



Patricia Seybold Group

E-Business Consultants & Thought Leaders

IBM Start Now Solutions for e-business

For Customers

*By Mitchell I. Kramer
June 2001*

Prepared for IBM

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IBM Start Now Solutions for e-business

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Start Here, Start Now

What Is e-business?

E-business has come to be understood as doing business on the Internet. By “doing business,” we mean marketing, selling, and servicing the products and services that you offer. “On the Internet” means implementing applications that perform marketing, sales, and services functions online and enabling your customers to interact with those applications directly rather than having customers deal with you through your sales force or your contact center.

E-business systems are operational systems. They perform core business functions. They access core information resources—customer data, order data, and product data. They have become a source of new orders by incorporating transaction processing. They’re a new touchpoint for delivering marketing campaigns. And they can be the portal through which customers help themselves to service.

The Potential for Bottom Line Benefits

You’ve doubtless seen many books, reports, presentations, and even marketing literature that tout the great benefits of e-business: increased revenue, decreased cost, and stronger customer loyalty, to name a few. You’ve also probably heard some not-so-great things about e-business: high costs, high complexity, and abandoned e-business projects that have overrun their schedules and budgets. You might think that e-business is only for the large companies with infinite patience, huge budgets, and the retained support of “big five” consultancies.

Some of what you’ve seen and heard is true. E-business really has delivered major bottom-line benefits to many companies, but there are other companies where e-business has not been successful. However, it’s definitely not true that e-business is only for the largest companies and the largest consultancies. E-business offers great opportunities for all companies. In fact, IBM research shows that the opportunity growth rate of small and mid-sized businesses (at an average of 13 percent and, in some cases, as high as 17 to 20 percent) exceeds that of large enterprises. According to a Gartner Group/Arthur Andersen study, only 15 percent of the small and mid-sized market has implemented simple e-commerce, and only 5 percent of the market has implemented complex e-commerce. That’s a large untapped opportunity. Yet, at the same time, eMarketer 2000 predicts that by the year 2002, 72 percent of small and mid-sized businesses plan to adopt e-commerce solutions.

Start Now Solutions for e-business

Start Now is an IBM initiative designed to help small and mid-sized businesses become successful at e-business, accrue its benefits, and avoid its risks. Start Now combines IBM products and the services of IBM Business Partners to implement e-business systems with rapid and predictable return on investment (ROI). E-business through Start Now is what this document is all about.

An Effective Approach to e-business

How to Achieve e-business Benefits

E-business has delivered significant benefits to the companies that have approached it effectively. These are:

- **Increased Revenue.** E-business enables sellers to reach new customers and to provide new services or to offer new or additional products. For example, we've worked with small manufacturers to expand their sales reach by including their products in the catalogs of large, established Web-based distributors, and we've worked with distributors to enable new, "walk-in" customers to buy products on the Web. Both approaches resulted in increased sales.
- **Decreased Cost.** E-business can decrease the cost of doing business by automating buyers' purchasing processes; by automating sellers' marketing, sales, and service processes; and by making lower prices available through increased competition. For example, we've worked with computer services companies to reduce their costs of customer service by offloading basic product support from the call center to the Web. This approach decreased the cost of providing support. It also freed skilled support representatives to focus on addressing complex issues.
- **Improved Quality.** E-business can improve the quality of purchasing, marketing, sales, and service processes and, in so doing, improve customer satisfaction. For instance, e-business improves quality and satisfaction through automated controls on purchasing processes, through 24 x 7 service because the Internet is always open, through richer and easier navigation of catalog and product information, and through personalized service. For example, we've helped financial services companies improve customer satisfaction and loyalty through an e-business customer relationship management strategy called personalization.

A Phased Approach to e-business Implementation

Over the five or so years that companies have been doing e-business, we've observed that the effective approach to e-business is a phased approach, which builds in incremental steps, implementing applications one at a time, starting with basic capabilities. Companies that are e-business successes first put in place a technology foundation. Then they move to an information-only Web site that provides online company and product information to online customer service. Next is the big step to online selling (called e-commerce because it implements Internet-based transaction processing) and to online marketing. The last phase is the analysis optimization of previously implemented e-business systems to ensure their effectiveness and efficiency.

Control is the major advantage to this phased approach. Costs are lower, easier to identify, easier to estimate, and therefore easier to justify. Implementation projects are smaller in scope, scale, and number of tasks. Interdependencies are reduced or eliminated. As a result, implementations are easier to plan, and their schedules and

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budgets are more accurate and easier to manage. In addition, each phase produces results more quickly.

In other words, the control of a phased implementation approach ensures that the bottom line benefits of e-business can be achieved. This control also yields the additional benefits of reduced risk and rapid ROI. These are benefits that have become increasingly important in today's economic environment, where careful planning and meticulous justification are essential just to initiate a strategic project.

Doing e-business with IBM

IBM and IBM Business Partners can offer you an approach to e-business that delivers all of these benefits—increased revenue, decreased cost, improved quality, reduced risk, and rapid ROI. The approach is called Start Now, and the eight new Start Now Solutions are a combination of IBM products and Business Partner services that implement e-business applications. Start Now has been designed for small and mid-sized business like yours to get into e-business for the first time or to enhance your existing e-business offering.

Let's take a closer look at the capabilities provided by Start Now and the Start Now Solutions. With those capabilities in mind, we'll discuss in more detail the advantages of Start Now Solutions and exactly how they deliver the benefits that we've described briefly above. E-business demands your consideration. Start Now is an ideal way to address those demands.

What Is Start Now?

IBM Products and IBM Business Partner Services

Start Now is an IBM initiative designed to simplify the implementation of e-business systems for small and mid-sized companies. It's a combination of products offered by IBM and consulting services offered by IBM's Business Partners that enables small and mid-sized companies to implement e-business in a way that maximizes benefits and minimizes risks.

IBM introduced Start Now in 1999. Since that time, small and mid-sized companies have built e-business systems based on Start Now products and the services of IBM Business Partners. It has been a repeatable, reliable, cost-effective, and resource-efficient approach that has consistently been proven to achieve its design objective.

Start Now Solutions

Start Now Solutions are specific e-business applications of Start Now. Solutions combine hardware and software provided by IBM and, in some cases, IBM's ISV partners, with highly structured consulting services of IBM Business Partners. These consulting services install the hardware and software and, more significantly, customize the software implementation to address company-specific e-business requirements. Note that this customization is critical to e-business success. No company of any size can implement e-business software, or any software that implements operational applications, "as-is" and do business in the way that they want to or the way that they already do across other touchpoints and channels.

Eight New Start Now Solutions

In June 2001, IBM introduced eight new Start Now Solutions. These Solutions are e-business systems and applications, which range from a Web infrastructure that implements a company's e-business foundation to a highly sophisticated business intelligence system that enables a company to analyze and to optimize all of its e-business

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systems. IBM classifies and organizes these Start Now Solutions into the following three categories:

- **Core Solutions.** Core solutions are the fundamental e-business applications: a Web infrastructure, an e-commerce system, and a CRM system. Together, they enable a company to perform marketing, sales, and customer service functions on the Web.
- **Solution Extensions.** Solution extensions enhance the core systems by adding advanced capabilities: host integration for tight access to back-office systems such as inventory and order management, collaboration for more personalized interactions with customers, and business intelligence for the analysis and optimization of all e-business applications.
- **Management Solutions.** Management solutions provide controls on critical e-business resources: the Web site and content.

This is a wide range. Solutions represent the ways that companies really do e-business and enable them to grow their e-businesses incrementally from the most basic to the most advanced at the pace of technology adoption and cost that is best for each company. For example, S.W. Anderson Co., a Chicago-based fastener distributor for the computer, aerospace, auto, and similar industries, wanted to be sure it was leading the e-commerce trend in its industry where e-commerce is still emerging. An e-commerce site that could offer its customers the option of purchasing fasteners online without requiring a great deal of back-end integration or up-front investment seemed an ideal way to begin e-business.

S.W. Anderson turned to Perficient Inc. (www.perficient.com), an IBM Premier Business Partner, for help in implementing its new e-commerce site. Perficient recognized the opportunity to offer the IBM Start Now e-commerce Solutions, providing the services to develop a simple, easy-to-navigate site (www.swaco.com) that lets S.W. Anderson's business customers log in using their account IDs, navigate S.W. Anderson's catalog online to select the products that they wish to purchase, and place orders for those products using purchase orders or credit cards.

The project took just three months to complete. S.W. Anderson is very satisfied with its choice of Business Partner and with the e-business technology that Perficient used, especially IBM WebSphere Commerce Suite, Start Edition. Jeff Vaughn, network administrator for S.W. Anderson says, "We were in contact with other vendors, and it seemed for the most part they were competitive, but the reason we chose Perficient was for its extensive background and experience with B2B and the confidence we have in WebSphere Commerce Suite." We feel the same way about WebSphere Commerce Suite. It's one of the leading e-commerce servers.

This initial e-commerce implementation was the first of four phases in S.W. Anderson's e-business strategy. In it, orders are sent via e-mail to inside salespeople and, once the orders are processed, customers are sent e-mail confirmations. Future phases will integrate the firm's order processing system in order to automate e-commerce processing.

As we've discussed earlier in this document, the phased approach maximizes e-business benefits and minimizes risk. The illustration shows the Solutions and the relationships between them.

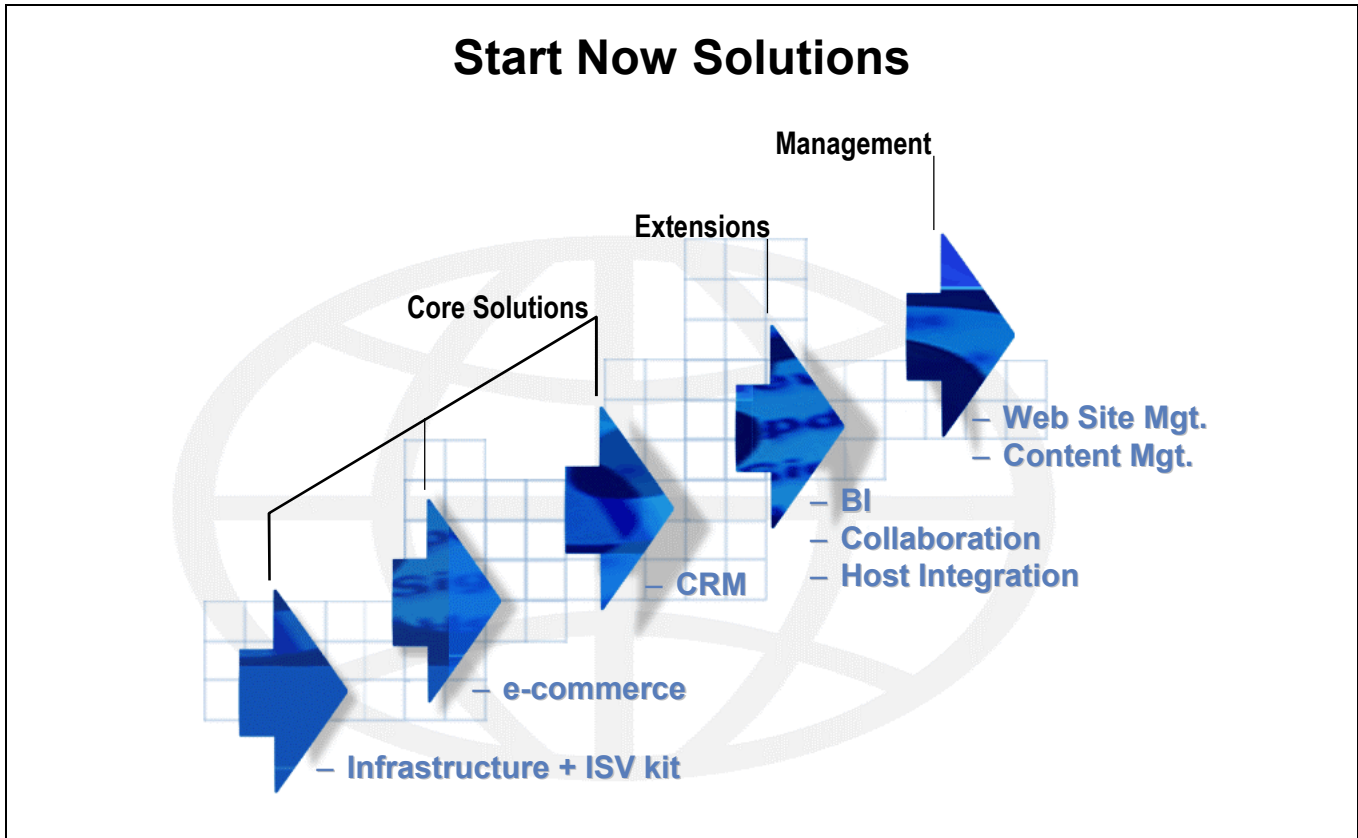


Illustration. Start Now Solutions implement eight e-business applications. The applications and the relationships between them are shown in this illustration.

Start Now Solution Scenarios

Start Now Solutions are not simply customized implementations of general-purpose e-business applications. The Solutions also include application scenarios—practical and common ways that these general-purpose applications are actually used. The table lists the scenarios that are packaged and implemented by the Start Now Solutions. Here are two examples of their application to you.

First, the host integration scenario of extending existing host applications to the Web applies to every established company that is new to e-business. It makes sense to be able to leverage your existing financial, order management, and inventory with your new e-commerce systems, but integrating these systems with the Web is one of the most difficult tasks in e-business implementation. IBM technology and the Start Now Solution Scenario reduce the complexity of integration and its impact on e-business cost, schedule, and resources. How? Because IBM has excellent integration technology, and the Start Now Solution scenario packages that technology with expert service. Host integration enables you to provide up-to-date inventory online, process orders through your existing billing system, or allow online buyers to view order status and order histories. As a result, you can provide a better online experience to your customers, and your internal business processes operate seamlessly across all your business touchpoints and channels. This integration will be a significant benefit to financial services companies, distributors, and manufacturers.

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Start Now Solution Scenarios	
Start Now Solution	Scenario
Infrastructure	<ul style="list-style-type: none"> • Internet/intranet access • Web site and login/registration • E-mail and instant messaging
E-Commerce	<ul style="list-style-type: none"> • Customizable store model • Online payment • Shop by part number
CRM	<ul style="list-style-type: none"> • Opportunity management • Content management • Knowledge management
Business Intelligence	<ul style="list-style-type: none"> • E-commerce data mart • CRM data mart • OLAP multidimensional analysis
Collaboration	<ul style="list-style-type: none"> • Webinars and B2B workspaces • Instant messaging • Customer care
Content Management	<ul style="list-style-type: none"> • Centralized customer information repository • Notes/Domino archiving
Host Integration	<ul style="list-style-type: none"> • Extending existing host applications to the Web
Website Management	<ul style="list-style-type: none"> • Protecting critical data • Monitoring Web site performance • Monitoring end-user experience • Planning data recovery

Table. The scenarios packaged with Start Now Solutions are listed in this table

Second, the Start Now Infrastructure Solution includes a scenario for customer registration and customer login. The Start Now Collaboration Solutions includes a scenario that implements Webinars, Web-based seminars that have been proven to be a terrific and cost-effective way to run marketing programs or to offer outbound support programs. We've worked with computer services companies that have used Webinars successfully, but Webinars can be an effective marketing and service strategy for all business-to-business applications.

Business Partner Services

The consulting services that IBM Business Partners offer have been designed in a structured and modular fashion in order to perform the following tasks for implementing and managing the Start Now Solutions. These services are:

- Planning
- Configuration
- Installation
- Customization
- Maintenance

Any of the hundreds of IBM Business Partners can perform these services for each of the Start Now Solutions once they've passed a "specialty" test on the Solution's technology. Although each Business Partner will have its own characteristic services approach, IBM provides a methodology that specifies techniques and tools for performing each of these

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tasks, and the company packages the tools with which to perform these tasks within the Solutions. IBM also provides documented scopes and work estimates for each task for each Solution.

This structured approach to consulting services is based on the experience of IBM and its Business Partners in performing these tasks with the products of the Start Now Solutions. Successful implementations will surely result. The possibilities of schedule and cost overruns are significantly reduced.

Ensuring Your Success at e-business

Start Now Offers Significant Advantages

The Start Now initiative and the eight new Start Now Solutions deliver significant advantages to small and mid-sized businesses that are new to e-business or that are enhancing their e-business presence:

- **Address e-business Requirements.** The eight new Start Now Solutions are exactly the applications that you need to establish your e-business. They offer a broad range of functionality, they're modular, and they build on each other nicely to enable a phased and leveraged approach to a complete e-business implementation.
 - **Customizable by Design.** No packaged application can address "out of the box" the unique way that you do business. Customization is always required. The software that makes up the Start Now Solutions is open and standards based, facilitating customization. Also, IBM designed and packaged the software to simplify customization. In addition, customization is one of the predefined Start Now services offerings of IBM Business Partners. The critical customization task is an integral part of all the Solutions.
 - **Practical Implementation.** You'll find that the scenarios packaged with the Start Now Solutions are the ways that you will do e-business. Scenarios reduce implementation time significantly, and they can serve as e-business learning aids.
 - **Built on IBM Products.** IBM products are the foundation of all the Start Now Solutions, and IBM is among the leading e-business suppliers, especially for e-commerce and collaboration. IBM products have demonstrated reliability and scalability in e-business installations. Their e-business functions are innovative.
 - **Proven in Small and Mid-Sized Businesses.** You won't be the first small or mid-sized business implementing your e-business on the products and services of Start Now Solutions. The products, services, and the e-business applications that they implement are running in thousands of small, mid-sized, and large businesses.
 - **Modular and Structured.** The modularity of the Start Now Solutions and the structured approach to the services for their implementation will simplify the effort and shorten the time to get your e-business up and running. Their modularity also lets you buy only the products and services that address your e-business objectives.
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Bottom Line Benefits for Small and Mid- Sized Businesses

These advantages translate to bottom-line benefits, benefits from e-business and benefits from using Start Now Solutions to implement e-business applications. Your move to e-business or the enhancement of your existing e-business offerings will increase revenue by reaching more customers and providing additional ways to touch your existing customers. E-business will decrease costs by its automation of marketing, sales, and customer service functions. E-business will also improve customer satisfaction through its self-service capabilities and its personalized one-to-one approach. In addition, e-business will enhance your brand equity by making your company and its products and services more visible and more far-reaching.

Leveraging Start Now Solutions in your approach to new e-business systems adds to these benefits. Start Now Solutions will reduce the risk in this strategic undertaking because Start Now is a proven, repeatable, structured, and packaged approach. Start Now will also ensure a rapid return on your e-business investment by reducing the time and costs to implement e-business applications.

Don't Wait... Start Now

Start Now provides an ideal approach to starting or enhancing your e-business. Start Now Solutions are cost effective, time efficient, easily justifiable, and low risk. The combination of IBM products and IBM Business Partner services ensures a rapid return on your investment in e-business and a fast path to the benefits of e-business.

You can engage with IBM and its Business Partners by registering at the IBM Web site specifically designed for small and mid-sized businesses at <http://www.ibm.com/software/smb>, or by contacting your local IBM Business Partner. If you don't have an IBM Business Partner, IBM will help connect you with one.