager*

- What could be solved by better integrating information management systems with suppliers? How do you currently do this today? Does it seem to be working more or less than expected

## IBM Solution Area Components

### IBM WebSphere Business Integration Connect Express

<http://www-306.ibm.com/software/integration/wbiconnect/edition/express.html>

Creates an extended community with a flexible and powerful solution for integrating internal business applications and processes with trading partner interactions.

### IBM WebSphere Business Integration Express for Item Synchronization

<http://www-306.ibm.com/software/integration/wbiitemsync/express/>

Gives midsize businesses a full-featured UCCnet-certified item synchronization function to share information with customers and their supply chains, reducing paper handling errors.

## IBM Solution Area Components (cont'd)

### IBM WebSphere Portal Express

<http://www-306.ibm.com/software/genservers/portalexpress/>

Provides employees, trading partners and customers with a sophisticated Web site solution with which information and applications can be consolidated and organized for easy access and use.

### IBM WebSphere MQ Express

<http://www-306.ibm.com/software/integration/wmq/express/>

Handles network interfaces, message delivery, communications protocols and data recovery, enabling fast, secure exchange of product information to optimize inventory levels.

### IBM Tivoli Access Manager for e-business

<http://www-306.ibm.com/software/tivoli/products/accessmgr-e-bus/>

Provides a unified security environment both for internal Web applications and exchange with suppliers through secure Web services.

### IBM DB2 Content Manager Express

<http://www-1.ibm.com/solutions/ism/business.jsp?solutionid=8711>

Enables organizations to digitize and manage documentation such as purchase orders, invoices, contracts and designs, improving responsiveness to customers, partners and employees.

### IBM Solutions Builder Express Portfolio

#### Integration of Diverse Applications and Data

<http://www.ibm.com/partnerworld/solutionsbuilder>

This Solution Starting Point enables the integration of several disparate internal applications and/or data sources using messaging technology.







## Wholesale

The wholesale industry includes the following specialty areas: Durable Goods (Electrical, PHAC, Auto Aftermarket, Industrial MRO, Building Materials, Metals, etc.), Food and Beverage (Grocery, Food Service, Convenience, Wine Beer and Spirits, etc.), and Non-durable Goods (Chemicals, Paper, Healthcare etc.).

### Wholesale Industry Snapshot

- 85% of wholesale opportunity is in SMB
- \$1.2 billion worldwide middleware opportunity
- Focus SMB segment: 100-999 employees
- Top cities/states in G9: California, Toronto, Tokyo, Paris, Milan, Hamburg, London, Auckland
- Top solution areas: Networking, Internet, Enterprise Security
- Top infrastructure areas: Multi-site, Financial & HR, Distribution & Warehouse Automation
- Industry mandates: Global Data Synchronization (UCCNet, SINFOS, WWRE, etc), AS2

Wholesale distributors seek to build and manage relationships with downstream customers and upstream trading partners. Their business revolves around efficient and effective purchase, storage, reselling, and distribution of goods. The bulk of opportunity (75-85%) in the wholesale industry lies within SMB.

As with other businesses with narrow margins, cost reduction and operational efficiencies are an important and challenging target for retaining competitive differentiation. Wholesale distributors today must offer a broader product mix, meet increasingly sophisticated demands from more suppliers and customers, and face increased competition to gain and maintain customer loyalty. In responding to this changing market environment, wholesale distributors are working to protect profitability by reducing operational costs, forming marketing alliances, adopting supply chain management techniques and using the internet. Contrary to many predictions, e-commerce technologies are strengthening the wholesaler's position in the supply chain. Census

### Wholesale Industry Snapshot (cont'd)

data shows rapid adoption of e-business by merchant wholesalers, who accounted by more than 1/5 of all e-commerce sales in the economy.

### Wholesale Industry Challenges and Solutions

The success of the wholesale industry is highly dependent on successfully managing the relationship with customers and trading partners. Wholesalers must be able to access the right inventory at the right time, optimize service levels, and streamline operations between warehouse, transportation, and order management to deliver the on demand experience their customers increasingly require.

Needs	Pains addressed	Solution
Unified customer experience	Departmental silos lead to disconnected and frustrating customer experience	Customer Service Call Center Management
Streamline communication between trading partners	Poor communication between trading partners.	Dynamic Workplace / Portals
Gain efficiencies in inventory, warehouse and shipping processes	Ineffective forecasting. Inefficient warehouse utilization, shipping and planning.	Inventory, Warehouse & Shipping Management
Targeting most profitable customers	Inability to leverage customer data to make fast, intelligent accurate business decisions, customer retention	Customer & Product Profitability
More cost-effective management of customers and trading partners	Cost of maintaining multiple partner and customer relationships.	B2B e-Commerce





## Breaking the Ice with e-Business on Demand in Wholesale

Wholesalers who deploy solutions based on IBM software reap the benefits of becoming an On Demand e-business.

### *Business Flexibility and IT Simplification*

Wholesalers who can respond faster to shifting market dynamics including demand, industry consolidation, and industry mandates such as Global Data Synchronization and AS2 are better positioned to succeed than their competitive counterparts.

Wholesale solutions built on IBM middleware connect people, process and information internally and externally across Windows, Linux, UNIX, AS/400 and many other operating platforms to provide a simpler IT environment and single view of the business. CEOs, CMOs, CIOs and other executive teams will be able to respond faster than competition to emerging opportunities that will grow their businesses. Integrating business applications and systems across disparate platforms creates a more flexible, responsive, on demand business environment.

### *Investment Protection*

Wholesalers should avoid being locked into proprietary technologies and solutions from only one vendor so they are free to choose current and future best-of-breed solutions that enable them to be the best they can be in their industry.

Unlike other vendors' proprietary software, IBM software is built on open, modular technologies that work with and connect your existing IT environment. This capability protects and extends the value of your current IT investments while helping you avoid the excessive time and costs associated with ripping and replacing to commit to a single IT vendor. In addition, Wholesalers can be assured of taking advantage of future technology innovations regardless of the vendor they come from to protect future IT investment opportunities.

## Security-rich Business Processes

Downloading security patches to protect against viruses and hackers is costly and painful. Unlike other software vendors, IBM has a rich history of providing secure and reliable solutions that reduce the total cost of ownership and secure our customers' most important asset—information.

## SMB Wholesale Customer References

### Customer Reference Database

<http://w3.ncs.ibm.com/crmd.nsf/wpsearch?openform>

Click on Wholesale, SMB, and 100-999

[Click here to directly access SMB Wholesale customer references](#)

### Additional information

#### Wholesale Industry Playbook Download:

<http://w3.ibm.com/software/sales/teleweb>

Left nav click on SWG offerings/SMB/ and right nav click on Wholesale

#### Wholesale Industry Enablement Materials:

<http://w3.ncs.ibm.com/SMB-Wholesale>

This site provides further insight on the latest industry trends, customer needs and on demand sales enablement for the SMB Wholesale industry. This is not software group specific.

#### Product Pricing Terms and Conditions:

<https://prcbk.lotus.com/internal/ePricer/PbCfgInternal>

This is the IBM Distributed Software Pricebook

#### Business Partner Locator:

Industry Solutions Directory: <http://www-1.ibm.com/solutions/ism/>

Software: [http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu\\_blic/035AF97B32F20AA686256E6F005DC0F7?Opendocument&NL=en](http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu_blic/035AF97B32F20AA686256E6F005DC0F7?Opendocument&NL=en)

#### Software SMB Wholesale Industry Site:

<http://www-306.ibm.com/software/smb/na/solutions/Wholesale/>





## Solution Area Tagline

More cost-effective management of customers and trading partners

## Solution Area Description

A solution which aggregates both customer and trading partner information via a web interface and automates procurement, support and order tracking.

## End Customer Value proposition

For midmarket wholesale customers who want to decrease costs through greater value-chain integration, IBM partners with industry solution providers in your local area to provide solutions with the following benefits:

- Integrate, collaborate, and build meaningful relationships with customers and trading partners
- Reduced complexity for ease of use
- Ability to optimize operations by integrating business processes with core business applications

## Prospecting Questions

### Vice President of Sales/Business Development

- How are you addressing retailer/downstream customer satisfaction issues relating to response, process time and availability?
- Are you looking to broaden your product mix to increase margins and gain competitive advantage?
- Is your technology infrastructure up to speed in order for you to participate in the B2B Alliance?

### Vice President of IT

- Is your current web application built to handle your expansion requirements? What changes, if any do you think will have to be made?
- Ability to optimize operations by integrating business processes with core business applications

## Prospecting Questions (cont'd)

### Vice President of IT (cont'd)

- Are outdated, siloed information systems keeping you from collaborating and building meaningful relationships with customers and trading partners and participate in B2B alliances

### Vice President of Operations

- Do you have a real-time updated view of your inventory levels to optimize service levels?
- Do your procurement, warehouse and shipping departments have the same view of order information?

## IBM Solution Area Components

### WebSphere Commerce Express

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8597&ca=smbwscommerceexpress&me=W&met=inli&re=SMB SWSolution>

An easily installed, affordable, yet complete end-to-end solution designed to help growing mid-market companies do business on the Web enables companies to allow their business partners to order products electronically, reducing response time and increasing availability

### WebSphere Portal Express/ Express Plus

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8089>

An out-of-the-box portal solution that integrates access to the right information, applications, processes and people into a single, personalized environment to help integrate business processes with core business applications and collaboration -- to reduce complexity for ease of use and optimized operations.

## IBM Solution Area Components (cont'd)

### WebSphere Business Integration Connect Express

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8093>

A flexible and powerful solution for creating an extended community integrating internal business applications and processes with trading partner interactions enables secure, non-repudiable exchange of electronic business information.

### Lotus Domino Utility Server Express

<http://www.lotus.com/products/product4.nsf/wdocs/dominioexpress>

A fast, low-cost way to share data and applications over the Web, including custom workflows and rich documents.

### Tivoli Access Manager for ebusiness

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8099>

Provides a unified security environment for establishing transactions with large number of partners. Tivoli Monitoring for Transaction Performance ensures the most efficient implementation of the web objects.

### Offering Extensions (Cross Sell/Up Sell)

Lotus Instant Messaging and Web Conferencing, Tivoli Website Analyzer, Tivoli Monitoring for Web Infrastructure, Rational Suite and WS Studio





## Solution Area Tagline

More cost-effective management of customers and trading partners

## Solution Area Description

A solution which aggregates both customer and trading partner information via a web interface and automates procurement, support and order tracking.

## End Customer Value Proposition

For midmarket wholesale customers who want to decrease costs through more efficient operations, IBM partners with industry solution providers in your local area to provide solutions with the following benefits:

- Improved sales analysis, forecasting and demand planning
- Better warehouse labor utilization
- Improved shipment scheduling and planning

## Prospecting Questions

### Sales/Marketing/Customer Service Department

- Do your products have a relatively flat demand curve or are there spikes in demand that cause problems?

### Finance Department

- Did you know that companies with best-in-class forecast and demand planning have: 1) Reduced inventory levels by 10 to 50%, while maintaining or improving service levels? 2) Reduced markdowns by 40 to 50%? 3) Increased sales by 2 - 10% by reducing stock-outs?
- What issues do you have around forecasting today?
- How do you forecast today? What tools do you use? What factors do you consider? Who is responsible for forecasts?

## Prospecting Questions (cont'd)

### Finance Department (cont'd)

- Is the forecasting process centralized or distributed? Does it vary across products or geographies?
- Do you share actual capacity and demand information with your supply chain partners?
- Have you investigated collaborative forecasting options?
- How accurate are your forecasts today? How do you measure forecast accuracy?
- Do you consider promotion plans (by your suppliers or customers) in your forecasts?
- Do you have difficulty in getting useful financial information about the state of your business?

### Procurement Department

- Did you know that companies with best-in-class procurement have: 1) Reduced cost of indirect goods and services by 5 to 20% 2) Shortened requisition - to - fulfillment cycles by 70% to 80% 3) Lowered administrative costs by 73% 4) Cut maverick buying by 50% 5) Reduced inventory costs by 25% to 50%
- How are procurement / purchasing decisions made?
- Are there certain raw materials or products that are occasionally in short supply? How much safety stock do you maintain?

### Warehouse and Distribution Operations Manager

- Did you know that companies with best-in-class distribution networks and warehouse operations have: 1) Reduced inventory levels by 10 to 50% 2) Used resources 10 to 20% more efficiently 3) Improved delivery reliability by 95 to 99% 4) Reduced cycle times by 10 to 20%

## Prospecting Questions (continued)

### Warehouse and Distribution Operations Manager (cont'd)

- Are you currently at the optimum warehouse space and labor utilization rates?
- How do your shipping and handling costs compare with your competitors?
- What are your current warehouse requirements?
- How are picking, packing, and labeling of ordered goods accomplished?
- Are your customers demanding additional carton labeling or custom processing?
- Have your customers requested the bar-coding of shipped cartons? How do you plan to provide this labeling?
- Do your customers require Advanced Shipping Notices? Can you provide carton content information in the required format?
- How much automation are you using in your warehouse?
- Can you effectively handle single item shipping from your warehouse for multi-channel sales?
- Are you able to consistently maintain optimum inventory levels? How are these levels affected on a daily, weekly, monthly basis? Do you tend to normally have to little, or to much of a product line?
- How much does labor for manual inventory management tasks add to your operational costs? Would it help to be able to do this with added technology? How many man hours do you think you could save?
- What is the critical constraint of the warehouse facility and order pulling process?





## Prospecting Questions (continued)

### *Warehouse and Distribution Operations Manager (continued)*

- When do order crunch times occur?
- What does the majority of the pick tickets have, more items or more units per item?
- How is the warehouse organized and laid out to facilitate the pulling of orders?
- What is different from the sequence of items as they appear on the pick ticket and the flow of the warehouse floor plan?
- How are the orders checked and confirmed? Reading and matching? Electronically through a bar coding system? As they are pulled? Before they are loaded?

### *Transportation and Logistics Department*

- Did you know that companies with best-in-class transportation and shipment management have: 1) Used resources 10 to 20% more efficiently 2) Improved delivery reliability by 95 to 99% 3) Reduced transportation costs by 10 to 15%
- Are your transportation costs excessive?
- Have you established electronic links or EDI with key carriers?
- Are you investigating a Track and Trace solution?
- Do you track and use carrier performance scorecards?
- If you have your own fleet, do you arrange to pick up incoming shipments on returns from deliveries?
- How do you select carriers for local and longhaul, full load or less than full truck load (LTL) requirements?

## IBM Solution Area Components (cont'd)

### *WebSphere MQ Express*

<http://www-306.ibm.com/software/integration/wmq/express/>

Makes it easy for applications to establish electronic exchange of information quickly and securely between different applications used by wholesalers, suppliers and vendors to squeeze costs out of operations.

### *DB2 Everyplace Express*

<http://www-306.ibm.com/software/data/db2/everyplace/db2e-express.html>

By leveraging DB2 Everyplace Express, resource-constrained SMBs can access critical business data and transmit updates (e.g. out of stock information, updated delivery schedule) to the field and the warehouse floor.

### *WebSphere Portal Express/Express Plus*

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8089>

Out-of-the-box portal solution that integrates access to the right information, applications, processes and people from a single, personalized environment -- to help decrease costs through more efficient operations within a wholesaler and/or between suppliers and vendors.

### *IBM Solutions Builder Express Portfolio*

#### *Integration of Diverse Applications and Data*

<http://www.ibm.com/partnerworld/solutionsbuilder>

This Solution Starting Point enables the integration of several disparate internal applications and/or data sources using messaging technology.

#### *Offering Extensions (Upsell/Cross-Sell)*

WAS - Express, Tivoli Access Manager for e-business, Rational Suite and WS Studio





## Electronics

The electronics industry includes the following specialty areas: Semiconductors, Components, Manufacturing Services, Consumer OEM, Industrial OEM, Telecom OEM, and Office Equipment OEM.

### Electronics Industry Snapshot

- \$490 million worldwide middleware opportunity
- Focus SMB segment: 500-999 employees
- Top Cities/States in G9: California, Toronto, Paris, Milan, Berlin, London, Shenzhen, Osaka
- Top solution areas: ERP, CRM, PLM/CAD
- Top infrastructure areas: Multi-site, Production, Operations and Logistics
- Industry mandates: RosettaNet, Waste for Electronics and Electronics Equipment (WEEE), Wassenaar Agreement

The electronics industry is experiencing rapid change, primarily because of what is known as 3C convergence: the merging of computers, consumers, and communications. An example of this 3C convergence is the additional functionality you expect when you buy almost any consumer electronics product today with both software and electronics embedded (pervasive computing).

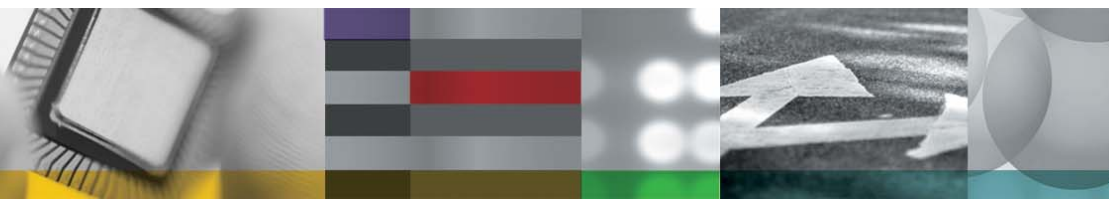
The growth expectation of the electronics industry, fueled by the explosion in Internet capabilities, is greater than in any other industrial sector. The market continually demands faster, cheaper products with more functionality. This puts pressure on companies to shorten their time to market, reduce their costs, and improve their engineering design and execution. Consumer acceptance of the Internet has produced an explosion in the use of direct channels and the majority of electronics companies are adopting e-business to improve their internal operations and supply chain.

## Electronics Industry Challenges and Solutions

The success of the electronics industry is highly dependent on successfully managing customer satisfaction, time to market, innovation and cost reduction. In the electronics industry, market value is awarded to those companies that continually offer the right product, at the right time and at the right price. Because e-business has changed the way products are conceived, manufactured, and brought to market, the electronics industry must adapt to the dynamics of the networked world to be successful.

Needs	Pains addressed	Solution
<b>Operational Efficiency</b>	<ul style="list-style-type: none"> <li>• Unpredictable order vol. and supplier lead times.</li> <li>• Wrong materials, backorders, lack of info on part avail.</li> <li>• Inventory overstocking.</li> <li>• Labor intensive inventory management. High shipping and handling costs.</li> </ul>	Production, Operation, Logistics
<b>Product Innovation and Design</b>	<ul style="list-style-type: none"> <li>• Few project ideas getting to mkt.</li> <li>• Time to market. Not leveraging existing best practices and parts in new product development.</li> </ul>	Product Lifecycle Mgt (PLM)
<b>Supplier Integration</b>	<ul style="list-style-type: none"> <li>• Capacity and demand information is not shared with trading partners.</li> <li>• Disparate info systems. Costs associated with decentralized procurement (maverick spending vs. contracted vendor)</li> </ul>	Supply Chain Management





## **Breaking the Ice with e-Business on Demand in Electronics**

### ***Breaking the Ice with e-Business on Demand in Electronics***

Electronics companies that deploy solutions based on IBM software reap the benefits of becoming an On Demand e-business.

### ***Business Flexibility and IT Simplification through Business Process Integration***

Electronics companies that can respond faster to shifting market dynamics including demand, industry consolidation and industry mandates such as RosettaNet, Waste for Electronics and Electronics Equipment (WEEE), and the Wassenaar Agreement are better positioned to succeed than their competitive counterparts

Electronics solutions areas built on IBM middleware connect people, process and information internally and externally across Windows, Linux, UNIX, AS/400 and many other operating platforms to provide a simpler IT environment and single view of the business. CEOs, CMOs, CIOs and other executive teams will be able to respond faster than competition to emerging opportunities that will grow their businesses. Integrating business applications and systems across disparate platforms creates a more flexible, responsive, on demand business environment.

### ***Investment protection***

Electronics companies should avoid being locked into proprietary technologies and solutions from only one vendor so they are free to choose current and future best-of-breed solutions that enable them to be the best they can be in their industry.

Unlike other vendors' proprietary software, IBM software is built on open, modular technologies that work with and connect your existing IT environment. This capability protects and extends the value of your current IT investments while helping you avoid the excessive time and costs associated with ripping and replacing to commit to a single IT vendor. In addition, electronics companies can be assured of taking advantage of future technology innovations regardless of the vendor they come from to protect future IT investment opportunities.

### ***Security-rich business processes***

Downloading security patches to protect against viruses and hackers is costly and painful. Unlike other software vendors, IBM has a rich history of providing secure and reliable solutions that reduce the total cost of ownership and secure our customers' most important asset- information.

## **SMB Electronics Customer References**

### **Customer Reference Database**

<http://w3.ncs.ibm.com/crmd.nsf/wpsearch?openform>

Click on Electronics, SMB, and 100-999

[Click here to directly access SMB Electronics customer references](#)

## **Additional Information**

### ***Internal***

#### **Electronics Industry Playbook Download:**

<http://w3.ibm.com/software/sales/teleweb>

Left nav click on SWG offerings/SMB/ and right nav click on electronics

#### **Electronics Industry Enablement Materials:**

<http://w3.ncs.ibm.com/SMB-Electronics>

This site provides further insight on the latest industry trends, customer needs and on demand sales enablement for the SMB Electronics industry. This is not software group specific.

#### **Product Pricing Terms and Conditions:**

<https://prcbk.lotus.com/internal/ePricer/PbCfgInternal>

This is the IBM Distributed Software Pricebook

#### **Business Partner Locator:**

Industry Solutions Directory: <http://www-1.ibm.com/solutions/ism/Software:http://www.developer.ibm.com/bpconnections/bpcresults.nsf/public/035AF97B32F20AA686256E6F005DC0F7?Opendocument&NL=en>

### ***External***

Software SMB Wholesale Industry Site: <http://www-306.ibm.com/software/smb/na/solutions/wholesale/>





## Solution Area Tagline

Optimize internal logistics to improve for more efficient use of internal resources.

## Solution Area Description

Integrate and manage the production process, people and resources within the financial and schedule guidelines of the project.

## End Customer Value Proposition

For midmarket electronics customers who want to enhance design collaboration and decrease production costs by improving information flow across the organization, IBM partners with industry solution providers in your local area to provide solutions with the following benefits:

- **Accelerate time-to-market** via better management, distribution, & collaboration on design work
- **Lower labor-related operational costs** by ensuring that the needs of customers, employees, suppliers and distributors are all met, in real time, through online portals and real-time communication and collaboration capabilities.

## Financial drivers addressed

- Costs related to excess inventory and/or the number of stock outs
- Increase inventory turns
- Cost of goods sold
- Percentage of scrap
- Utilization rate of fixed assets
- Labor and overhead costs

## Prospecting Questions

### Sales/Marketing/Customer Service Department

- Do your products have a relatively flat demand curve or are there spikes in demand that cause problems?

## Prospecting Questions (cont'd)

### Finance Department

- Did you know that companies with best-in-class forecast and demand planning have:
  - Reduced inventory levels by 10 to 50%, while maintaining or improving service levels?
  - Reduced markdowns by 40 to 50%?
  - Increased sales by 2 - 10% by reducing stock-outs?
- What issues do you have around forecasting today?
- How do you forecast today? What tools do you use? What factors do you consider? Who is responsible for forecasts?
- Is the forecasting process centralized or distributed? Does it vary across products or geographies?
- Do you share actual capacity and demand information with your supply chain partners?
- Have you investigated collaborative forecasting options?
- How accurate are your forecasts today? How do you measure forecast accuracy?
- Do you consider promotion plans (by your suppliers or customers) in your forecasts?
- Do you have difficulty in getting useful financial information about the state of your business?

### Procurement Department

- Did you know that companies with best-in-class procurement have:
  - Reduced cost of indirect goods and services by 5 to 20%
  - Shortened requisition - to - fulfillment cycles by 70% to 80%
  - Lowered administrative costs by 73%

## Prospecting Questions (cont'd)

### Procurement Department (cont'd)

- Cut maverick buying by 50%
- Reduced inventory costs by 25% to 50%
- How are procurement / purchasing decisions made?
- Are there certain raw materials or products that are occasionally in short supply? How much safety stock do you maintain?

### Warehouse and Distribution Operations Manager

- Did you know that companies with best-in-class distribution networks and warehouse operations have:
  - Reduced inventory levels by 10 to 50%
  - Used resources 10 to 20% more efficiently
  - Improved delivery reliability by 95 to 99%
  - Reduced cycle times by 10 to 20%
- How do your shipping and handling costs compare with your competitors?
- What are your current warehouse requirements?
- How are picking, packing, and labeling of ordered goods accomplished?
- Are your customers demanding additional carton labeling or custom processing?
- Have your customers requested the bar-coding of shipped cartons? How do you plan to provide this labeling?
- Do your customers require Advanced Shipping Notices? Can you provide carton content information in the required format?
- How much automation are you using in your warehouse?
- Can you effectively handle single item shipping from your warehouse for multi-channel sales?







## Prospecting Questions (cont'd)

### *Warehouse and Distribution Operations Manager (continued)*

- Are you able to consistently maintain optimum inventory levels? How are these levels affected on a daily, weekly, monthly basis? Do you tend to normally have to little, or to much of a product line?
- How much does labor for manual inventory management tasks add to your operational costs? Would it help to be able to do this with added technology? How many man hours do you think you could save?

### *Transportation and Logistics Department*

- Did you know that companies with best-in-class transportation and shipment management have:
  - Used resources 10 to 20% more efficiently
  - Improved delivery reliability by 95 to 99%
  - Reduced transportation costs by 10 to 15%
- Are your transportation costs excessive?
- Have you established electronic links or EDI with key carriers?
- Are you investigating a Track and Trace solution?
- Do you track and use carrier performance scorecards?
- If you have your own fleet, do you arrange to pick up incoming shipments on returns from deliveries?
- How do you select carriers for local and longhaul, full load or less than full truck load (LTL) requirements?

## IBM Solution Area Components

### *WebSphere Portal Express*

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8089>

Provides employees, trading partners and customers with a sophisticated Web site solution with which information and applications can be consolidated and organized for easy access and use.

### *WebSphere Application Server Express*

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8092>

Cost effective, easily approachable entry point to e-business, providing fast and productive development, deployment and management of dynamic Web sites.

### *WebSphere MQ Express*

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8583&ca=smbwsmqexpress&me=W&met=inli&re=SMBSWSolution>

Communicates quickly, reliably and securely within and between different systems.

### *WebSphere Business Integration Connect Express*

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8093>

Flexible and powerful solution for creating an extended community integrating internal business applications and processes with trading partner interactions

### *Lotus Instant Messaging and Web Conferencing (Sametime) and IBM LotusTeam Workplace (Quickplace)*

<http://www-306.ibm.com/software/lotus/collaboration/>

Real-time collaboration between employees enabling users to gain instant access to the right people and

## IBM Solution Area Components (cont'd)

### *Lotus Instant Messaging and Web Conferencing (Sametime) and IBM LotusTeam Workplace (Quickplace) (cont'd)*

information to ask questions, resolve problems and collaborate on information resulting in improved skill utilization, better decisions, improved morale and ultimately a more efficient order fulfillment process.

### *Lotus Domino Document Manager*

<http://www-306.ibm.com/software/lotus/knowledge/4523FB65A93D640185256E4D00425265.html>

Increase productivity and reduce costs by reusing knowledge and intellectual capital stored in documents to efficiently capture, manage, and exploit the knowledge that exists in the organization.

### *Tivoli Workload Scheduler*

<http://www-306.ibm.com/software/tivoli/products/scheduler/>

Manages execution of different processes according to business logic to automate operations.

### *IBM Solutions Builder Express Portfolio*

Integration of Diverse Applications and Data Solution Stating Point

<http://www.ibm.com/partnerworld/solutionsbuilder>

illustrates a solution that integrates several disparate internal applications and/or data resources using messaging technology, within a company using messaging technology

### *Offering Extensions (Upsell/Cross-Sell)*

DB2 UDB Express, WebSphere Portal Express/Express Plus, Rational Unified Process, Rational Rapid Developer, WebSphere Studio, Lotus Workplace Collaborative Learning





## Solution Area Tagline

Deliver the right products at the right time and price to the right place by better managing the supply chain, linking suppliers and trading partners

## Solution Area Description

Supply chain management solutions integrate activities across the value chain provide greater visibility of information on production, delivery and shipment, hence improving responsiveness.

## End Customer Value Proposition

For midmarket electronics customers who want to reduce inventory costs and cycle times, and improve fill rates, IBM partners with industry solution providers in your local area to provide solutions with the following benefits:

- Better delivery reliability, fewer outages and lower cycle times
- Reduce purchase order errors and accelerate time-to-market
- Collaborate with suppliers more effectively.

## Prospecting Questions

### VP of Sales/Marketing/Customer Service

- Do your products have a relatively flat demand curve or are there spikes in demand that cause problems?
- How quickly can your suppliers respond to changes in demand so that you can capitalize on market opportunities before your competitors?

### VP of Finance/Operations

- Do you share actual capacity and demand information with your supply chain partners?
- Have you investigated collaborative forecasting options?
- How accurate are your forecasts today? How do you measure forecast accuracy?

## Prospecting Questions (cont'd)

### VP of Finance/Operations (cont'd)

- Do you consider promotion plans (by your suppliers or customers) in your forecasts?

### VP of Manufacturing

- Do you know your cost of maintaining a supplier relationship?
- Are you getting the best quantity discounts from your suppliers?
- Do you share customer demand with your suppliers?
- Are you using electronic links or EDI with key suppliers?
- Are your suppliers involved in your design process?
- Do you share promotion plans with your suppliers?
- Could you take advantage of capabilities that your vendors / suppliers put in place to meet their customers' demands?
- How are purchase orders processed and communicated to suppliers?
- Are there certain raw materials or products that are occasionally in short supply? How much safety stock do you maintain?

## IBM Solution Area Components

### WebSphere Business Integration Connect Express

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8093>

Flexible and powerful solution for creating an extended community integrating internal business applications and processes with trading partner interactions.

### WebSphere Business Integration Express for Item Synchronization

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8585&ca=smbssynchronization&me=W&met=inli&re=SMBSWSolution>

## IBM Solution Area Components (cont'd)

### WebSphere Business Integration Express for Item Synchronization (cont'd)

UCCnet-certified solution that gives mid-size businesses full-featured item synchronization function to share information stored in their internal systems with customers and suppliers.

### WebSphere MQ Express

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8583&ca=smbwsmqexpress&me=W&met=inli&re=SMBSWSolution>

Makes it easy for applications to exchange information and send messages from disparate system.

### Tivoli Access Manager for e-business

<http://www-306.ibm.com/software/tivoli/products/access-mgr-e-bus/>

TAMeB provides a unified security environment both for internal web applications, as well as exchange with suppliers through secure web services. Electronics customers get essential policy-based security with a single tool that helps eliminate complexity.

### Business Integration Solution Starting Point

<http://www.ibm.com/partnerworld/solutionsbuilder>

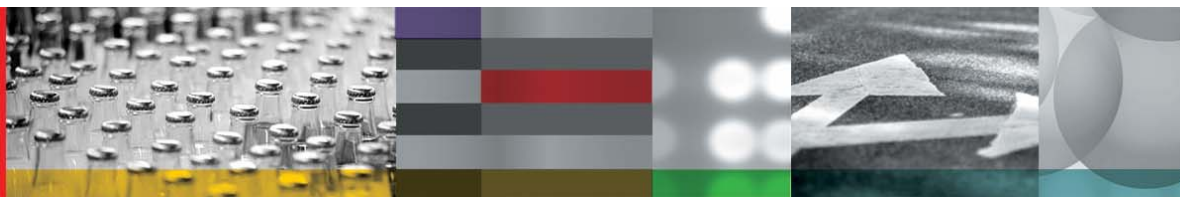
### Integration of Diverse Applications and Data

This Solution Starting Point enables the integration of several disparate internal applications and/or data sources using messaging technology.

### Offering Extensions (Cross-sell, Upsell)

WAS Express, WebSphere Portal Express/Express Plus, DB2 Content Manager Express, DB2 UDB Express, Rational Unified Process, Rational RequisitePro, Rational Rapid Developer, Rational Robot, Rational PurifyPlus, WebSphere Studio





## Consumer Products

The consumer products industry includes the following specialty areas: Food Manufacturing, Food Ingredients; Beverage & Tobacco; Household, Health & Beauty Care; and Apparel (see Appendix for detail on each specialty area).

### Consumer Products Industry Snapshot

- \$391.8 million worldwide middleware opportunity
- Focus SMB segment: 100-4999 employees
- Top solution areas: Trading Partner Collaboration, CRM, ERP
- Top infrastructure areas: Production, Operations, Logistics; Multi-site
- Industry mandates: Global data synchronization/UCCNet, AS2, RFID, Sunrise 2005, EU food & trace regulation
- Industry terminology: In the consumer products industry, retailers are referred to as *customers*, and those who actually purchase the products are referred to as *consumers*. In some cases, the consumer is actually the customer.

Consumer products companies are looking to improve their bottom line by streamlining business processes and generate new revenue. With the advent of the Internet as a new sales channel, some consumer product companies are developing a one-to-one relationship with consumers. For example, Proctor & Gamble launched Reflect.com, which is a custom cosmetics company that sells directly to consumers over the Internet.

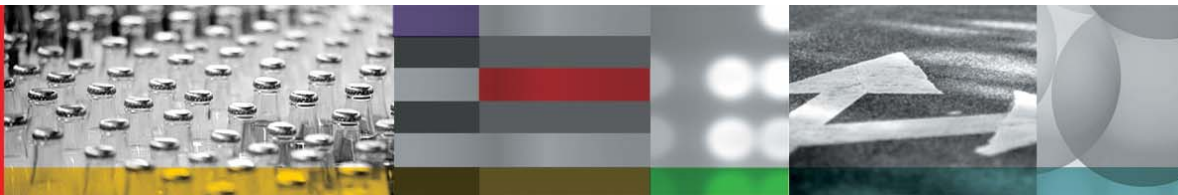
A consumer products company acquires raw materials and then manufactures and distributes the end good to consumers. These products are usually characterized by a low unit price, a short life expectancy, and are most often sold in grocery stores and other retail outlets. This means that consumer products must be sold in very large volumes in order to generate profits for their manufacturers. It is not uncommon for a consumer products company to ship tens of millions of units of a single product in any given year. By leveraging new technologies, consumer products companies can manage and streamline this process end to end.

## Consumer Products Challenges and Solutions

The essential nature of a consumer products company—that it sells low-cost products at relatively small profit margins—imposes, on management, a set of concerns and constraints unique to the industry. Because the majority of consumer products must be sold in great quantities in order to generate an appreciable level of profit, it is essential that consumer product companies minimize production costs and build brand equity through effective marketing and customer relations.

Needs	Pains addressed	Solution
Supplier integration, standards compliance	<ul style="list-style-type: none"> <li>• Labor intensive inventory management.</li> <li>• Poor forecasting, replenishment and allocation due to disparate info systems.</li> <li>• Conformance to standards of major Consumer Product Companies and Industry standards (mainly U.S.)</li> </ul>	Item Management & Synchronization
Tools to make sales force effective	<ul style="list-style-type: none"> <li>• Sales force distracted by administrative tasks.</li> <li>• Availability &amp; management of customer information.</li> <li>• Sharing of best practices.</li> </ul>	Customer Workplace Management





## Breaking the Ice with e-Business on Demand in Consumer Products

Consumer product companies that deploy solution areas based on IBM software reap the benefits of becoming an On Demand e-business.

### *Business Flexibility and IT Simplification*

Consumer product companies that can respond faster to shifting market dynamics including demand, industry consolidation, and industry mandates such as global data synchronization/UCCNet, AS2, RFID, Sunrise 2005, and EU food & trace regulation are better positioned to succeed than their competitive counterparts.

Consumer product solution areas built on IBM middleware connect people, process and information internally and externally across Windows, Linux, UNIX, AS/400 and many other operating platforms to provide a simpler IT environment and single view of the business. CEOs, CMOs, CIOs and other executive teams will be able to respond faster than competition to emerging opportunities that will grow their businesses. Integrating business applications and systems across disparate platforms creates a more flexible, responsive, on demand business environment.

### *Investment protection*

Consumer product companies should avoid being locked into proprietary technologies and solution areas from only one vendor so they are free to choose current and future best-of-breed solution areas that enable them to be the best they can be in their industry.

Unlike other vendors' proprietary software, IBM software is built on open, modular technologies that work with and connect your existing IT environment. This capability protects and extends the value of your existing IT environment. This capability protects and extends the value of your current IT investments while helping you avoid the excessive time and costs associated with ripping and replacing to commit to a single IT vendor. In addition, Consumer product companies can be assured of taking advantage of future technology innovations regardless of the vendor they come from to protect future IT investment opportunities.

### *Security-rich business processes*

Downloading security patches to protect against viruses and hackers is costly and painful. Unlike other software vendors, IBM has a rich history of providing secure and reliable solutions that reduce the total cost of ownership and secure our customers' most important asset—information.

## SMB Consumer Product Solution Area References

### Customer Reference Database

<http://w3.ncs.ibm.com/crmd.nsf/wpsearch?openform>

Click on Consumer Products, SMB, and 100-4999

[Click here to directly access SMB Consumer Products customer references](#)

### Additional Information

#### *Internal*

#### Consumer Products Industry Playbook Download:

<http://w3.ibm.com/software/sales/teleweb>

Left nav click on SWG offerings/SMB/ and right nav click on Consumer Products

#### Consumer Products Industry Enablement Materials:

<http://w3.ncs.ibm.com/SMB-ConsumerProducts>

This site provides further insight on the latest industry trends, customer needs and on demand sales enablement for the SMB Consumer Products industry. This is not software group specific.

#### Product Pricing Terms and Conditions:

<https://prcbk.lotus.com/internal/ePricer/PbCfgInternal>

This is the IBM Distributed Software Pricebook

#### Business Partner Locator:

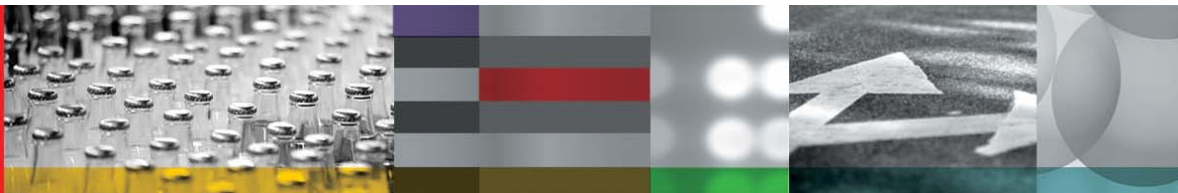
Industry Solutions Directory: <http://www-1.ibm.com/solutions/ism/>

Software: <http://www.developer.ibm.com/bpconnections/bpcresults.nsf/public/035AF97B32F20AA686256E6F005DC0F7?OpenDocument&NL=en>

#### *External*

Software SMB Wholesale Industry Site: <http://www-306.ibm.com/software/smb/na/solutions/wholesale/>





## Appendix: Consumer Products Industry Segments

### ***Food Manufacturing Segment***

The food manufacturing segment consists of companies that manufacture or produce, market, and sell various food products that are eaten at home or away from home. These food products include:

- Bakery goods
- Candy; canned fruits and vegetables
- Cookies, crackers, and snacks
- Dairy goods
- Ice cream and frozen desserts
- Nuts and seeds
- Pastas
- Pickles
- Sauces and soups
- Chewing gum

### ***Beverage and Tobacco Segment***

The beverage and tobacco segment consists of companies that manufacture, market, and sell beverages (carbonated, noncarbonated, and alcoholic) and tobacco (all forms).

### ***Food Ingredients Segment***

The food ingredients segment consists of companies, such as integrated crop growers, commodity processors, meat and fish processors, livestock and fish breeders and processors, and crop servicers, that organize and process agricultural products into food and value-added food products.

### ***Household, Health, and Beauty Care Segment***

The household, health, and beauty care segment consists of companies that manufacture, market, and sell personal-care

### ***Household, Health, and Beauty Care Segment (cont'd)***

products. Such products include:

- Hair care, color cosmetics, and fragrances
- Skin care
- Deodorants
- Toothpaste and toothbrushes
- Miscellaneous products, including mouthwash, shaving preparations, sun-care products, nail products, and hair colorants
- Household cleaning products, including soaps, detergents, polishes, sanitation goods, and cleaners

### ***Apparel***

Footwear, clothing, sportswear, and luxury/designer





## Solution Area Tagline

Enable supply chain collaboration through item management to achieve supply chain efficiency, comply with industry mandates and strengthen partnership with retailers and other value chain partners

## Solution Area Description

Provide support for Global Data Synchronization via third party data pools like UCCnet and Transora, Product Information Management and EPC data integration. This solution area includes Product Information Management which acts as a “catalog of truth” for items and Item synchronization solutions for collaborating with retailer customers and third party data pools such as UCCnet.

## End Customer Value proposition

- **For mid-market consumer product manufacturers** who wish to improve the trading process with retailers. For midmarket consumer packaged goods manufacturers of all types who are being forced by a major retailer to adopt the UCCnet standard, IBM and its Business Partners offer Item Management and Synchronization solutions that will help you satisfy their requirements and save money. (hub and spoke opportunity, externally focused)
- **For midmarket consumer product manufacturers** of all types who are seeking to improve internal efficiency and improve communication with retailers, IBM and its Business Partners offer Item Management and Synchronization solutions that will help you reduce costs, strengthen retailer relationships and improve availability of products for consumers. (internally & externally focused)

## End Customer Value proposition (cont'd)

- **For midmarket consumer products manufacturers** of all types who have registered with UCCnet (either because they are being forced or driven by internal efficiency needs) but have not yet connected their item information to the registry, IBM and its Business Partners offer Item Management and Synchronization solutions that will help them take advantage of the UCCnet resource that they are already paying for to reduce costs, strengthen retailer relationships and improve availability of products for consumers. (internally & externally focused)

## Prospecting Questions

### AS2 qualifying questions

- Has a retailer requested that you implement AS2?
- How many trading partners does your company have?
- What is your average monthly document transaction volume?
- How do exchange order information with your trading partners today?
- What is your preferred computing environment?
- Does your company currently use any Business Integration software ?
- What back office system does your company currently have in place?

### UCCnet qualifying questions

- Are you being asked by one of your trading partners to implement UCCnet?
- How do you send item information to your trading partners today?

## Prospecting Questions (cont'd)

### UCCnet qualifying questions (cont'd)

- How many product SKUs does your company have? Would you plan to post all of these on UCCnet ?
- How many product changes / new introductions do make monthly?
- What is your preferred computing environment?
- What e-marketplaces do you currently connect to?
- Does your company currently use any Business Integration software?
- What back office systems does your company currently have in place?

## Top Customer Objections

*I've been hearing a lot about this lately, but no one has contacted me directly – is this industry shift for real?*

The Retail/Wholesale/Manufacturing industries as a whole are adopting EDI via the internet. Why connect via old slow speed long distance modems, when you can communicate securely, at high speeds, via the internet for much less cost? The medium and larger retailers garner serious savings by moving to EDI INT and are driving the entire industry to adopt this direction. Because of the high dollar and efficiency savings, this move is happening very rapidly.

(cont'd on next page)





## Top Customer Objections (cont'd)

IBM is prepared to offer you a complete, end-to-end solution that integrates your back-end systems through to the communication with all of your trading partners. For direct communication, we are suggesting EDIINT AS2. This is a secure and cost effective communication engine that uses the Internet. This is the industry direction, supporting retailer and UCCNet's communication needs, as well as positioning you for the future.

For trading partners who are not yet ready to migrate to the internet, IBM has a service that can support the EDIINT AS2 to exchange data with you, and then convert to meet your trading partner's protocol of choice (bisynch, asynch, VANs, etc.). This will enable all of your data exchanges (EDI) to be managed, tracked, and reported through a single implementation. And you will be able to remove all of the specialized communication programs. With a consolidated process, your cost for software, staffing, training can be reduced while your service levels for tracking and reporting can increase.

*It's not in my current year budget. I don't have the money to do this right now.*

IBM has several ways to help deal with this issue. This initiative includes various solutions with graduated levels of functionality and price points. We also offer financing for qualified buyers that can help ease cash flow issues. The modular build of the solution affords a spend-as-you-grow business process. The key is to begin the process now with steps to meet the immediate requirements, while working to build a long term company vision for a product data management and communication strategy which integrates these elements.

## Top Customer Objections (cont'd)

*Why should I use the IBM Solution? Why shouldn't I use another solution?*

The IBM solution is a foundation for the future. It solves not only your short-term needs from this initiative, but it can be leveraged across several initiatives. The Global Commerce Initiative, EAN.UCC, and other industry bodies have defined initiatives targeting inefficiencies in the collaboration across a supply chain. IBM is a leading enabler and contributor to these initiatives.

*Why don't I just use my existing VAN to meet industry need? If it ain't broke, don't fix it!*

IBM's solutions are also designed with a build-as-you-grow modularity, which facilitates expanding companies and allows you to closely control your IT expansion. These solutions are also designed and priced to fit specifically to the needs of the growing businesses.

## IBM Solution Area Components

Two IT-based solutions have come to the forefront as initiatives that will help businesses accomplish the goal of reducing costs in their supply chains. They are EDI via the Internet using AS2 (EDI INT) and Item Synchronization via registries such as UCCnet. Businesses cannot gain the benefits of these solutions by implementing them alone--they are dependent on their suppliers to implement AS2 and UCCnet, too.

### UCCnet

Provides a common database for businesses on the supply chain to share information about products. The sharing of product information without UCCnet is cumbersome, slow and error-prone causing a

## IBM Solution Area Components (cont'd)

### UCCnet (con'd)

tremendous amount of waste. UCCnet is the B2B foundation for business entities on the supply chain; without a common database of product descriptions, automation simply speeds up the errors.

### UCCnet Solution Components (cont'd)

- WebSphere Business Integration for Retail Integration
- WebSphere Business Integration Business Process Management & Templates
- WebSphere Data Integration
- DB2 UDB
- Tivoli Security Solutions

### AS2

A method of conducting electronic data interchange (EDI) over the Internet. In the past, EDI was conducted using expensive, slow and unreliable, but very secure, private networks. AS2 allows companies to use the Internet, at a much lower cost, with assurance that data will be secure. The VAN to AS2 transition is like switching from 28.8 dialup to a high speed DSL always-on gateway.

### AS2 Solution Components:

- WebSphere Business Integration Express and Express Plus for Item Synchronization
- WebSphere Business Integration Connect – Express (or iSoft AS2 Connection Software)
- WebSphere MQ Integration & Connection Hub





## IBM Solution Area Components (cont'd)

### WebSphere Business Integration Express Synchronization

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8585&ca=smb synchronization&me=W&met=inli&re=SMBSWSolution>

A UCCnet-certified solution that gives mid-size businesses full-featured item synchronization function to share information stored in their internal systems with their supply chain to reduce paper handling errors

### WebSphere Business Integration Connect Express

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8093>

A flexible and powerful solution for creating an extended community integrating internal business applications and processes with trading partner interactions enables secure, non-repudiable exchange of electronic business information.

### WebSphere MQ Express

<http://www-306.ibm.com/software/integration/wmq/express/>

Handles network interfaces, message delivery, communications protocols and data recovery, enabling fast, secure exchange of product information to optimize inventory levels.

### IBM Solutions Builder Express Portfolio

#### Integration of Diverse Applications and Data

<http://www.ibm.com/partnerworld/solutionsbuilder>

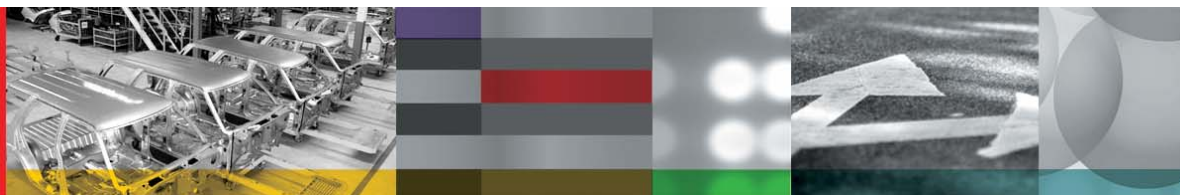
This Solution Starting Point enables the integration of several disparate internal applications and/or data sources using messaging technology.

#### Offering Extensions (Upsell/Cross sell)

WebSphere Portal Express/ Express Plus , DB2 UDB Express , DB2 Content Manager Express, Tivoli Access Manager for ebusiness, Tivoli Website Analyzer and Tivoli Monitoring for Transaction Performance







## Automotive

The automotive industry includes 1) Sell (vehicles, parts and accessories) and Vehicle Service and 2) Partner Companies which consist of: Development, Suppliers, Service Providers, and Dealers/Channel.

### Automotive Industry Snapshot

- \$794 million worldwide opportunity
- Focus SMB segment: 500-999 employees
- Top cities/states in G9: California, Winnipeg, Hamburg, Shanghai, Nagoya
- Top solution areas: ERP, PLM – Computer Aided Design
- Top infrastructure areas: Networking, Systems Management
- Business processes: Design, Build and Retail & After Market
- Industry mandates: Tread Act, European Block Exemption, End of Life (AP)

The automotive industry is a dynamic industry that is undergoing massive change. Technologies such as the Internet, pervasive computing, and wireless communication are dramatically shaping the global economy and business landscape. To remain competitive, automotive companies must balance a combination of ever-changing customer requirements, demands for quality and services, price constraints, excess manufacturing capacities, labor issues, and government regulations.

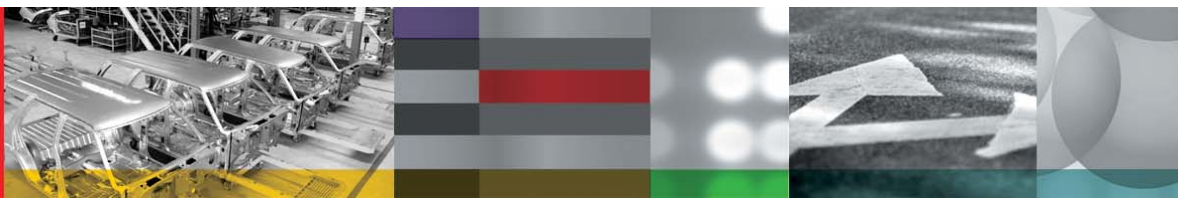
A growing problem with ever-shortening development cycles is the effect of decisions made early in the concept or development phase on product life cycle costs. Automobiles, trucks, and other vehicles have a high rate of change, depend heavily on public taste and economic conditions, and involve high risks of liability. In addition, the information technology content as a proportion of the total cost of a car is growing rapidly. In fact, it is moving from mere electronic functionality to the integrated delivery of services to consumers in the automobile via *telematics*. Derived from the merging of telecommunication and informatics (information technology), the term *telematics* signifies the coming together of information technology and the Internet with advanced telecommunication technologies like global positioning systems (GPS).

## Automotive Industry Challenges and Solutions

The success of the automotive industry is highly dependent on successfully managing production, operation and logistics, product life cycle management, and customer service. Primary interest is emerging in the area of e-procurement, customer relationship management, product innovation, integration, and delivery of value-added mobility services based on telematics.

Needs	Pains addressed	Solution
Operational Efficiency	Unpredictable order volume and supplier lead times. Wrong materials, backorders, lack of info on part avail. Inventory overstocking.	Production, Operation, & Logistics
Product Innovation and Design	Few project ideas getting to market. Time to market More prod. flexibility to remain profitable	Product Lifecycle Mgt
Safety Stds/Govt. Regulations	Need to track components and lots for recalls US TREAD Act. Early detections of potential consumer safety issues.	Production, Operation & Logistics
Customer Service/After Sale Support	Lower cost and higher quality of svc. High issue resolution time. Repairs, warranty claims Integration of diagnostics	Customer Service Portal





## Breaking the Ice with e-Business on Demand in Automotive

Automotive companies that deploy solution areas based on IBM software reap the benefits of becoming an On Demand e-business.

### *Business Flexibility and IT Simplification*

Automotive companies that can respond faster to shifting market dynamics including demand, industry consolidation and industry mandates such as the Tread Act and European Block Exemption are better positioned to succeed than their competitive counterparts.

Automotive solution areas built on IBM middleware connect people, process and information internally and externally across Windows, Linux, UNIX, AS/400 and many other operating platforms to provide a simpler IT environment and single view of the business. CEOs, CMOs, CIOs and other executive teams will be able to respond faster than competition to emerging opportunities that will grow their businesses. Integrating business applications and systems across disparate platforms creates a more flexible, responsive, on demand business environment.

### *Investment Protection*

Automotive companies should avoid being locked into proprietary technologies and solutions from only one vendor so they are free to choose current and future best-of-breed solutions that enable them to be the best they can be in their industry.

Unlike other vendors' proprietary software, IBM software is built on open, modular technologies that work with and connect your existing IT environment. This capability protects and extends the value of your current IT investments while helping you avoid the excessive time and costs associated with ripping and replacing to commit to a single IT vendor. In addition, automotive companies can be assured of taking advantage of future technology innovations regardless of the vendor they come from to protect future IT investment opportunities. .

## Security-rich Business Processes

Downloading security patches to protect against viruses and hackers is costly and painful. Unlike other software vendors, IBM has a rich history of providing secure and reliable solutions that reduce the total cost of ownership and secure our customers' most important asset—information.

## SMB Automotive Solution Area References

### Customer Reference Database

<http://w3.ncs.ibm.com/crmd.nsf/wpsearch?openform>

Click on Automotive, SMB, and 500-999

[Click here to directly access SMB Automotive customer references](#)

### Additional information

#### Automotive Industry Playbook Download:

<http://w3.ibm.com/software/sales/teleweb>

Left nav click on SWG offerings/SMB/ and right nav click on automotive

#### Automotive Industry Enablement Materials:

<http://w3.ncs.ibm.com/SMB-automotive>

This site provides further insight on the latest industry trends, customer needs and on demand sales enablement for the SMB automotive industry. This is not software group specific.

#### Product Pricing Terms and Conditions:

<https://prcbk.lotus.com/internal/ePricer/PbCfqlInternal>

This is the IBM Distributed Software Pricebook

#### Business Partner Locator:

Industry Solutions Directory: <http://www-1.ibm.com/solutions/ism/>  
Software: [http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu\\_blic/035AF97B32F20AA686256E6F005DC0F7?Opendocument&NL=en](http://www.developer.ibm.com/bpconnections/bpcresults.nsf/pu_blic/035AF97B32F20AA686256E6F005DC0F7?Opendocument&NL=en)

#### Software SMB Automotive Industry Site:

<http://www-306.ibm.com/software/smb/na/solutions/automotive/>





## Solution Area Tagline

Build flexibility and responsiveness into your operations to increase value in the supply chain and for early detection of consumer safety issues.

## Solution Area Description

Links to demand planning and supply chain processes to enable production facilities to dynamically respond to customer demand and maximize asset utilization. This solution area includes core enterprise resource planning capability, dealer collaboration systems, after market channel and inventory management.

## End Customer Value Proposition

For mid-market automotive customers, particularly those that manufacture parts for major auto manufacturers, who want to enhance design collaboration and decrease production costs by improving information flow across the organization and value chain, IBM partners with industry solution providers in your local area to provide solutions with the following benefits:

- **Accelerate time-to-market** via better management, distribution, & collaboration on design work
- **Lower labor-related operational costs** by ensuring that the needs of customers, employees, suppliers and distributors are all met, in real time, through online portals and real-time communication and collaboration capabilities.
- **Higher operational efficiency** via integration and dissemination of factory floor information throughout the supply chain
- **Improve production and order fulfillment rates** via on demand parts ordering and order tracking

## Financial drivers addressed

- Production Cycle Time (from time customer want it until we can deliver).

## End Customer Value Proposition (cont'd)

### Financial drivers addressed (cont'd)

- Order Lead Time -time order is released until it is finished & ready to ship.
- Queue Time (90% of production cycle time most cases)?
- Utilization of square feet of Production Space
- Labor Costs & Overhead
- Percentage of Scrap-Material efficiency
- Order to Cash Time
- Inventory Turns: WIP-Finished Goods-Raw Materials
- Scheduling & Planning Cycle Frequency
- Scheduling Bucket Sizes (Daily, Weekly, etc.)
- Percentage of Orders Started on Time/Finished on Time
- Lot Sizes
- Order customization
- MTTR - Mean Time to Repair (part of MRO)
- MTBF - Mean Time Between Failures (part of MRO)
- Utilization of Bottleneck Resources
- Utilization of non-Bottleneck Resources

## Prospecting Questions

### Sales/Marketing/Customer Service Department

- Do your products have a relatively flat demand curve or are there spikes in demand that cause problems?
- Are you struggling to meet customer demand?
- Are you constantly caught off guard by changing customer decisions and shifting preferences?
- Do you have a high issue resolution time?
- How does your cost of service and warranty claims compare to your competitors?

## Prospecting Questions (cont'd)

### Sales/Marketing/Customer Service Department (cont'd)

- How quickly can you get a new product into the market?
- How quickly can you detect potential safety issues and recall a lot to meet industry and government safety regulations?
- Would you like to be able to better manage warranty and service contracts?

### Finance Department

- Did you know that companies with best-in-class forecast and demand planning have:
  - Reduced inventory levels by 10 to 50%, while maintaining or improving service levels?
  - Reduced markdowns by 40 to 50%?
  - Increased sales by 2 - 10% by reducing stock-outs?
- Do you have a high volume of backorders?
- What issues do you have around forecasting today?
- How do you forecast today? What tools do you use? What factors do you consider? Who is responsible for forecasts?
- Is the forecasting process centralized or distributed? Does it vary across products or geographies?
- Do you share actual capacity and demand information with your supply chain partners?
- Have you investigated collaborative forecasting options?
- How accurate are your forecasts today? How do you measure forecast accuracy?
- Do you consider promotion plans (by your suppliers or customers) in your forecasts?
- Do you have difficulty in getting useful financial information about the state of your business?





## Prospecting Questions (cont'd)

### Finance Department

- information about the state of your business?
- Are your accounts payable in synch with terms of procurement agreements

### Procurement Department

- Did you know that companies with best-in-class procurement have:
  - Reduced cost of indirect goods and services by 5 to 20%
  - Shortened requisition - to - fulfillment cycles by 70% to 80%
  - Lowered administrative costs by 73%
  - Cut maverick buying by 50%
  - Reduced inventory costs by 25% to 50%
- Do you have sufficient information available on parts from suppliers?
- Are you dealing with unpredictable order volume and supplier lead times?
- Are you facing long raw material lead times?
- How are procurement / purchasing decisions made?
- Are there certain raw materials or products that are occasionally in short supply? How much safety stock do you maintain?
- Did you know that companies with best-in-class distribution networks and warehouse operations have:
  - Reduced inventory levels by 10 to 50%
  - Used resources 10 to 20% more efficiently
  - Improved delivery reliability by 95 to 99%
  - Reduced cycle times by 10 to 20%
- Are you constantly faced with too much of the wrong materials, work in progress or finished inventory?
- What are your current warehouse requirements?
- Are your customers demanding additional customization?

## Prospecting Questions (cont'd)

### Warehouse and Distribution Operations Manager

- How much automation are you using in your warehouse?
- Are you able to consistently maintain optimum inventory levels? How are these levels affected on a daily, weekly, monthly basis? Do you tend to normally have to little, or too much of a product line?
- How much does labor for manual inventory management tasks add to your operational costs? Would it help to be able to do this with added technology? How many man hours do you think you could save?

### Transportation and Logistics Department

- Did you know that companies with best-in-class transportation and shipment management have:
  - Used resources 10 to 20% more efficiently
  - Improved delivery reliability by 95 to 99%
  - Reduced transportation costs by 10 to 15%
- How do your shipping and handling costs compare with your competitors?
- Are your transportation costs excessive?
- Have you established electronic links or EDI with key carriers?
- Are you investigating a Track and Trace solution?
- Do you track and use carrier performance scorecards?
- If you have your own fleet, do you arrange to pick up incoming shipments on returns from deliveries?
- How do you select carriers for local and longhaul, full load or less than full truck load (LTL) requirements?

## IBM Solution Area Components

### IBM Software Solution for Automotive Dealer Collaboration

<http://www-1.ibm.com/industries/automotive/doc/content/solution/947164208.html>

## IBM Solution Area Components

### IBM Software Solution for Automotive Dealer Collaboration (cont'd)

Integrates disconnected information and process silos across departments responsible for managing automotive dealer service and post-sales relationships. This unified communication and process portal system improves the order fulfillment processes thus improving customer satisfaction.

### WebSphere Business Integration Express for Item Synchronization

<http://www-1.ibm.com/solutions/ism/overview.jsp?solutionid=8585&ca=smb synchronization&me=W&met=inli&re=SMBSWSolution>

A UCCnet-certified solution that gives mid-size businesses full-featured item synchronization function to share information stored in their internal systems with their supply chain to reduce paper handling errors

### WebSphere Business Integration Connect Express

<http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8093>

A flexible and powerful solution for creating an extended community integrating internal business applications and processes with trading partner interactions enables secure, non-repudiable exchange of electronic business information.

### WebSphere MQ Express

<http://www-306.ibm.com/software/integration/wmq/express/>

Makes it easy for ERP and PLM applications to exchange information to help ensure information is synchronized across your business.





## IBM Solution Area Components (cont'd)

### *WebSphere Application Server - Express*

<http://www->

[1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8092](http://www-1.ibm.com/businesscenter/us/solutions/overview.jsp?solutionid=8092)

A cost effective, easily approachable entry point to e-business, providing fast and productive development, deployment and management of dynamic Web sites to easily build or run applications to automate human resources processes, inventory control etc.

### *Lotus Domino Document Manager*

<http://www->

[306.ibm.com/software/lotus/knowledge/4523FB65A93D640185256E4D00425265.html](http://www-306.ibm.com/software/lotus/knowledge/4523FB65A93D640185256E4D00425265.html)

Increases productivity and reduces costs by reusing knowledge and intellectual capital stored in documents to efficiently capture, manage, and exploit the knowledge that exists in the organization.

### *IBM Solutions Builder Express Portfolio*

#### **Integration of Diverse Applications and Data**

<http://www.ibm.com/partnerworld/solutionsbuilder>

This Solution Starting Point enables the integration of several disparate internal applications and/or data sources using messaging technology.

#### **Offering Extensions (Upsell/Cross-Sell)**

Lotus Instant Messaging and Web Conferencing, Lotus Workplace Collaborative Learning, WebSphere Everyplace Server, Rational Suite and WS Studio, Tivoli Monitoring

