



# Welcome to the @-business Premium Partner Regional Council 1999

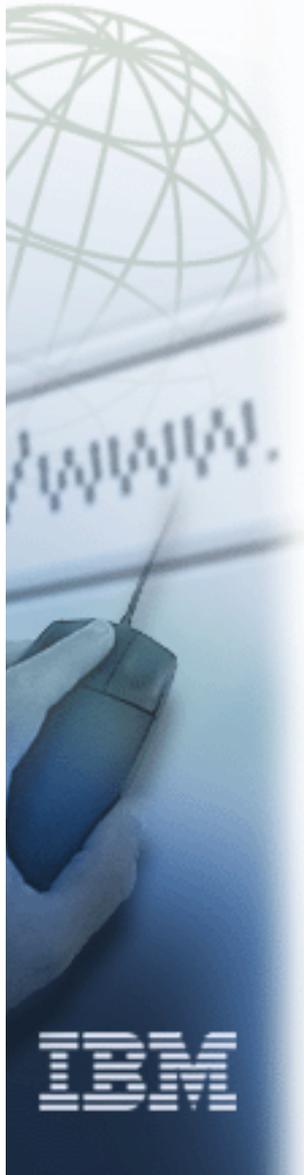


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e-business



# What is an e-business?

An e-business is an organization that connects critical business systems directly to customers, employees, vendors and suppliers via intranets, extranets and the World Wide Web



e-business

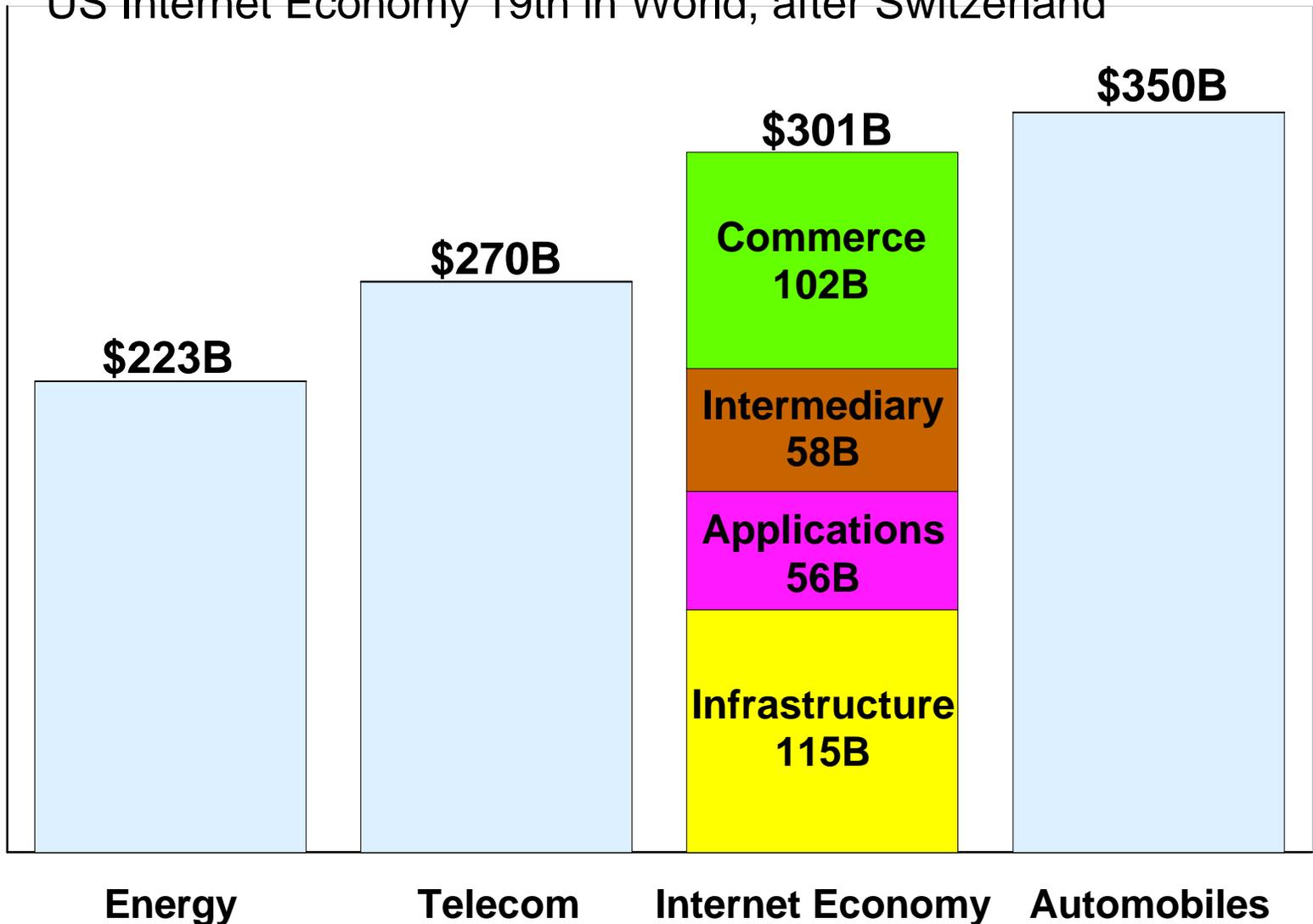


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# Internet Economy - An Opportunity For You

1995-1998 US Internet Economy grew 174% CAGR

US Internet Economy 19th in World, after Switzerland



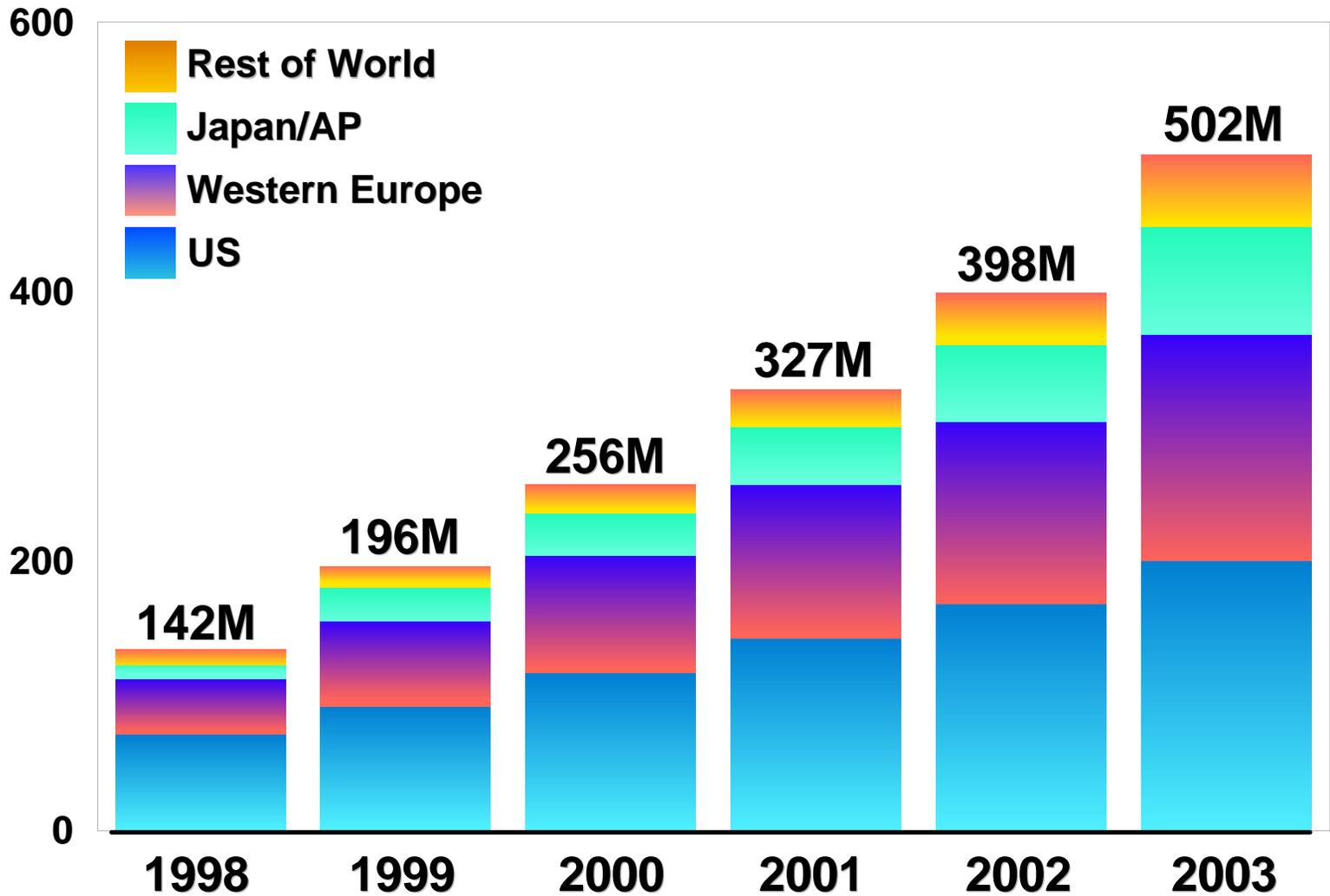
Source: University of Texas Center for Research in Electronic Commerce  
11/16/99





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# Internet Users Worldwide

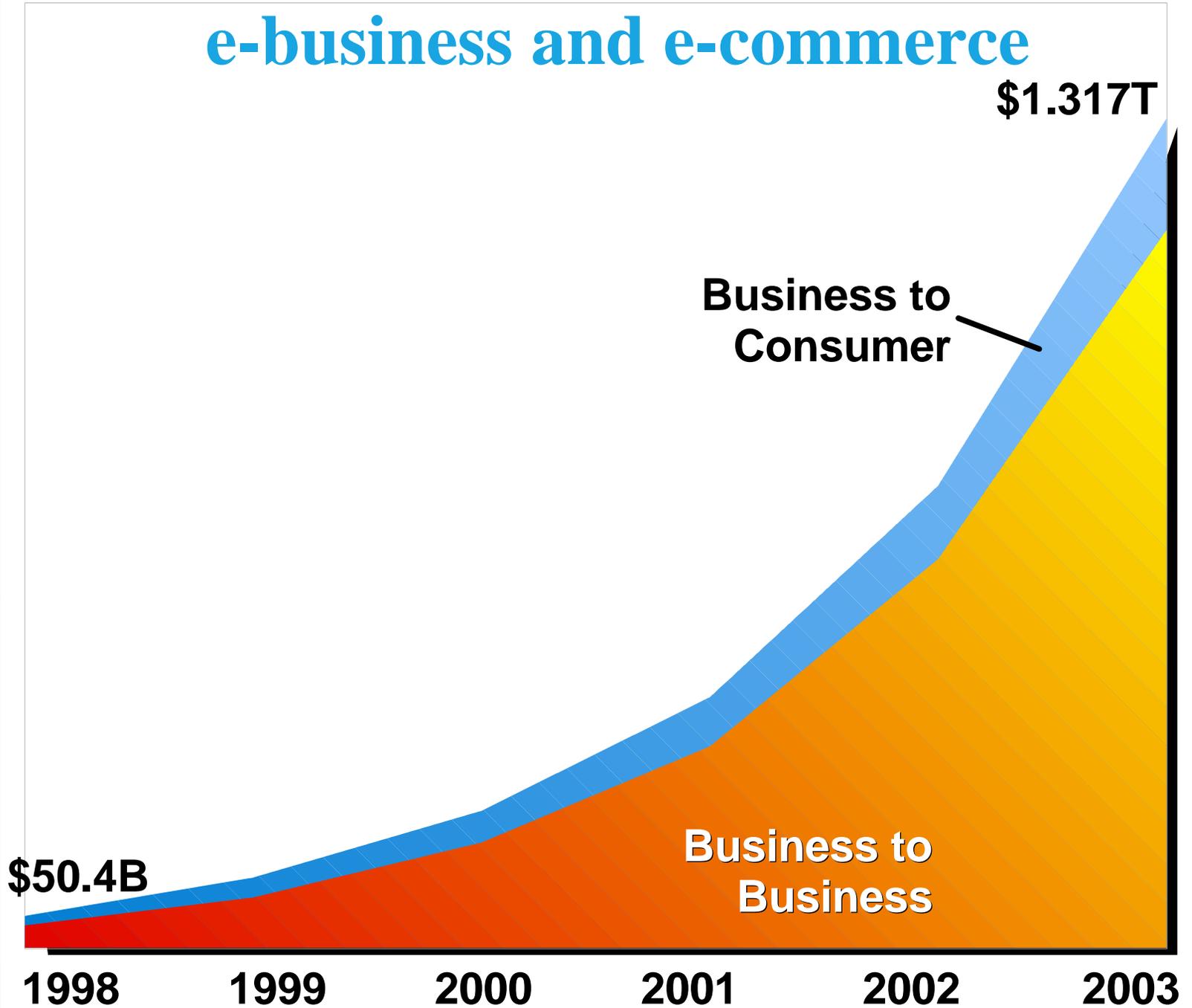


Source: IDC



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# e-business and e-commerce



\$50.4B

\$1.317T

Business to Consumer

Business to Business

1998

1999

2000

2001

2002

2003

IBM



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# What Solutions Do Customers Want?

e-business Role	On Which Process Can e-business Have the Greatest Impact?		With Which Business Process Did/Will You Begin Your e-business Implementation?	
	Europe	North America	Europe	North America
<b>Customer Relationship Management*</b>	<b>62%</b>	<b>56%</b>	<b>61%</b>	<b>53%</b>
<b>Supply Chain Management</b>	<b>11%</b>	<b>21%</b>	<b>9%</b>	<b>12%</b>
<b>Business Operations</b>	<b>13%</b>	<b>10%</b>	<b>14%</b>	<b>17%</b>

\* Includes electronic commerce

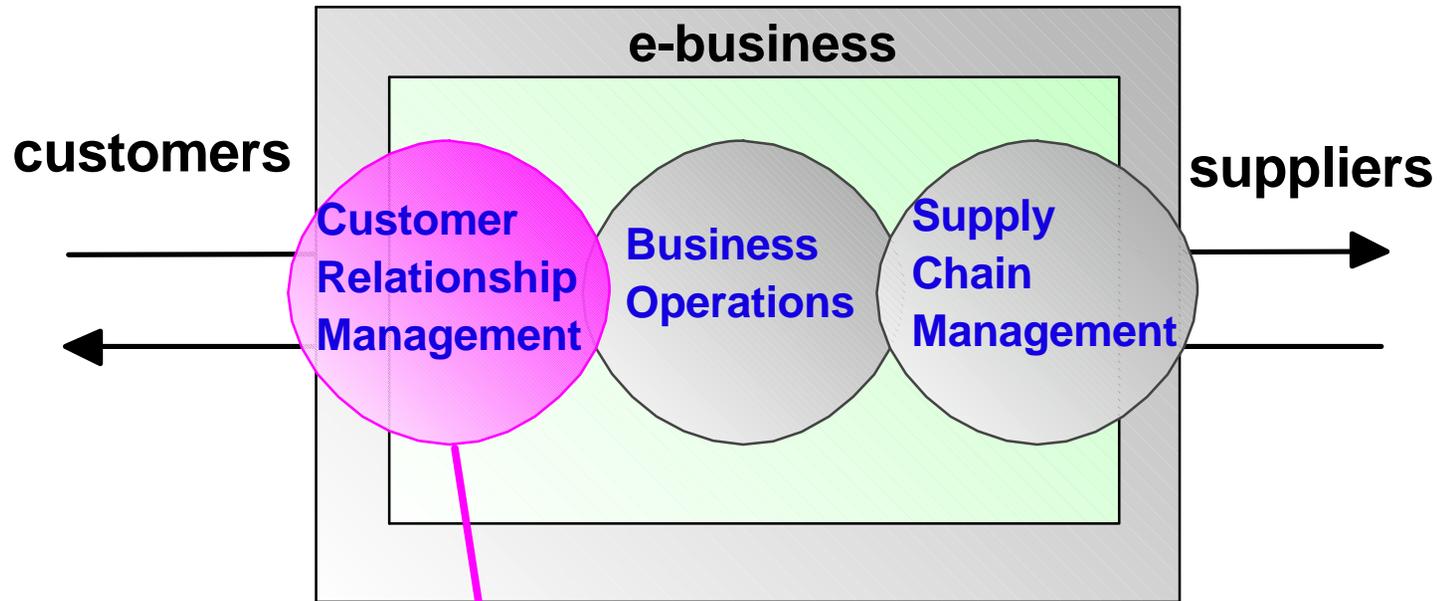
Source: McKenna Group analysis and interviews





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# What Solutions Do Customers Want?



- On-line marketing**
- Customer self-service/on-line support**
- On-line sales**

Order based on rating, by application area, of where e-business could have the greatest impact

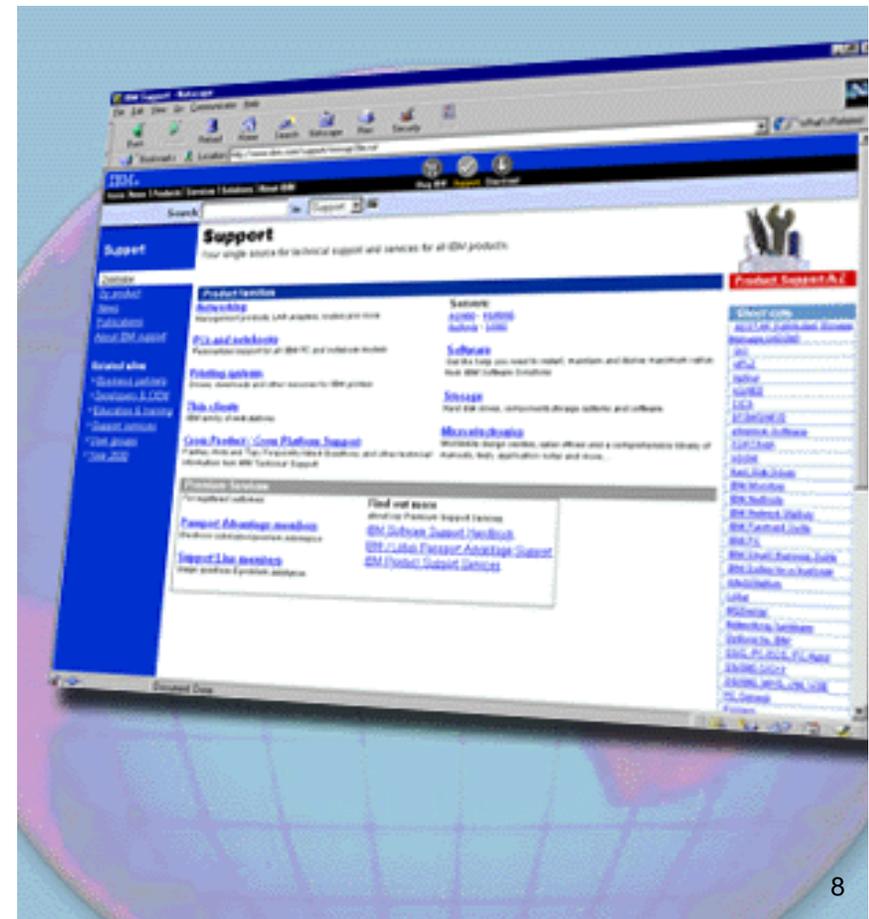




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# IBM e-care for Customers

- Helping customers "help themselves"
- Self-service access to product & support information; 2M visits per week
- 28M self-service transactions in 1999; Saving \$600M
- 24-hour response on e-mail; Saved \$2M
- Higher customer satisfaction





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# e.Schwab

*"A few years ago, high availability was not a requirement to protect the Schwab brand. Now it is."*

-- Frederick Matteson,  
Sr. VP for Technology, Charles Schwab

## Vision

- ▶ Be the leader in online stock trading
- ▶ Provide seamless customer service through internet and telephone support

## Challenge

- ▶ Compensate for unknown demand

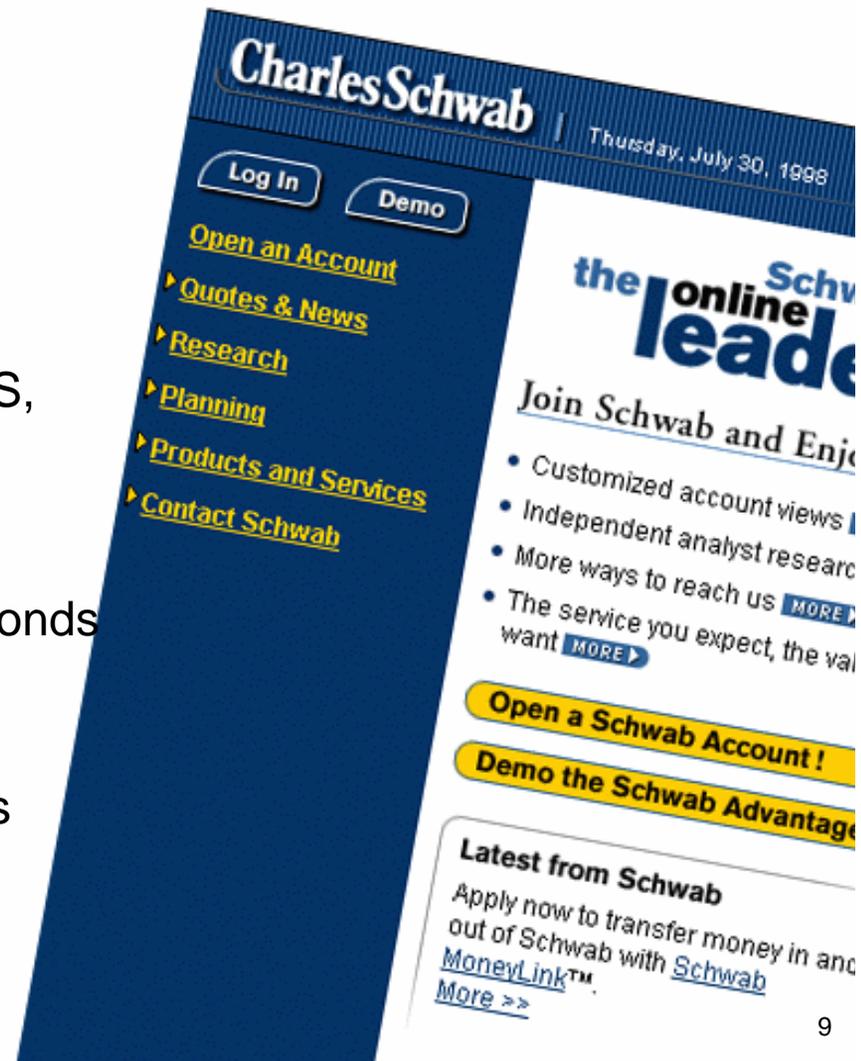
## Solution

- ▶ WebSphere Enterprise Edition, CICS, DB2, RS/6000
- ▶ Day one -- six nodes in production
- ▶ Today -- web server is 70+ nodes
- ▶ Preloaded capacity added in 60 seconds

## Value

- ▶ Zero to 100,000 accounts in 90 days
- ▶ Today -- 2.2 million accounts
- ▶ 50+% of business transacted online
- ▶ 1/3 of industry's online brokerage accounts; 60% of assets

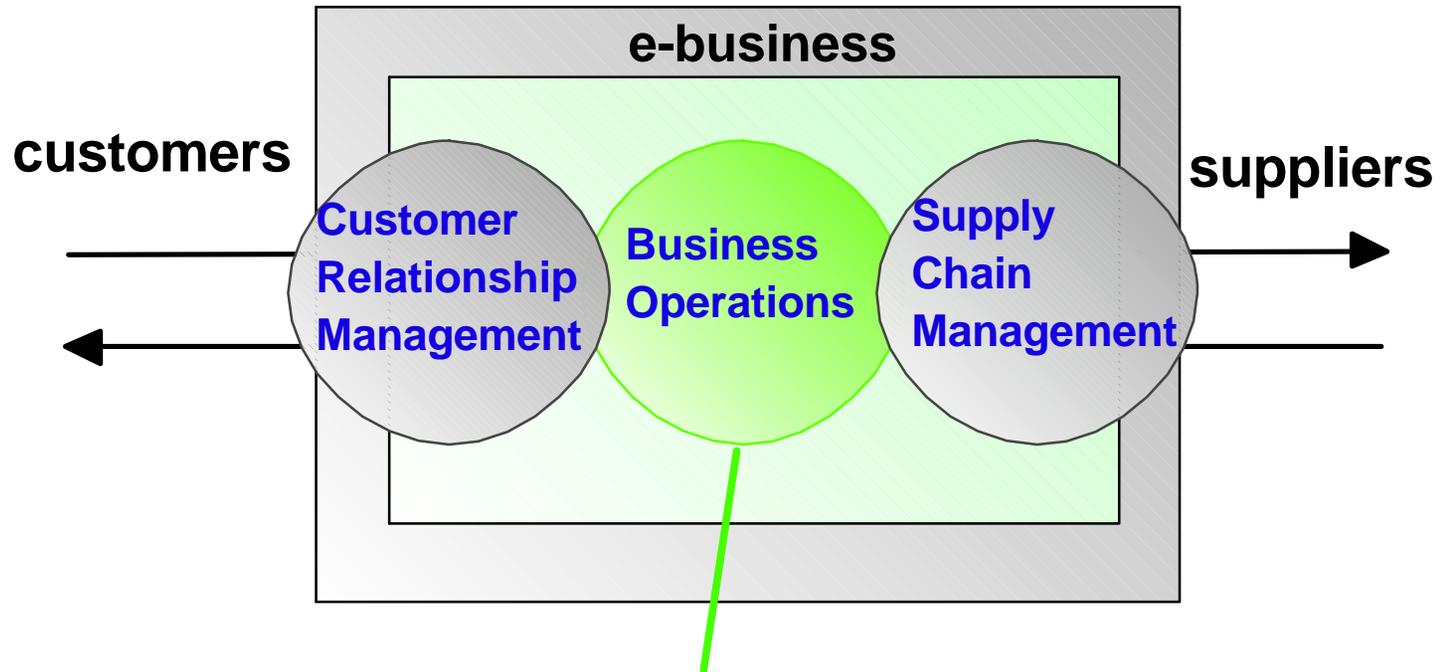
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# What Solutions Do Customers Want?



- Internal Company tracking and reporting
- Decision support/business intelligence
- Human resources
- Distance learning/web based training
- R&D/service development collaboration

Order based on rating, by application area, of where e-business could have the greatest impact

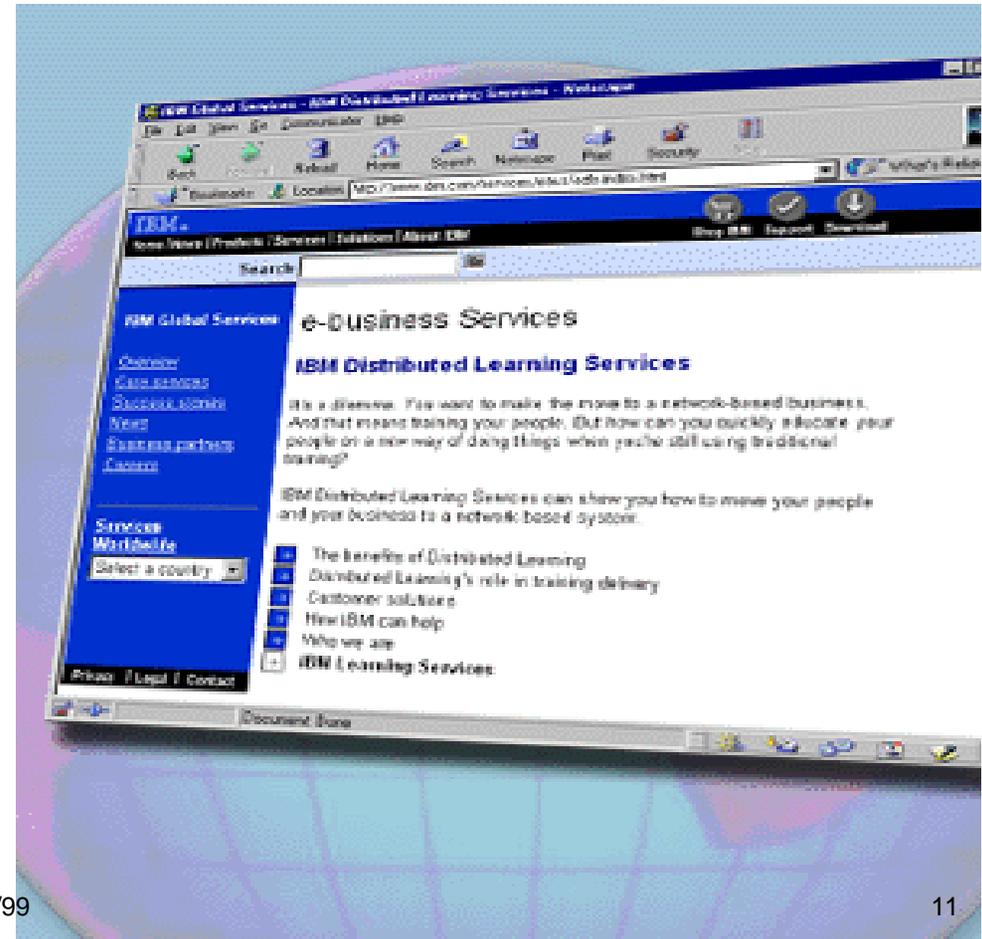




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# IBM e-care for Employees

- Internal Web Pages
- Distance learning and knowledge management
  - ▶ 30% of internal education in 1999 will be via distance learning
- Lotus Notes E-Mail
  - ▶ 240,000 employees
- Intellectual capital management
- Notes Applications





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# Mitsubishi

## Vision

- ▶ A marketing information system efficiently serving 2500 sales clerks and marketing representatives

## Challenge

- ▶ Provide training to over 13,000 employees on the new sales system without incurring huge cost

## Solution

- ▶ Lotus LearningSpace
- ▶ IBM Distributed Learning Services

## Value

- ▶ 2,500 employees trained within the first 5 months

The screenshot shows the Mitsubishi Corporation website interface. At the top, it says 'Mitsubishi Corporation' and 'Looking at the Dynamics of Change'. Below this is a language selection dropdown set to 'Japanese(English)'. A 'news release' section contains several news items with dates and titles in Japanese. Below that is a 'what's new' section with more news items. At the bottom, there is a 'MC 2000' section. On the left side of the screenshot, there is a vertical navigation menu with buttons for 'Contents', '会社案内', 'MC TOPICS', 'MC LINK', '商品紹介', 'サイバーマーケット', '決算情報', '採用情報', '地球環境', and '社会貢献'.



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# Bank of Montreal

## Vision

- ▶ Identify innovative ways to retain customer loyalty, attract new customers and maintain profitability

## Challenge

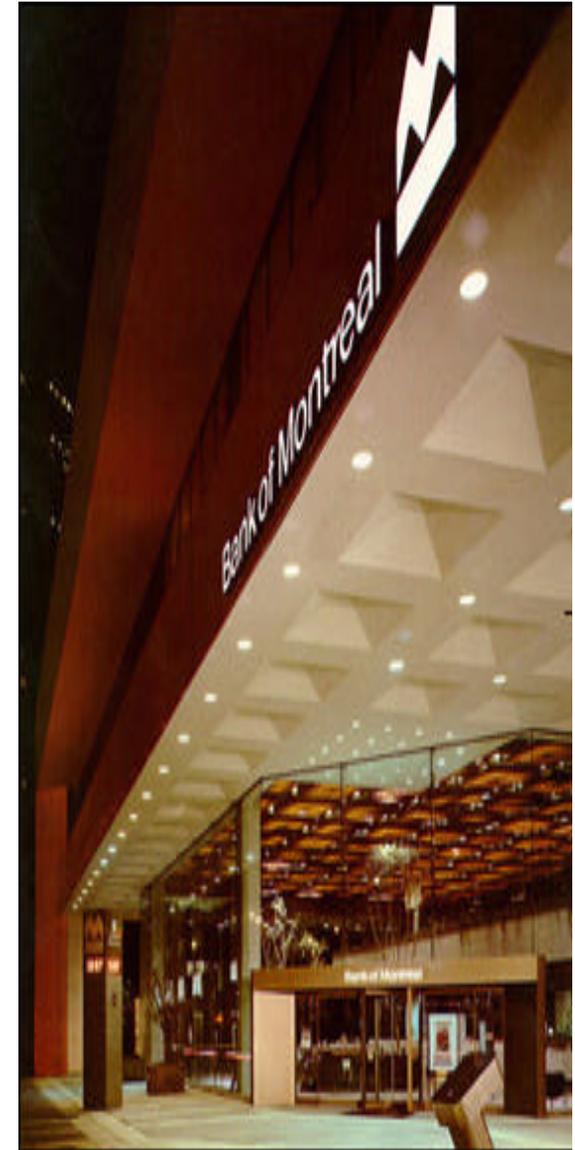
- ▶ Understanding the needs of 18 million-plus customers and analyzing the profitability of a rapidly changing product and service portfolio was virtually impossible

## Solution

- ▶ Customer Knowledge data warehouse: RS/6000 SP, DB2 Universal Database Enterprise-Extended Edition on AIX, Intelligent Miner for Data
- ▶ Sophisticated data analysis and mining

## Value

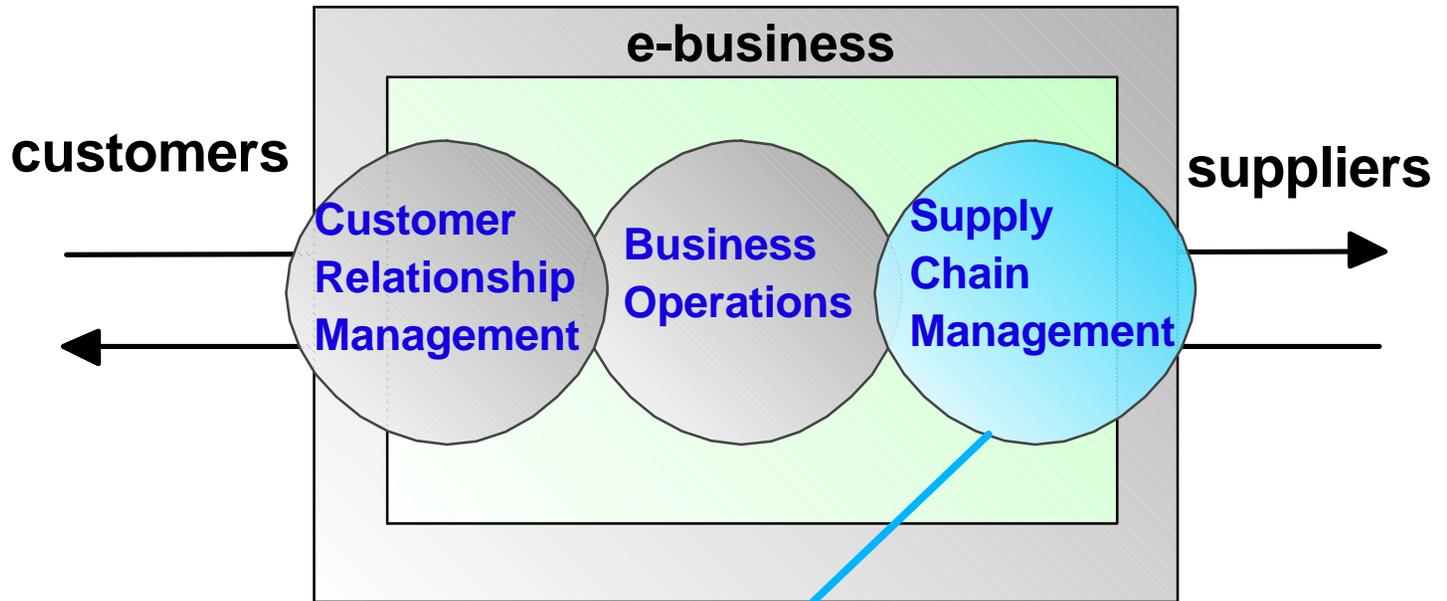
- ▶ \$22.8 million saved during pilot; estimated \$268 million savings to accrue over next four years
- ▶ Estimated 100% ROI in six months
- ▶ Far more accurate analysis
- ▶ Better target marketing
- ▶ Ability to design new products and market them more efficiently





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# What Solutions Do Customers Want?



**Inventory Management**  
**Procurement**  
**Forecasting**  
**Logistics**

Order based on rating, by application area, of where e-business could have the greatest impact





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# IBM e-procurement

- Reengineered internal procurement
- Over \$629M in December, 1998  
Forecast >\$12B, 1999 process
- Order processing time reduced from 30 days to 1 day
- Internal satisfaction improved from 40% to 85%
- Savings \$240M





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# Chicago Mercantile Exchange (Merc)

## Vision

- ▶ Reduce clearing time of trades and maximize responsiveness to investors



## Challenge

- ▶ The Merc trades with 10,000 people within 3,000 member companies, 24 hours per day, handling 200 million contracts and \$168 trillion in 1998
- ▶ Member companies have a wide variety of computer systems that need to interact with the Merc

## Solution

- ▶ MQSeries provided standard reliable, and fast communications interface between the Merc and member companies

## Value

- ▶ Increased investor satisfaction

11/16/99



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# Why e-business?

## Banking

- ▶ Acquired new customers
- ▶ Improved customer satisfaction and loyalty

## Insurance

- ▶ Doubled the number of policies sold and increased commissions by 150%

## Retail

- ▶ Quadrupled previous year's revenue in three months

## Telecommunications

- ▶ Deflected calls to Web site and offered paperless billing, saving about \$2.5 million

## Travel

- ▶ Saved \$4 million in revenue from online reservation system within the first three months

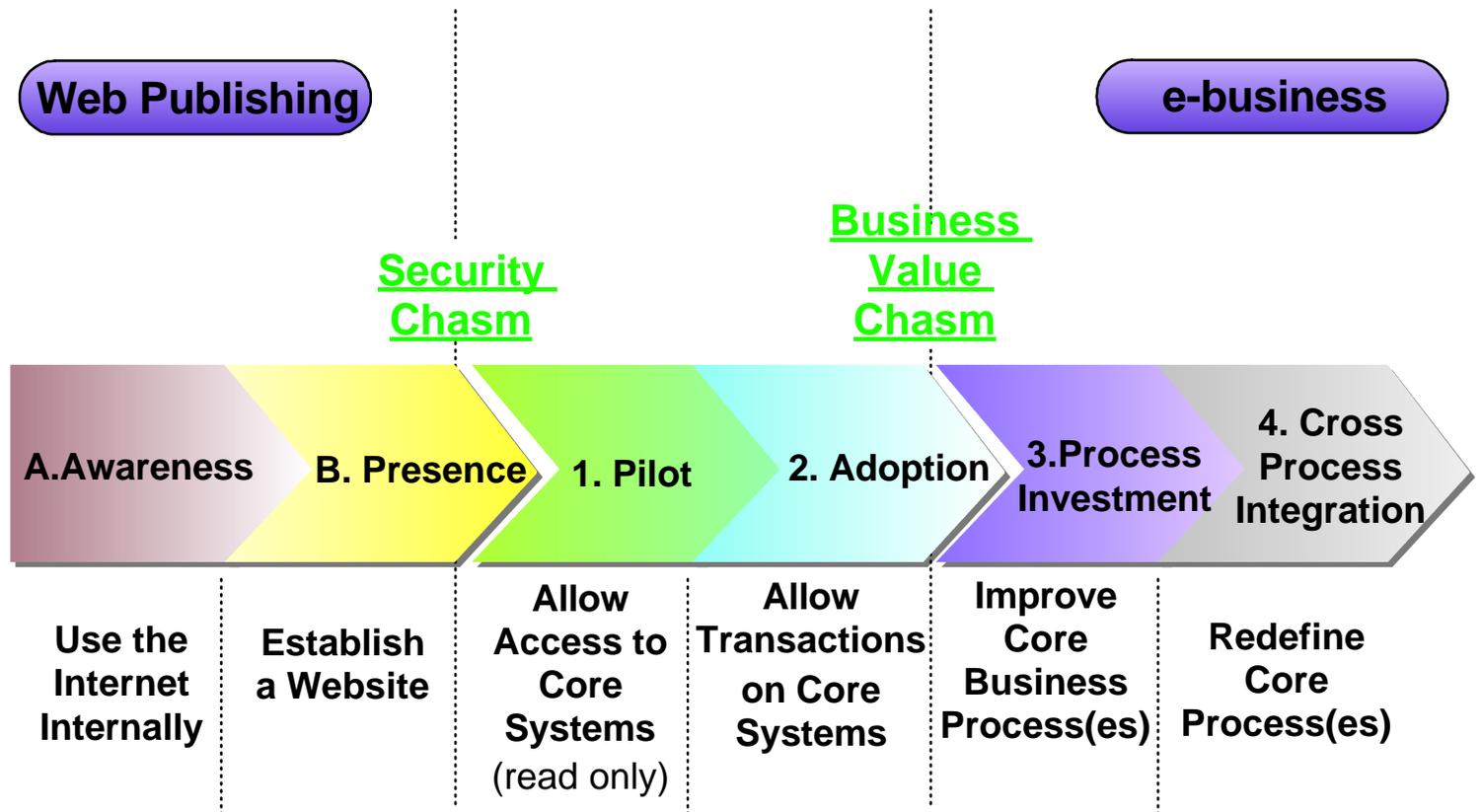
## Manufacturing

- ▶ Improved franchise satisfaction



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# e-business Adoption Pattern

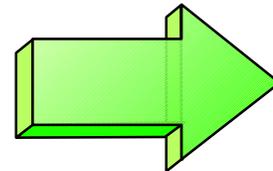




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# How to build e-business solutions?

Software  
Hardware  
Services



IBM/Lotus

A Plan





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# The e-business Cycle

The process that companies go through as they transform themselves into an e-businesses.

**Leverage**

knowledge and  
information

**Transform**

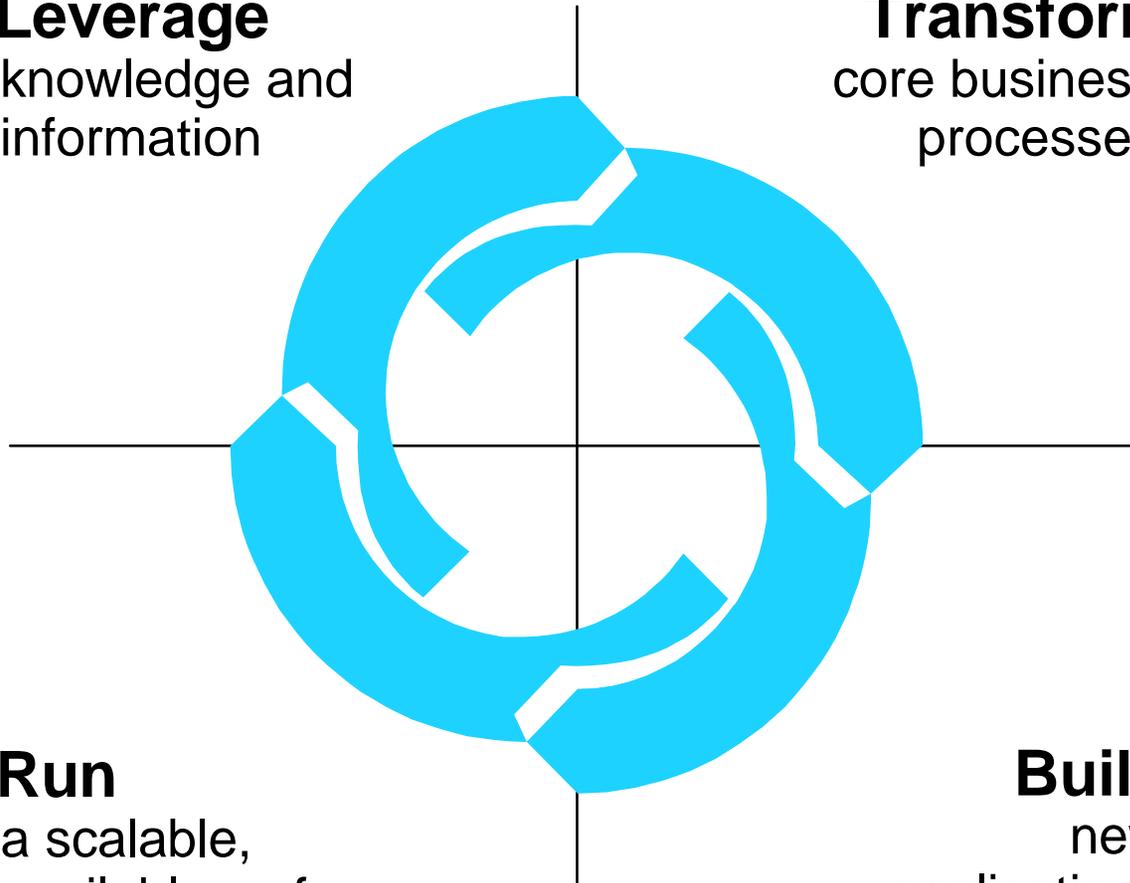
core business  
processes

**Run**

a scalable,  
available, safe  
environment

**Build**

new  
applications



The IBM logo, consisting of the letters 'IBM' in a bold, sans-serif font with horizontal stripes.



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# e-business : Driving a New Technology Agenda

Web

- Universal access
- Standards



IT

Data/applications

Core business processes

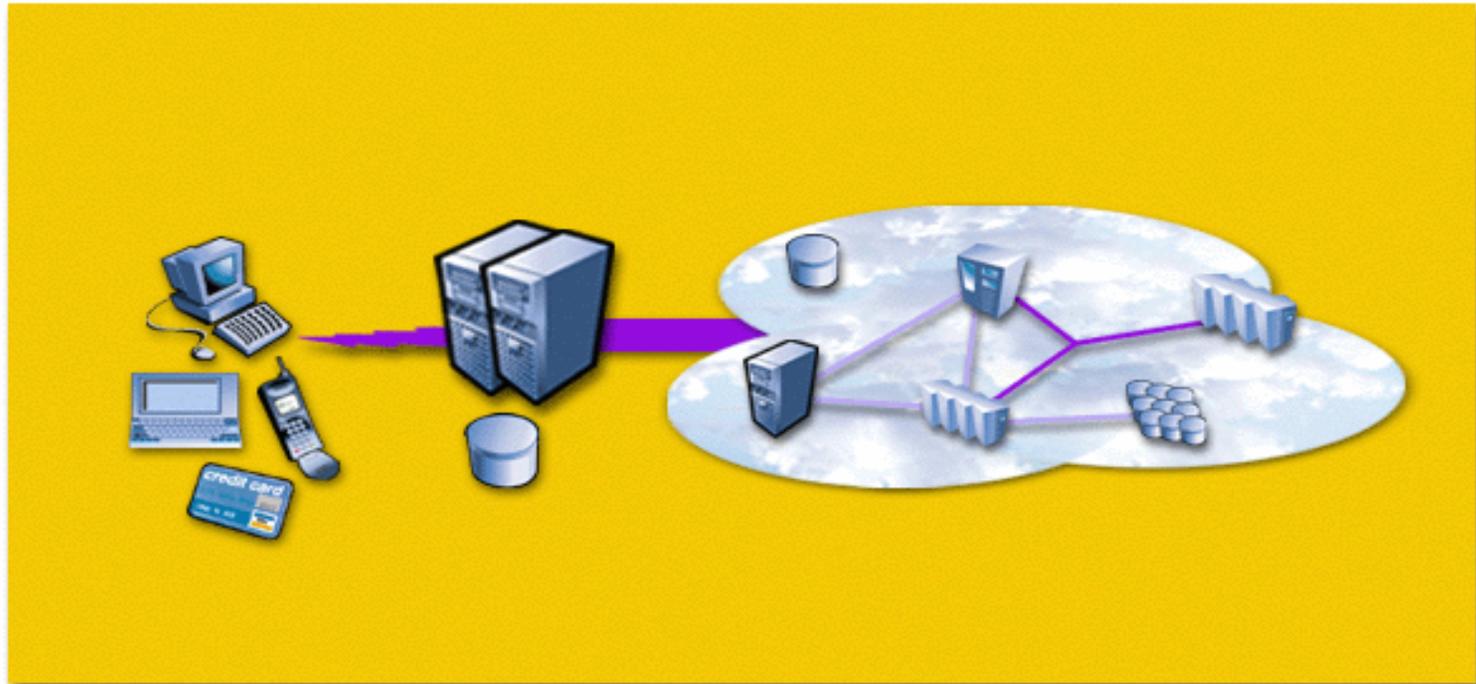
Reliability, security,  
and availability





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# e-business Application Model



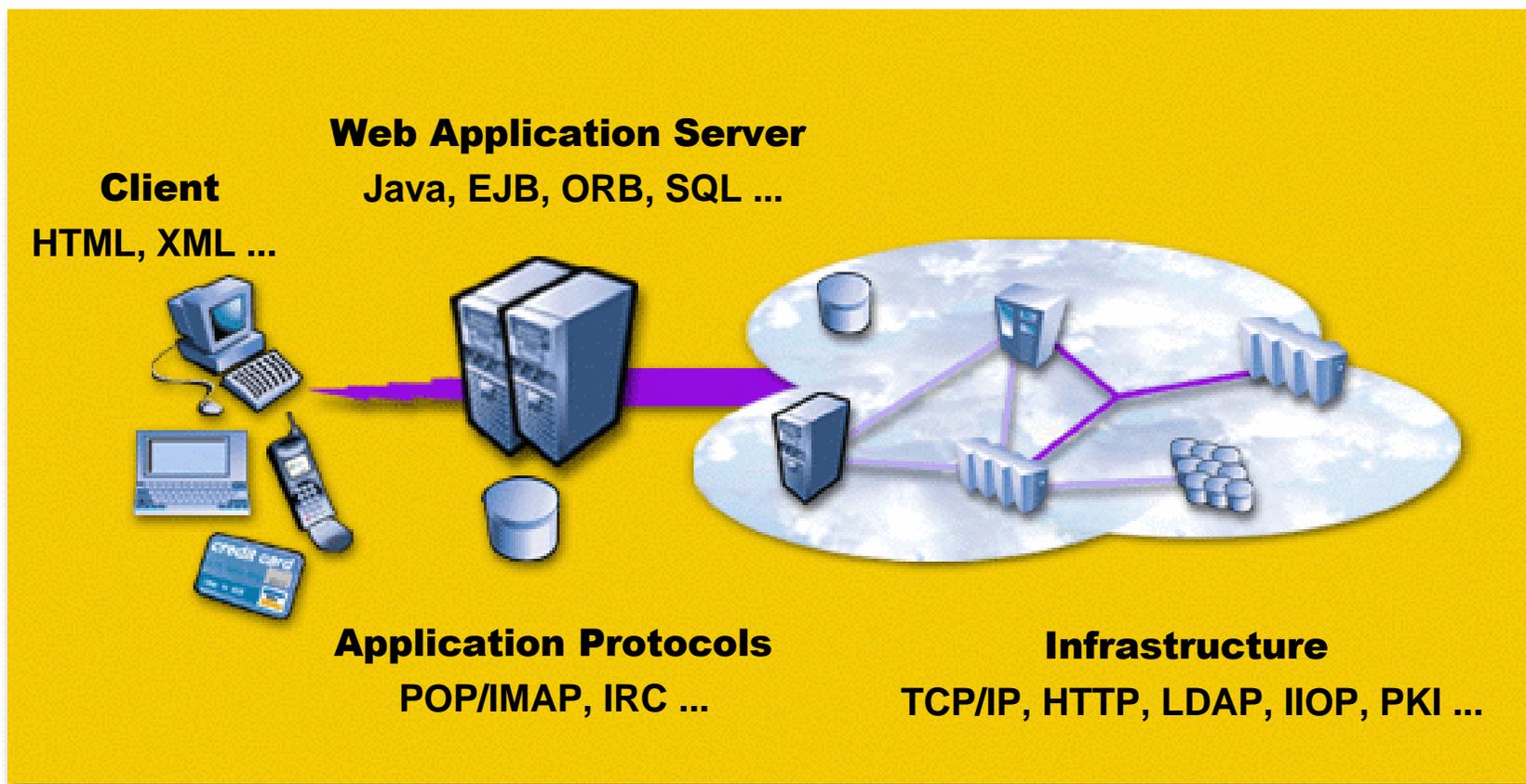
- Supports any client device
- Applications are built independent of deployment platforms
- Provides universal access to data and services across all types of networks
- Workload can be optimized across servers

IBM



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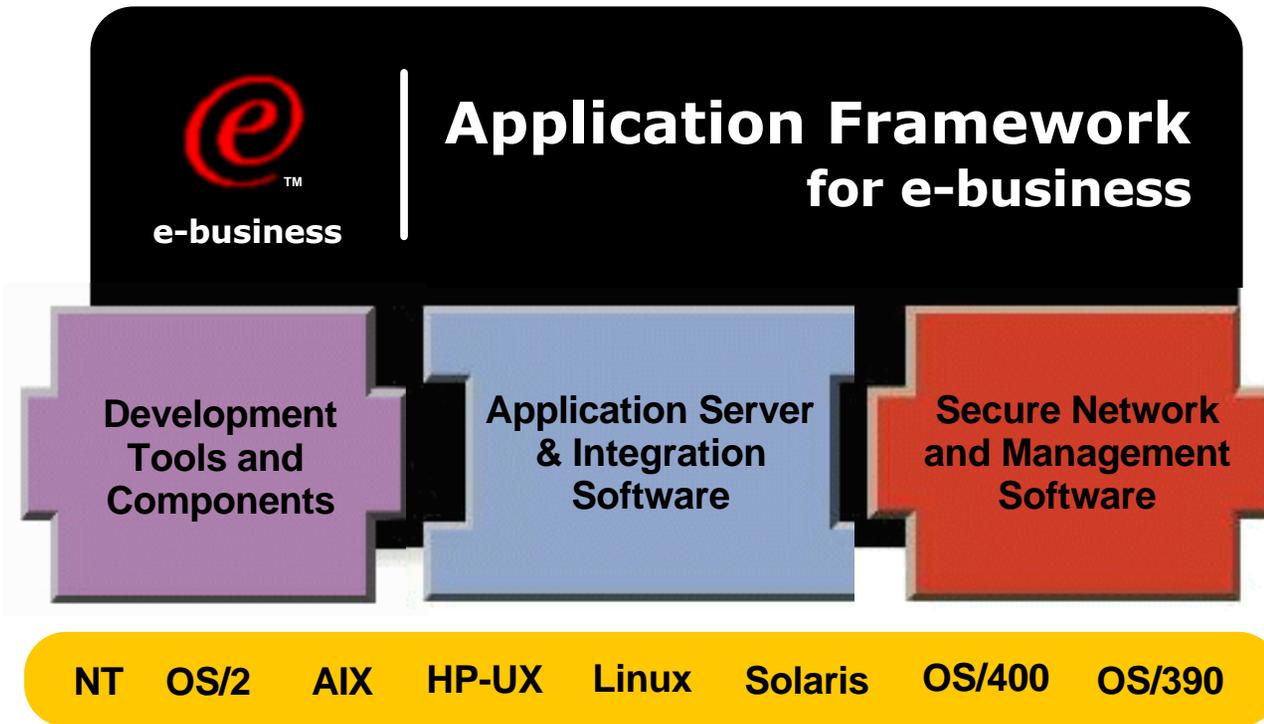
# Standards Make it Possible





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# The Framework Makes It Work



- Field-tested methodology simplifies development and deployment
- Rich product portfolio supports simple to sophisticated applications
- Based on cross-platform standards such as Java and XML



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# Application Server Software



## Collaboration



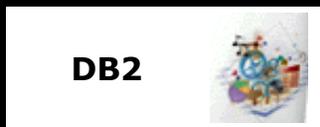
- Rapidly develop and deploy collaborative applications
- Advanced capabilities for managing work and information flow
- Integration with database, ERP and transaction systems

## Transactions



- Speed transition from publishing to Web-based transactions
- For transaction intensive environments
- Support for distributed business components

## Data



- Best performing database for UNIX and NT
- Handles multimedia as well as conventional data
- Optimized for Web applications
- Delivers enterprise class reliability and availability

## Integration



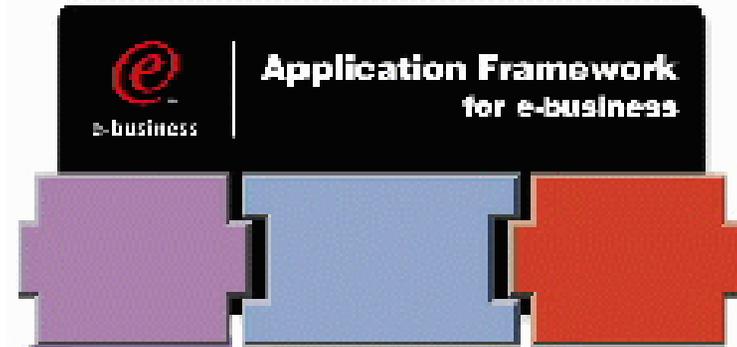
- Connect applications
- Speed application deployment and integration
- Manage and integrate business process flow across more than 35 application environments





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# Development Tools and Components



## Programmer

VisualAge



- Helps professional programmers extend existing applications and add new function
- Visual programming environment
- Supports major languages, platforms and team development

## Workgroup Designer



- Customizable templates that speed deployment of collaborative applications
- Built-in services like workflow, content management and full-text search
- Visual development environment

## Web Developer

WebSphere Studio



- Provides integrated tools and workbench for Web developers using IBM WebSphere
- Wizards guide development of servlets and JavaBeans
- Web site management

## Components



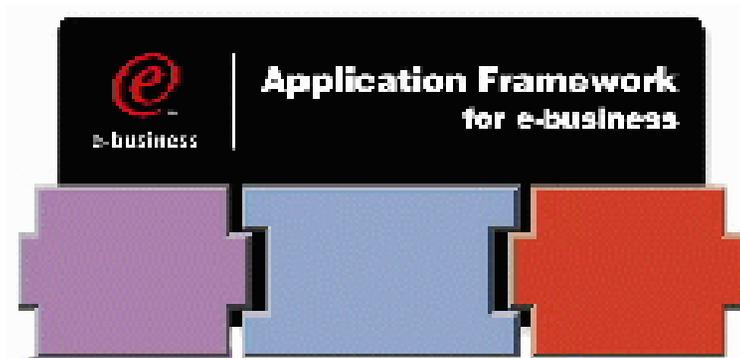
San Francisco

- Reusable business components accelerate delivery of applications running on e-business servers



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# Secure Network And Management Software



### Secure Network



Locate	Connect	Secure
<ul style="list-style-type: none"> <li>• Scalable, standards-based, cross-platform directory</li> <li>• Directory integration across an extended enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Simplest solution for host integration</li> <li>• Deliver Web applications "on demand"</li> <li>• Mobile access</li> </ul>	<ul style="list-style-type: none"> <li>• Standards-based Public Key Infrastructure (PKI)</li> <li>• Integrated security</li> </ul>

### Systems Management



#### Manage

- Scalable, open, cross-platform
- Single-action management
- Easy deployment and maintenance
- Business system management

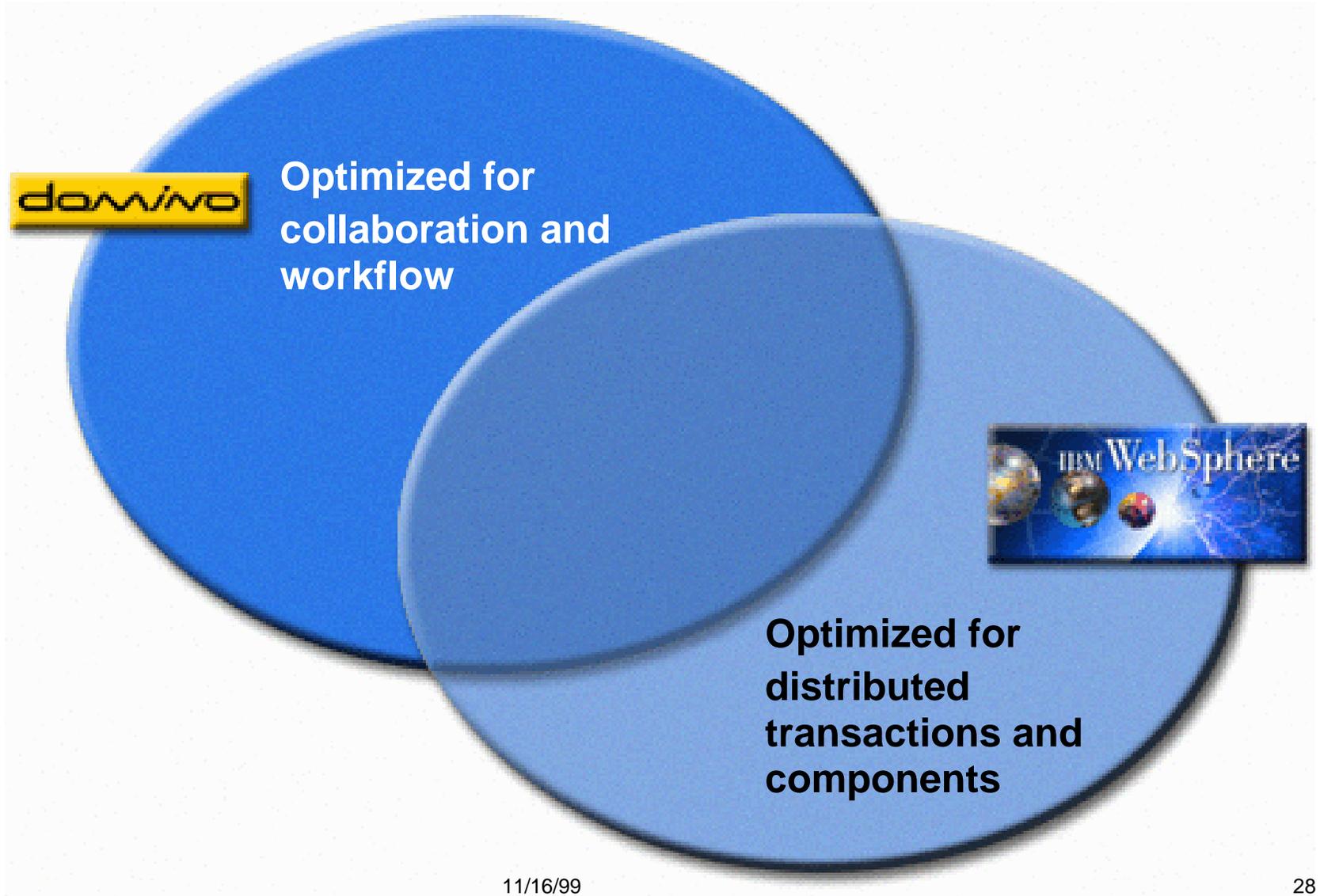




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# WebSphere and Domino

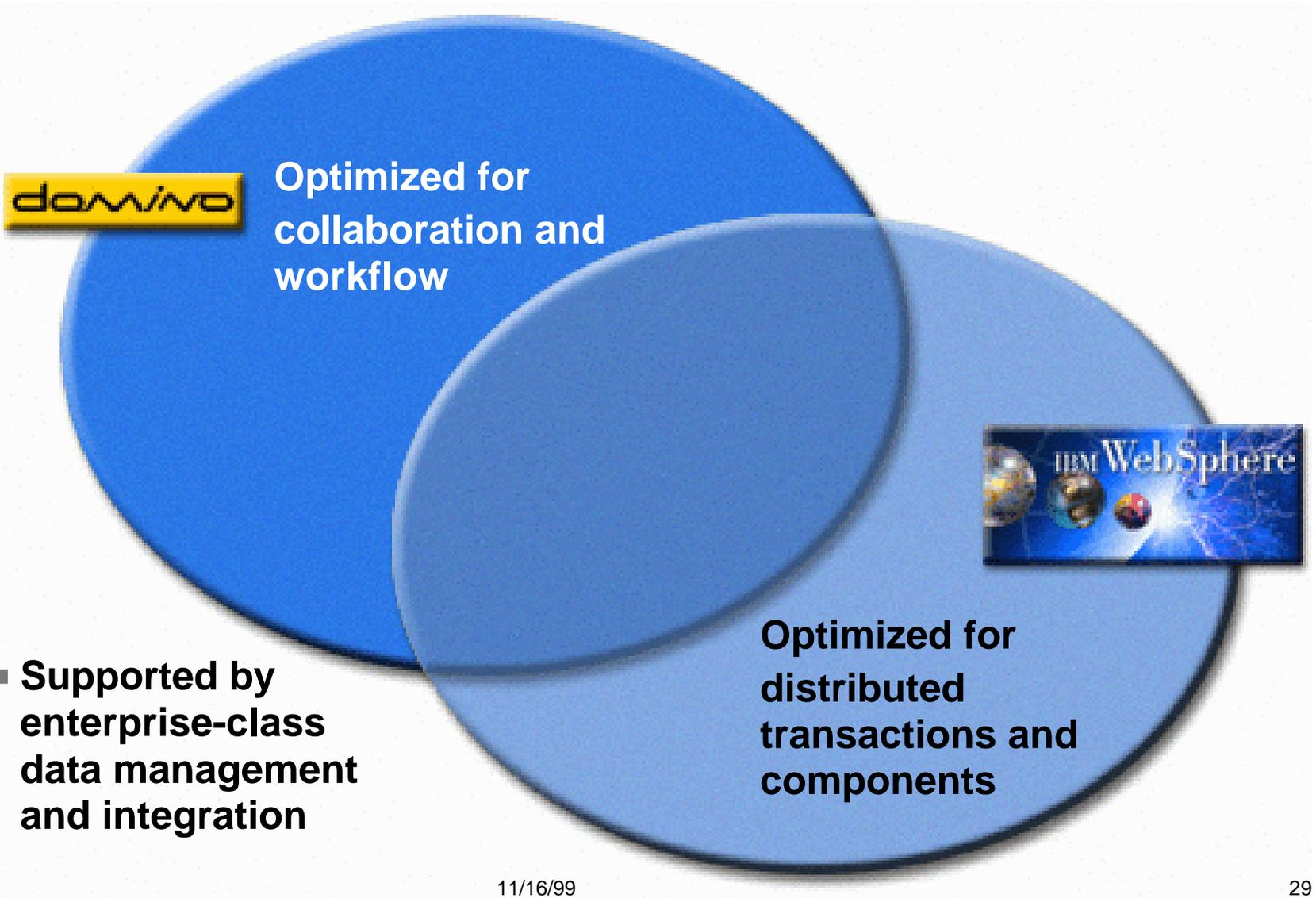
## Conducting web-based transactions while building customer loyalty





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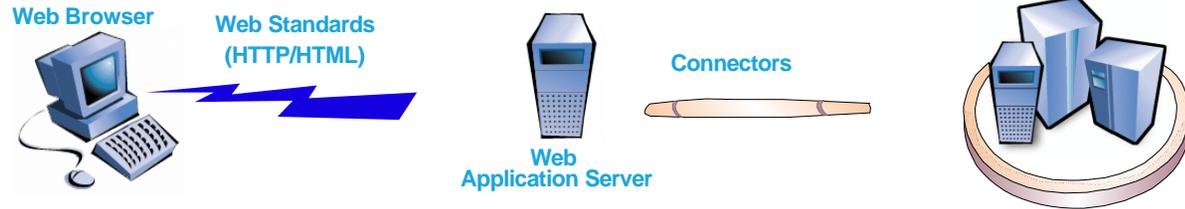
# Web Application Server Capabilities



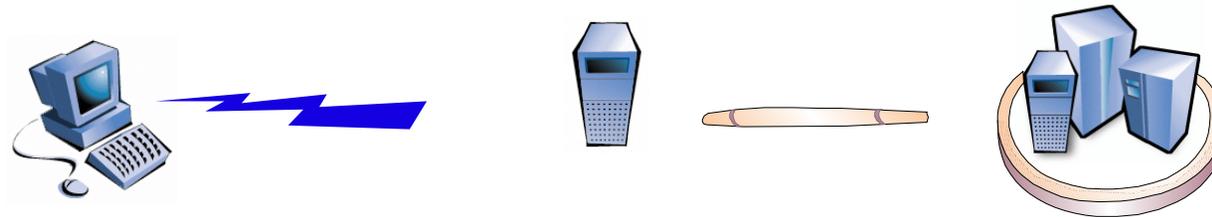


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# Application Framework for e-business Designed to Leverage Core Systems



*For Example ...*



## Capabilities

New face on existing applications

Collaboration e-mail

Web applications / Transaction Processing

On-line sales

Data Warehouse

## Products

SecureWay Host Publisher

Domino

WebSphere Application Server

Net.Commerce

Microsoft Warehouse

Customer Information

Human Resources

Logistics

Billing

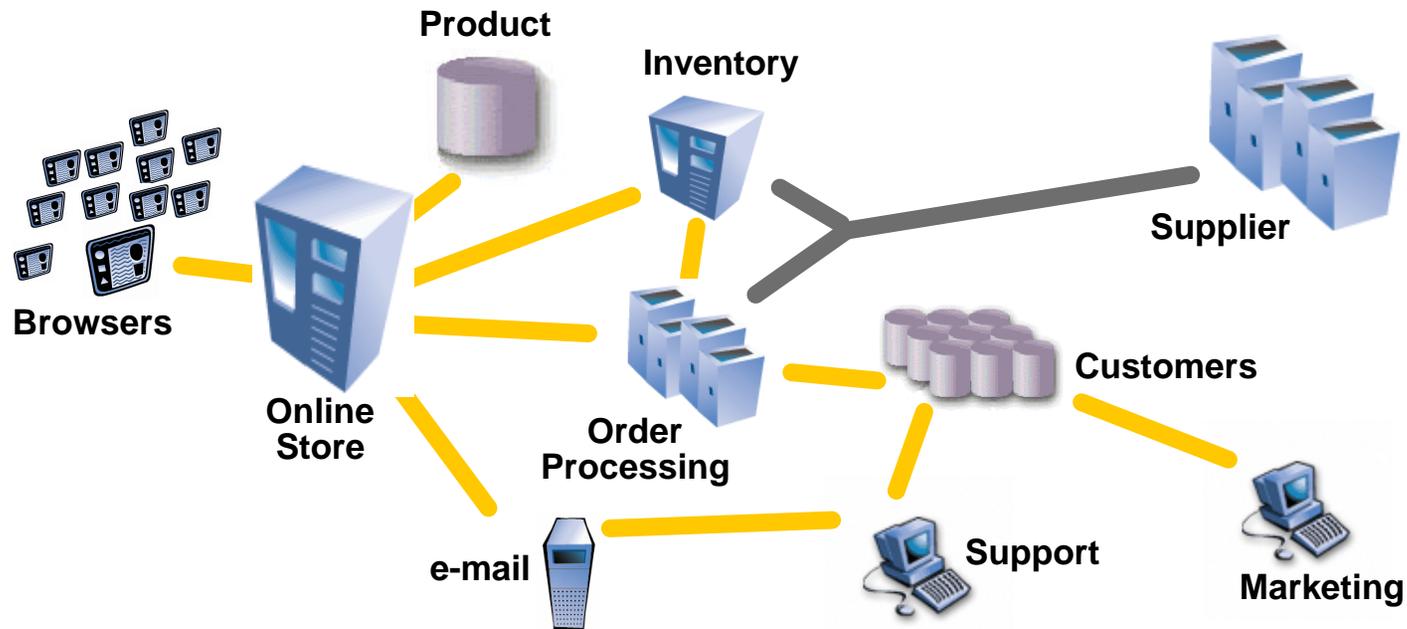
Inventory





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# Enable New Capabilities ... Step by Step



## Requirements

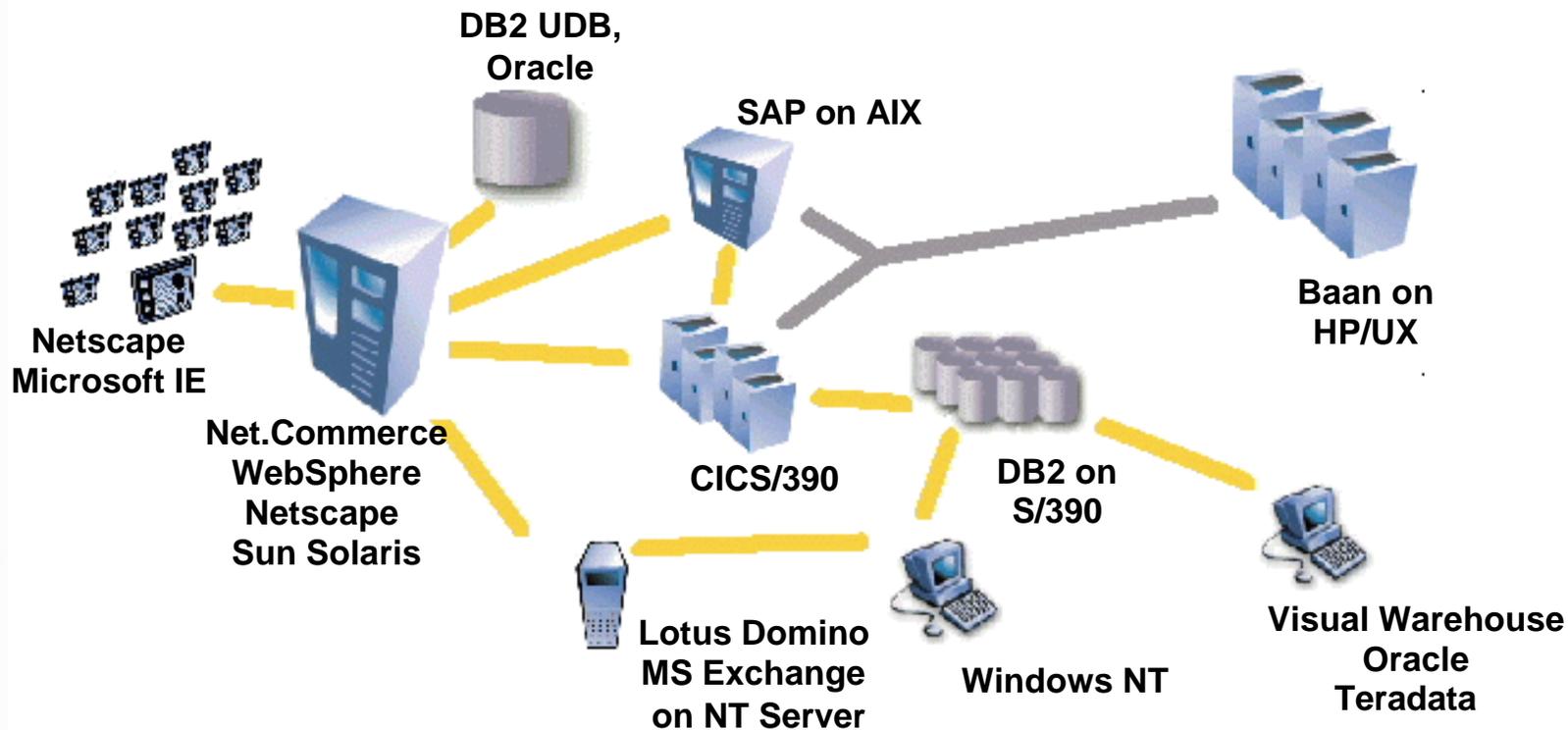
1. From static to interactive site
2. Start online catalog
3. Add inventory check
4. Add order processing
5. Maintain inventory level
6. Add customer support
7. One-to-one marketing
8. Accommodate growth





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# Successful e-business Applications



*The Application Model You Choose Matters*





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## Consider All The e-business Application Projects

- The framework advantages are strongest when considering a succession of e-business projects
  - ▶ Hub and spoke project management is a practical approach
  - ▶ Leverage core systems repeatedly to reduce costs, speed deployment
  - ▶ Simplify with same programming model everywhere
  - ▶ Deploy new applications independent of clients

The IBM logo, consisting of the letters 'IBM' in a bold, sans-serif font, is located in the bottom left corner of the slide.

IBM



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# IBM Suites for e-business

Packaged e-business Solutions supporting CRM, SCM, and Business Operations Applications

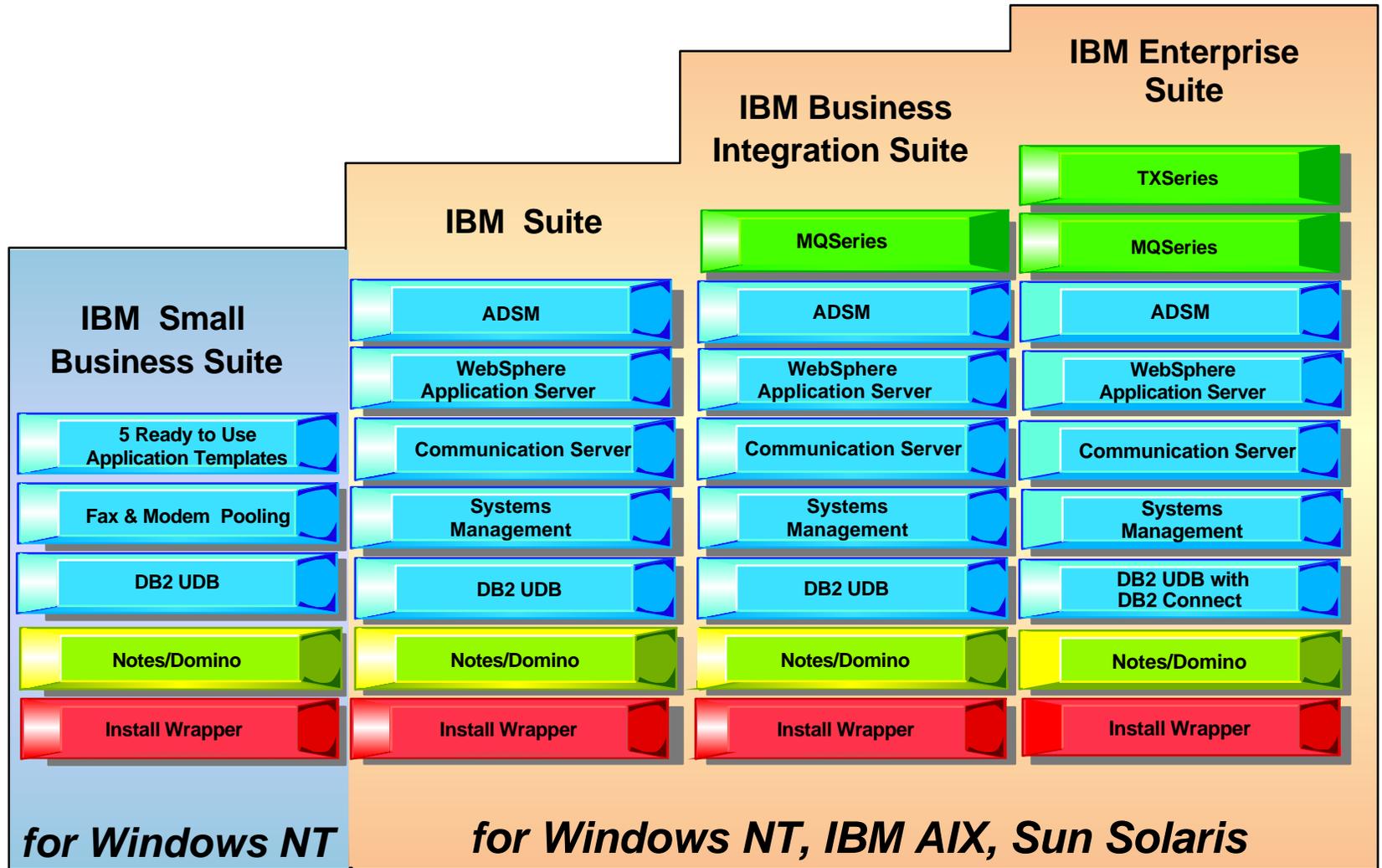


- Easy to buy
  - ▶ Single shrinkwrap package
  - ▶ Single product number
  - ▶ Discounted package price (up to 50% reduction)
  - ▶ Single license can be deployed across multiple server
- Easy to install
  - ▶ Single install includes all components
  - ▶ Consolidated questions for all components
- Easy to run
  - ▶ Integration components provided (e.g. Domino and DB2)
- Easy to support
  - ▶ Single phone number for support
- Easy to manage
  - ▶ Workgroup systems management included



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# IBM Suites for e-business



\* ADSM and Communications Server optional for some Suites





**e-business**

# Application Framework for e-business Differentiators

To build successful e-business applications, they must be:

- 1 standards based**
- 2 server-centric**
- 3 leverage core systems**
- 4 scalable**
- 5 quick to deploy, easy to use**
- 6 manageable**

**and IBM's Application Framework for e-business tells  
you how to do this !**

The IBM logo, consisting of the letters 'IBM' in a bold, white, sans-serif font, set against a dark blue background.

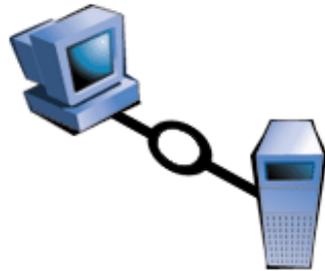
**IBM**



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# An Appropriate Engine Is Required

## PC Servers



**99% availability**

**Downtime  
measured in  
days  
a year per  
server**

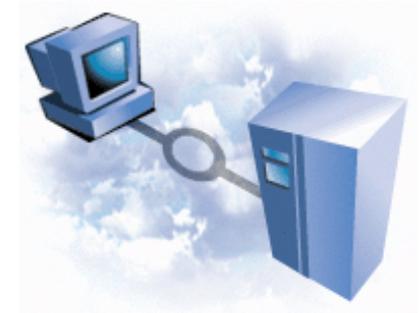
## Midrange Servers



**99.97% availability**

**Downtime  
measured in  
hours  
a year per  
server**

## Enterprise Servers



**99.999% availability**

**Downtime  
measured in  
minutes  
a year per  
server**

**IBM**



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# The Engines of e-business

## Netfinity

**Intel Processors**

**Supports Windows NT, Netware, SCO, Linux**

**Direct channel connection to S/390**

**Clustering**



## AS/400

**Simplicity through integration**

**Multiple concurrent workloads**

**Cluster support up to 128 servers**

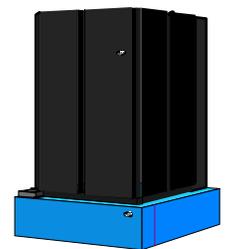


## RS/6000

**UNIX server**

**Clustering for availability and scalability**

**SP reduced image clustering eases manageability**



## S/390

**Parallel Sysplex clustering up to 32 servers boasts 99.999% availability**





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# Opportunity For Business Partners

Services range from one to five times product costs

## Examples

Typical MQSeries engagements

Products - \$30,000

Services - \$100,000

Typical MQSeries Integrator

Products - \$100,000

Services - \$250,000

Typical Data Warehousing engagements

Products - \$100,000

Services - \$100,000

The IBM logo, consisting of the letters 'IBM' in a bold, sans-serif font, with horizontal lines through the letters. It is positioned at the bottom of a vertical sidebar on the left side of the slide.

IBM



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## Next Steps For Customers ...

- 1 Analyze business requirements
- 2 Identify high-value projects
- 3 Inventory existing assets
- 4 Work with IBM and our Partners to apply the Application Framework to your e-business challenges

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IBM



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# Choose The Right Approach

## IBM Messages

e-business  
Solutions

Application  
Framework for  
e-business

Products

## Microsoft Messages

Digital Nervous  
System

Distributed Internet  
Architecture (DNA)

Products





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# Call To Action - Sell High

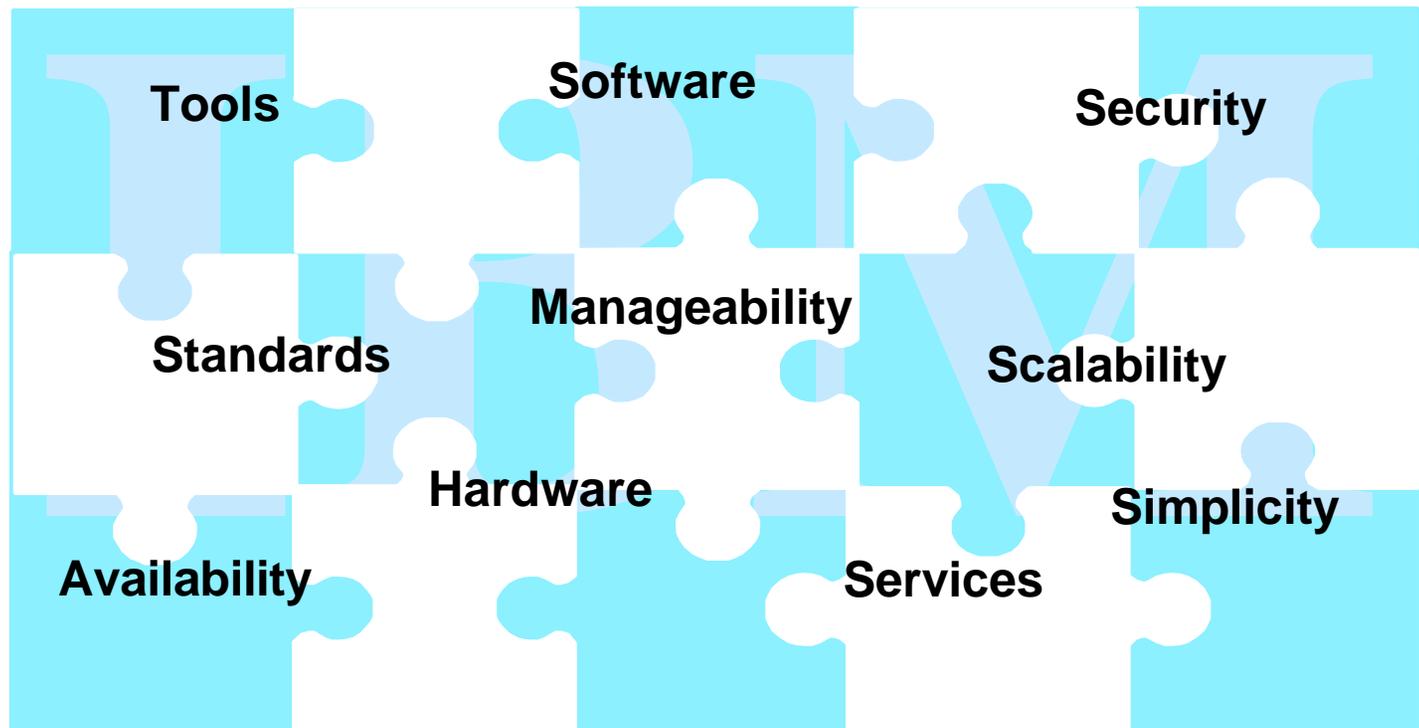
- 1. Identify projects to transform businesses into e-businesses**
- 2. Create a transformation plan to implement projects ... one step at a time**
- 3. Differentiate IBM with complete solution using hardware, software and services**
- 4. Use the Application Framework for e-business**

The IBM logo, consisting of the letters 'IBM' in a bold, sans-serif font, with horizontal lines through the letters. It is positioned at the bottom of a vertical sidebar on the left side of the slide. The sidebar also contains a faint background image of a globe and a hand holding a computer mouse.

IBM



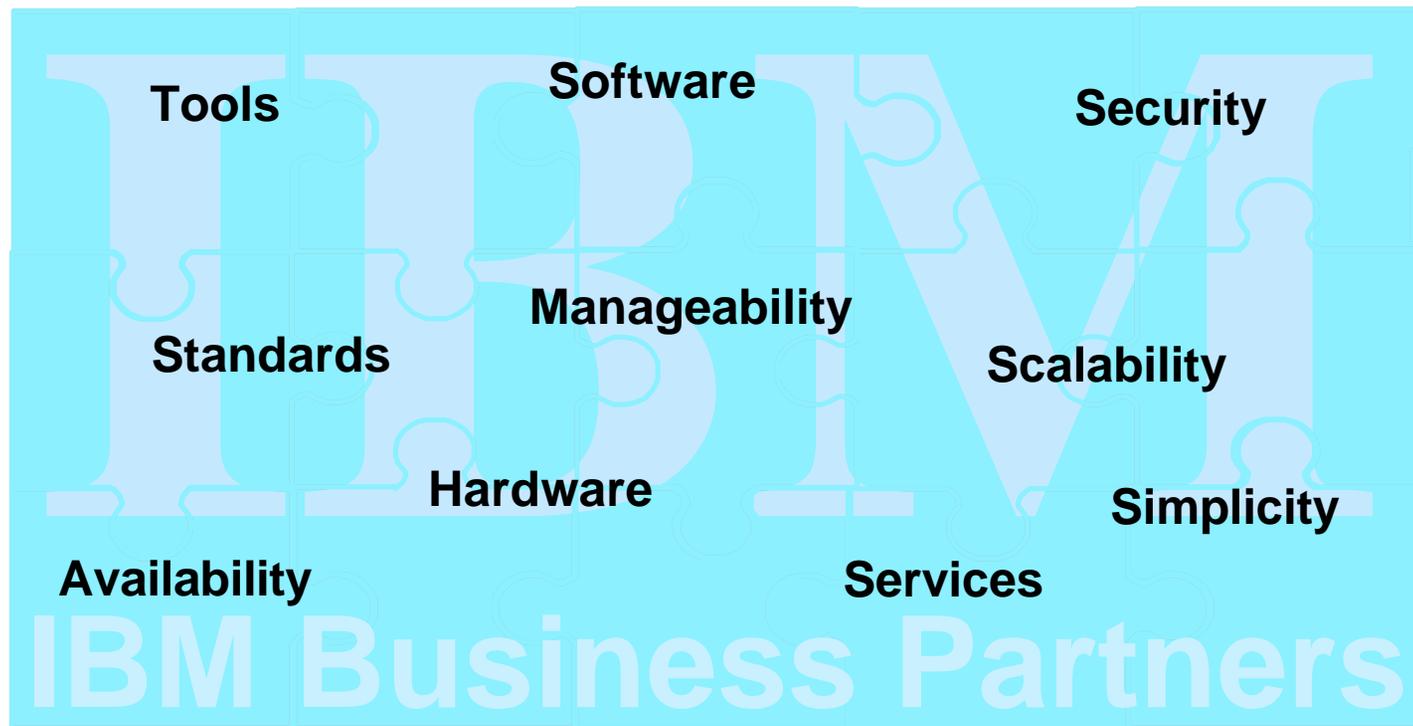
# And Point Out That Deploying e-business Applications . . .





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# ... Requires a Complete Solution



**It's real business.**

**Don't make a short-sighted decision**

11/16/99