IBM Solutions for Ariba SupplierLive

Start Now for e-Commerce Solutions for Ariba SupplierLive

Agenda

- ✓ Supplier enablement
- ✓ IBM/Ariba Relationship
- ✓ IBM's first Supplier solution for BP's - Ariba SupplierLive
- ✓ What this means for you
- ✓ How to learn more
- ✓ FAQ
- ✓ Appendix
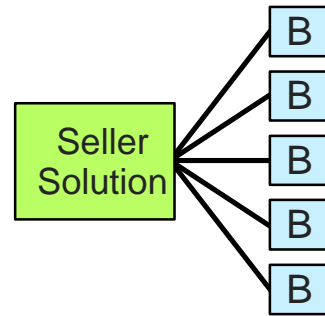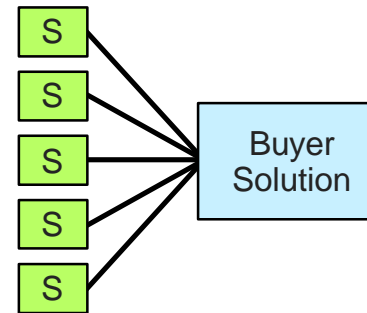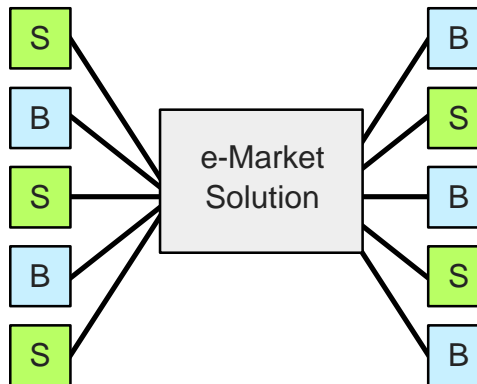
Supplier Enablement

Seller Solution: increases revenues and reaches a wider market.

e-Procurement : leverages e-business technology to automate procurement and leverage supply chain

e-Marketplace: provide value-added services for business buyers and suppliers exchanging goods and services on the Web.

Supplier Challenges?

Ariba and IBM Partnership Overview

B2B Sell-side	B2B Procurement	B2B Marketplaces	B2B Network Services

✓ IBM and Ariba define and take to market a preferred solution for suppliers based on WebSphere Commerce Suite

✓ IBM establishes a team to market, sell and implement solutions based on Ariba's procurement products w/w

✓ Ariba's procurement products optimized for IBM hardware and middleware

✓ Specific targets for IBM hardware and middleware market share

✓ IBM and Ariba to collaborate on development of an offering for B2B Vertical Markets, using best-of-breed functionality from the companies.
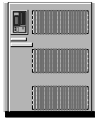
✓ IBM implements cXML specification for connecting suppliers to Ariba Network

Range of Supplier Solutions

Small Supplier

Hosted Solution Offering

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

(Pot. Follow On)

Mid Sized Supplier
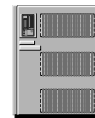
Solution Package Delivered By BP's

- WCS Start
- IBM SupplierLive S/W
- NetFinity or AS400
- Basic Implementation Services delivered by BP
- Sample SOW

July

Large Supplier

Advanced Solution Delivered By IBM or BP's

- WCS Pro
- IBM SupplierLive S/W
- NetFinity or AS400
- Advanced Implementation Services delivered by IGS or BP

July

IBM Business Partner Ramp Up

30 Top BP's

Volume

Pilot
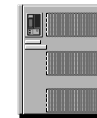
IBM®

Initial Supplier Offering

Initial IBM Supplier Solution - the Ariba SupplierLive solution

- ✓ aimed at integrating suppliers into the Ariba B2B environment
- ✓ uses WebSphere Commerce Suite V4.1 for supplier catalog
- ✓ Two versions - NT and AS400
- ✓ Handles cXML 1.1 transactions (OrderRequest, etc.)
- ✓ Handles Punchout
- ✓ $50K Price Point
- ✓ IBM's Ariba SupplierLive code and documentation delivered via StartNow program to BP's
- ✓ **English Only (evaluating global strategy)**

Solution Overview

◆Solution price starting at $50,000, based on Netfinity

◆ "live in 45"

◆1,000 catalog items

◆BP certifies supplier site

◆cXML 1.1

◆ PunchOut enabled

◆Local Catalog (cXML)

◆Buyer-specific Catalogs

| hardware | software | services | financing |

IBM ®

Solution Overview

| hardware | ◆ Netfinity 5600 or AS/400e model 270
◆ Cisco firewall and router (optional) |

| software | ◆ Windows NT Server 4.0 or OS/400 V4R5
◆ IBM WebSphere Commerce Suite V 4.1
◆ IBM's Ariba SupplierLive software modules |

| services | ◆ Plan, install, configure, and test solution
◆ Apply for Ariba supplier site certification
◆ Services by IBM Business Partners |

IBM®

Netfinity Configuration

$ 5,769   IBM Netfinity 5600

$ 809   MS Windows NT Server 4.0

$ 9,500   IBM WCS Start for NT V4.1, 1 proc, 1 merch

$33,750   Business Partner Services

$49,828   Total typical entry solution estimate

AS/400 Configuration

$17,477   IBM AS/400e server 270

incl.   IBM OS/400 V4R5

$22,500   IBM WCS Pro for AS400 V4.1, P10 proc grp

$33,750   Business Partner Services

$73,727   Total typical entry solution estimate

Extending the Solution

- ◆ OnLink's Sales eConfigurator allows buyers to configure complex products
- ◆ eConfigurator works with WebSphere Commerce Suite in PunchOut mode
- ◆Example – Supplier Advisor

- ◆ Profile Systems' MasterDepot solution assists suppliers with the gathering, preparation and distribution of their product data
- ◆ MasterDepot supports WebSphere Commerce Suite data formats and specifications
- ◆Example – get catalog into UNSPSC and UNUOM specification

Start Now Enablement Kit
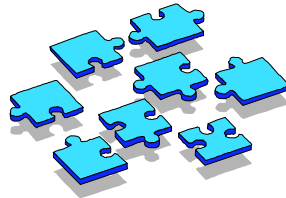## What's Involved

NetFinity   **AS/400e**

✓ **Collection of solution components presented in Business Partner form**

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

IBM's SupplierLive SW
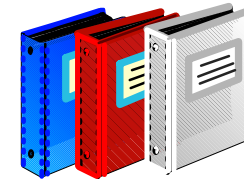
Enablement Kit
Including Sample SOW

Technical Education

➡ **Stand-up**
➡ **Web-based**

Sales Education

Technical Support

➡ **E-Mail**

Overview

e-business ™

IBM

Buyers

Enterprise

SMB

Buying Groups

Buyers

Ariba Buyer (TM)

Ariba Buyer
ASP Edition (TM)
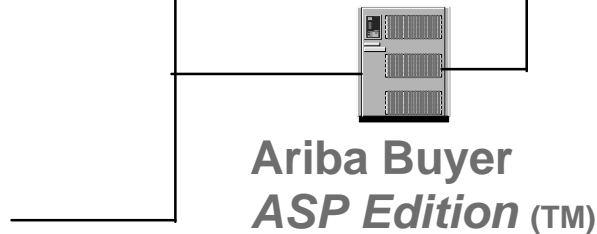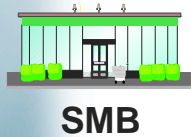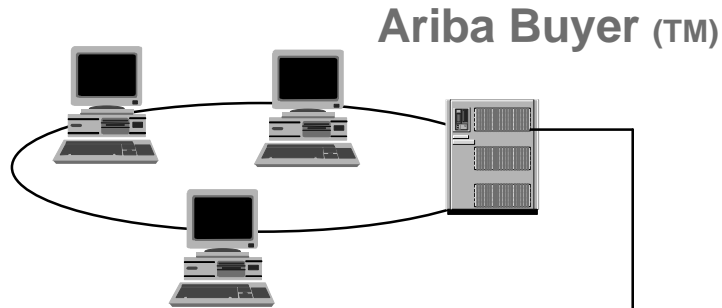
Suppliers

IBM SupplierLive Solution for Ariba

| Distributor | Manufacturer | Raw Goods |

Ariba Commerce Services Network (TM)

E-Marketplaces

Ariba
Marketplace (TM)

Enterprise

SMB

Buying Groups
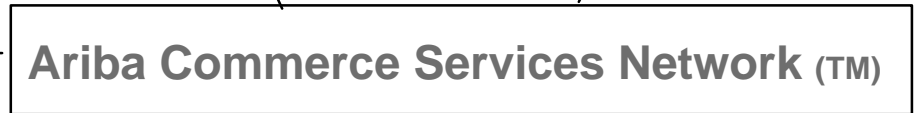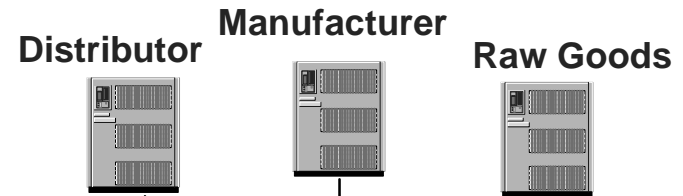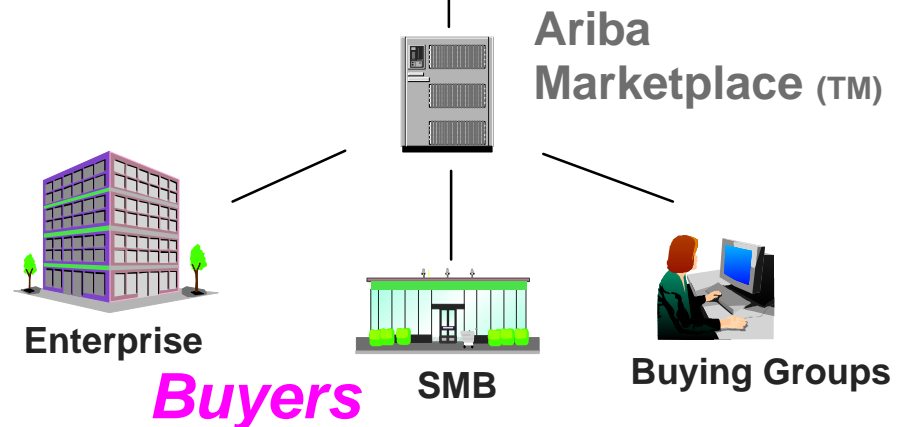
Buyers

Catalog Types

Local Catalogs

- ✓ supplier uploads catalog to Ariba Network and "publishes" it to buying organizations
- ✓ Buying organizations download and import catalogs into Ariba Buyer, and can use its search features

Internet Catalogs (PunchOut)

- ✓ catalogs running at the supplier's site
- ✓ Ariba Buyer provides URL to buyers
- ✓ buyers "punch out" and browse at supplier's site
- ✓ shopping cart information returned to Ariba Buyer

Catalog Formats

Product	Properties	Approach
Office Supplies, Internal Supplies	Static content, Stable pricing	CIF or CXML local catalogs
Lab Supplies, MRO, Electronics	Requires normalization to be useful	Punch out to a vertical commodity portal
Books, Chemicals	Large number of line items	Punch out to a supplier hosted catalog
Computers, Network Routers, Peripherals	Requires a configuration tool	Punch out to a supplier configuration tool (ONLINK is an option here)
Services, Printed Materials	Content has highly variable attributes	ORMS eForm linked via punch out to a supplier catalog

Ariba Commerce Services Network

✓ a scalable, integrated means of connecting buyers and suppliers

✓ strong value proposition for suppliers - single connection gives them access to many procurement systems (and in the future, e-marketplaces)

✓ strong value proposition for <u>buyers</u> and <u>market makers</u> - many thousands of suppliers already connected

PunchOut Enablement - 1

Buyer

Supplier

Ariba CS Network

Ariba Buyer (TM)

WCS with SupplierLive SW
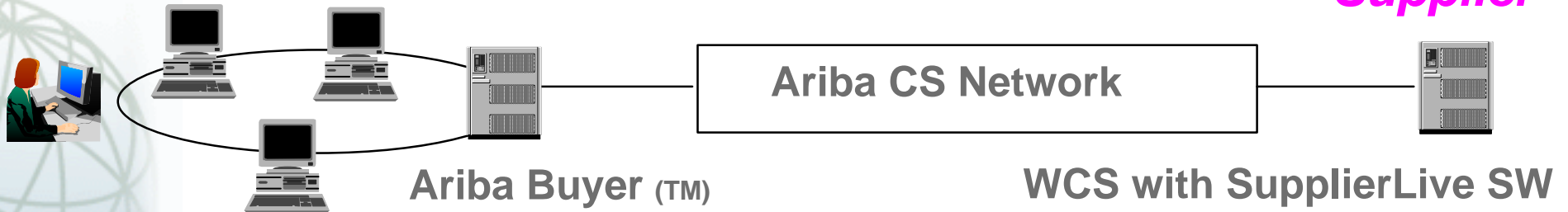
1. Buyer selects supplier for PunchOut

2. Ariba Buyer sends request to ACSN.
(PunchOut Setup Request)

3. ACSN authenticates buyer and forwards request to supplier.

4. Supplier's CXML S/W responds with URL
(PunchOut Setup Rsp)

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

PunchOut Enablement - 2

e TM
e-business

Buyer

Supplier

Ariba CS Network

Ariba Buyer (TM)

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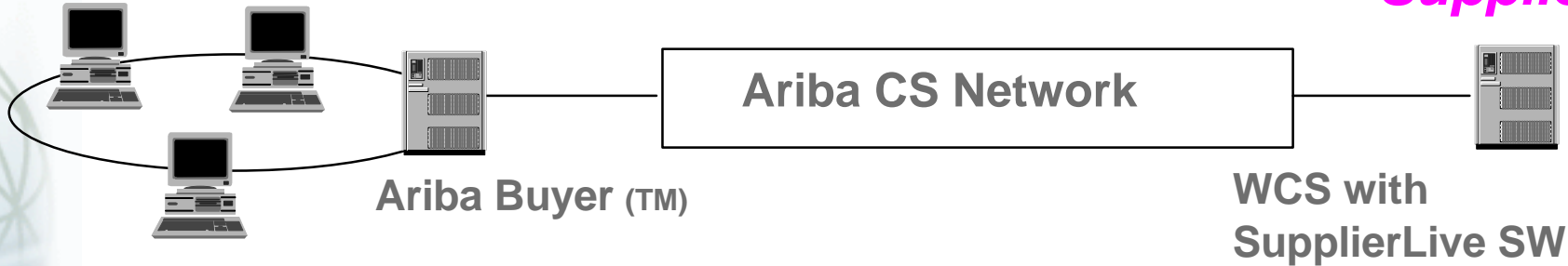
6. Buyer shops at the supplier's web site. Buyer adds items to shopping cart. Buyer clicks "check out" button.

8. Ariba Buyer uses shopping cart to create purchase requisition; workflow used to route requisition for approval. After approval, Ariba Buyer creates Purchase Order.

7. SupplierLive S/W responds with *PunchOut Order* message; sends contents of shopping cart to Ariba Buyer.

IBM

Transaction Enablement

Buyer
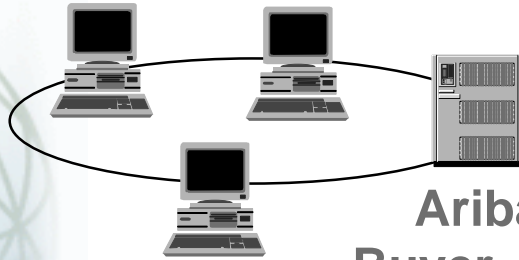
Supplier

Ariba CS Network

Ariba Buyer (TM)

WCS with SupplierLive SW

1. Buyer ready to order.

2. Ariba Buyer sends order to ACSN.
(OrderRequest)

3. ACSN authenticates buyer and forwards request to supplier.

4. SupplierLive S/W responds with order acknowledgment.
(OrderReponse)
Supplier system submits order to WCS for processing.

What is the Supplier Opportunity?

✓ Sold over 200 eProcurement and Marketplaces
✓ Total Ariba supplier opportunity 100,000 suppliers
✓ Estimated 25-40% of suppliers do not have an ecatalog

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

e-business

IBM

How do the suppliers learn about our solutions?

✓ Ariba Supplier Event - Burlingame, CA July 25th
✓ Ariba Supplier Summit
  ✓ buyer event to educate suppliers of Ariba solution and how to get connected to Ariba Network
✓ Ariba Supplier Advisor
  ✓ an online decision guide for suppliers to help link a supplier to a Business Partners that can deliver the solution
✓ Ariba Sales Force
✓ IBM Sales Force
✓ IBM Business Partners

Upsell Opportunity

E-Marketplaces / Hub   **Supplier**   **Back End System**

Ariba
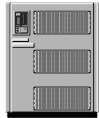
WCS
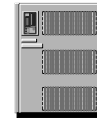
SAP R/3

JDE OneWorld

JDE World

Lawson

QAD

Supply Chain Integration

Connect supplier to their back end ERP system and their downstream suppliers
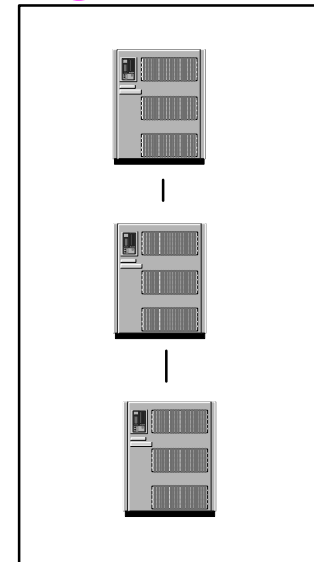
Get Suppliers Enabled

- ✓ Quickly get your supplier enabled and linked into the Ariba Network
- ✓ Offer suppliers a complete turnkey, e-commerce infrastructure solution
- ✓ Quickly enable supplier to participate in B2B commerce.
- ✓ Provide faster time to market with a solution that is secure, robust and scalable to grow with their business.
- ✓ Provide low, predictable solution costs
- ✓ Provide predictable implementation timeframe
- ✓ Provide readily available set of partners who can deliver the solution quickly

Sell more Industry leading WCS

13 Awards from Industry Press

✓ *Network World Readers Choice Award, November 1999*

✓ *Brazilian IT Magazine Readers Choice Award, November 1999*

✓ *PC Professional Award at SMAU 99, Italy, October 1999*

✓ *Network Computing Well-Connected Award, May 1999*

✓ *1999 InfoVision Award, The Int'l Engineering Consortium,* May 1999

✓ *1999 Hyper Award, NewMedia Magazine,* February 1999

✓ *Editors' Choice, PC Magazine,* January 5, 1999

✓ *PC Computing MVP Finalist -- Commerce Server Software, PC Computing*

Volume Market Share Leader in Enterprise Accounts

✓ *Over 3000 licenses in the market*

Strong Revenue and Marketshare Growth

Broad Support of the Services and Software Industry

✓ *1000 Certified Solution Providers and over 100 ISV Vendors*

✓ *Support for the most industry platforms and nine languages*

Pitch WCS 4.1 Highlights

✓ Rich e-Commerce Functionality for B2B, B2C and eMP Frameworks
  - ✓ Relationship Marketing
  - ✓ Order Management
✓ Application and Business Integration
  - ✓ XML Support
  - ✓ Extensible API Framework
  - ✓ Commerce Integrator
✓ Rich Application Development and Management Workbench
  - ✓ Expanded use of WebSphere Technology
  - ✓ Web Design, Development and Operational Tools (Studio)
✓ Component-Based Architecture
  - ✓ Broader deployment of JSPs
  - ✓ Platform enhancements

How Do I Learn More?

- Go the the new IBM Start Now Solutions for e-business web site.
  - http://www.ibm.com/partnerworld/startnow. Select "North America," then IBM Start Now e-commerce Solution for Ariba SupplierLive".
  - Website provides:
    - summary of solution
    - opportunity
    - value proposition
    - steps to get involved
    - materials available
      - telecon
      - presentations
      - press release
      - Ariba Magazine Ad
      - Instructions to access Ariba Documents
      - brochure

How Do I Learn More?

- Get trained on WCS 4.1
- Go the the new IBM Start Now Solutions for e-business web site.
  - http://www.ibm.com/partnerworld/startnow. Select "North America," then IBM Start Now e-commerce Solution for Ariba SupplierLive".
  - Website provides:
    - summary of solution
    - opportunity
    - value proposition
    - steps to get involved
    - materials available
      - telecon
      - presentations
      - press release
      - Ariba Magazine Ad
      - Instructions to access Ariba Documents
      - brochure
- FYI - Ariba SupplierLive Splash page website.
  http://www.ibm.com/software/websphere/commerce/startnow_asl.html

Ariba Documentation

- Ariba Reference Documents
  - ✓ Ariba Network Supplier's Guide, supplier.ariba.com. (Click 'help' then 'resources'.)
  - ✓ Ariba Network White Paper. supplier.ariba.com.
  - ✓ PunchOut Briefing, supplier.ariba.com.
  - ✓ Ariba Catalog Format Reference, supplier.ariba.com.
  - ✓ Ariba ORMS Catalog Management Guide
  - ✓ CXML User's Guide, Version 1.1, www.cxml.org.
  - ✓ CXML 1.1 Specification Draft. www.cxml.org.

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

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

- ✓ WebSphere Commerce Suite Business Perspective

- ✓ e-commerce for the Retail Industry

- ✓ e-commerce for Business to Business

- ✓ e-commerce for Service Providers

- ✓ Content Management for e-commerce

- ✓ WebSphere Commerce Suite Business Integration

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

- ✓ WebSphere Commerce Suite Technical Perspective

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

Appendix

FAQ

- Q: What is Ariba SupplierLive?
- A: Ariba SupplierLive is a complete turnkey solution enabling suppliers to participate in B2B commerce. The solution includes IBM hardware, software (WebSphere Commerce Suite – Ariba SupplierLive Edition), and services; Cisco networking solutions; financing; and pre-integration to the Ariba Commerce Services Network (both CXML PunchOut and automated CIF catalog publishing).

- Q: Whom is it for?
- A: Ariba SupplierLive is targeted at mid-tier suppliers who are looking for a complete e-commerce infrastructure solution. Because the package includes WebSphere Commerce Suite, suppliers can build a complete e-commerce site on the Internet at the same time that they are connecting to buyers and suppliers through the Ariba Commerce Services Network.

- Q: How will the products save them time, or money, or worry?
- A: Customers get one stop shopping with a complete solution and faster time to market with a solution that is secure, robust and scalable to grow with their business. It is based on open standards for compatibility with current and future Web technologies.

- Business Partners are provided with enhanced statements of work to speed up proposal development time and enhanced co-marketing and sales tools for opportunity identification. (???) This is further supported by a common web site for all needed information to make it easier to enable the Partner. The net result is greater profit opportunity due to lower cost and faster time to market.

FAQ

- Q: What can we specifically quantify - for example "twice as fast" about each product?   Are there any "firsts" we can highlight?
  - ► A: Firsts / bests
  - ► first complete solution
  - ► first Ariba certified solution
  - ► first to support AS400 platform
  - ► first to support CXML 1.1 - the latest standard
  - ► (??? not sure that we are first to support CXML 1.1 at a protocol level, just at the data format level for Local mode which is the next bullet. Check with Ariba on the protocol one ???)
  - ► first to support CXML local catalogs - others support older standard CIF
  - ► best network of Business Partners who can provide implementation services
  - ► extensible solution including catalog data service partner, configurator partner, etc.

- Q: How will it be sold?
- A: Ariba SupplierLive will be sold by the IBM reseller channels. Suppliers registering on the Ariba Commerce Services Network will be referred to the Ariba SupplierLive solution by Supplier Advisor.

- Q: How will this be implemented?
- A: Implementation services will be provided by IBM's business partners.

- Q: How much will it cost?
- A: Depending on configuration, the total price will begin around $50,000 (including implementation services).

FAQ

- Q: Will Ariba be offering other turnkey solutions?
- A: Yes. Ariba intends to develop and offer other bundled solutions under the Ariba SupplierLive umbrella. These will include components provided by other technology vendors and will be targeted at different customer segments.

- Q: How is Ariba SupplierLive integrated to the Ariba Commerce Services Network?
- A: Ariba SupplierLive offers two forms of integration to the ACSN. First, Ariba SupplierLive is "pre-PunchOut enabled," meaning that suppliers' sites will function as PunchOut destination sites without further implementation. Second, Ariba SupplierLive will be able to create and publish CIF (or CXML?) catalogs to the Ariba CSN, where they can be accessed by multiple buyers and marketplaces.

- Q: Will Ariba SupplierLive integrate with competitors' networks?
- A: Yes, in the future. Ariba SupplierLive will be enabled to inter-operate with networks and applications provided by other software vendors, such as Commerce One, SAP, Oracle, etc.

- Q: Do Ariba suppliers have to use Ariba SupplierLive?
- A: No. Ariba SupplierLive is one of multiple options for suppliers who want to connect to the Ariba Commerce Services Network, ranging from XML integration with existing e-commerce systems to browser-based self-registration and configuration.

- Q: Does the supplier have to buy IBM hardware?
- A: No. Suppliers will be able to download a version of WebSphere Commerce Suite that is pre-integrated with the Ariba Commerce Services Network.

- Q: What about suppliers that already have WebSphere Commerce Suite?
- A: IBM will make available a patch that provides integration to the Ariba Commerce Services Network.

FAQ

- Q: Will Ariba make any money from this?
- A: Ariba may receive a referral fee from sales of Ariba SupplierLive. However, the primary benefits to Ariba are our increased ability to bring suppliers onto the Ariba Commerce Services Network and out enhanced supplier enablement solutions to make our customers successful.

- Q: Are there any customers or business partners that can serve as press references? (Not just a quote in a press release but willing to speak to the press)
- A: Partners in development, providing extensions to the IBM Solution for Ariba SupplierLive
  - ▶ OnLink - provide a product configurator that works with WCS and the Ariba Supplier Solution. Needed if the supplier has complex products like computers and peripherals that need to be configured. By supporting the OnLink configurator, we ensure that our Ariba Supplier Solution can handle a wide range of supplier types:
  - ▶ Profile Systems -

  - ▶ Plus, IBM and Ariba are working with Cisco, who provides networking hardware for suppliers who need the underlying infrastructure (routers, firewalls, etc.) to connect to the Internet.

- Q Does IBM plan to extend this supplier solution to connect to other marketplaces ?
- A.Yes. In the coming months, IBM will be announcing Supplier integration solutions for other e-marketplaces and procurement solutions.

- Q: When are the products available in the US? Worldwide? (We need GA availability and NLS support)
- A: NA (US English) - July 2000

- Q: Will this be available globally?
- A: Yes, but initial availability is for the U.S. only..

Buyer / Supplier Communications Catalog Operations

Ariba CS Network

Local Catalogs

Product / Service Content *(CIF / CXML Catalogs)*

Catalog files that describe suppliers products.

Internet Catalogs

Internet Catalog Operations Request *(PunchOutSetupRequest)*

Buyer requests operation to be performed at suppliers web site:
initiate PunchOut request or edit/inspect an existing quote.

Internet Catalog Operations Response *(PunchOutSetupRsp)*

Supplier indicates connection is successful, and passes back a
URL.

(Buyer browses supplier's site; eventually clicks "check out" button)

Shopping Basket Contents *(PunchOutOrderMessage)*

Supplier sends content of shopping basket to buyer

(ORMS creates purchase requisition; ORMS workflow sends for approval)
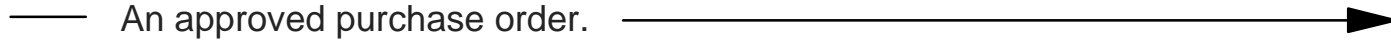
Buyer / Supplier Communications Transactions

Ariba CS Network

Buyers — **Suppliers**

Order *(OrderRequest)*
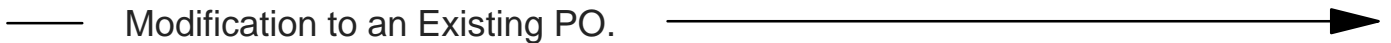An approved purchase order.

Order Acknowledgement *(OrderResponse)*
Acknowledgement of order receipt.

Change Order *(future)*
Modification to an Existing PO.

Change Order Acknowledgement *(future)*
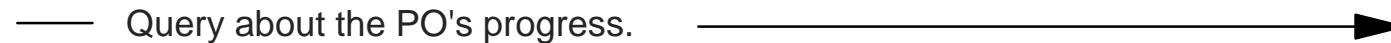Acknowledgement of modified PO receipt

Order Status Request
Query about the PO's progress.

Order Status Response (StatusUpdateRequest)
Information about the PO's progress.

Ship Notice *(future)*
Announcement that the order has been shipped.

Invoice *(future)*
Bill requesting payment for the order.

Payment *(future)*
Transfer of funds to pay for the order.

Hardware Detail

hardware

- Netfinity 5600 - $5,769
    - Pentium III 667 MHz
    - 512 MB ECC
    - 2x 9.1 GB-wide Ultra2 SCSI hot swap
    - Systems Management Processor
- AS/400e Server 270 - $17,477
    - 370 CPW (#2250)
    - 512 MB ECC
    - 2x 8.6 GB DASD, tape
- Cisco Networking Hardware (opt. add-on)
    - router, firewall, hardware as req'd

IBM.

Software Detail

software

- ◆ Netfinity Environment
  - ◆ Windows NT Server 4.0 - $809
    - ◆ 5-client pack, part # 227-01188
  - ◆ WCS Start for NT V4.1 - $9,500
    - ◆ 1 processor, 1 merchant

- ◆ AS/400 Environment
  - ◆ OS/400 V4R5 - included with hardware
    - ◆ JDK and Toolbox for Java included
  - ◆ WCS Pro for AS/400 V4.1 - $22,500
    - ◆ processor group 10 pricing

IBM.

Services Detail

services

- Key Assumptions
  - Service hours are estimates based on inputs from our Business Partners
  - 1,000 catalog line items
  - BP installs and configures server hardware, O/S, and WCS V4.1
  - BP installs and configures IBM's Ariba SupplierLive software modules
  - Site is punchout and local catalog enabled (cXML)
  - Supplier site uses provided sample store (no custom shopping flows)
  - Supplier provides catalog data in specified format, incl. mapping to UN/SPSC
  - BP completes supplier site cert. process
  - Back end ERP integration not incl.

IBM

Services Detail

Tasks	Time Required	Responsibility
Plan web site - gather requirements - specify site - plan Ariba integration	20-25 hours	Business Partner
Set up hw & sw - install / prep OS - install / config WCS - install / config Ariba software module	20-25 hours	Business Partner
Develop website graphics - banner, logo, buttons, background	3-12 hours	Business Partner
Create web site static text	8-10 hours	Business Partner

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Services Detail (con't)

Tasks	Time Required	Responsibility
Create WCS supplier site - Using IBM provided sample store	4-6 hours	Business Partner
Product data and images - Load product information - Create/load product images - Populate relevant tables (e.g., UN/SPSC, UNUOM) - Generate data for local catalog	35-70 hours (for 1,000 products)	Business Partner; supplier responsible for providing data in format specified
Host test site or post to 3rd party test site	12-22 hours	Business Partner

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Services Detail (con't)

Tasks	Time Required	Responsibility
Test supplier site - Configure and test with Ariba CSN - Configure and test with buyer site	10-18 hours	Business Partner, in conjunction with supplier and buyer
Apply for Ariba supplier certification	2 hours	Business Partner / Ariba, in conjunction with supplier
Production mode with buyer	4-10 hours	Business Partner, in conjunction with supplier and buyer
Train supplier personnel	15-25 hours	Business Partner, in conjunction with supplier

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Services Detail (con't)

Tasks	Time Required	Responsibility
Approximate Total Time	133-225 hours	Business Partner

Total = 225 hours @ $150/hr. = $33,750

Note: Service hours and hourly rates are estimates based on input from our Business Partners. Actual hours and prices are established by Business Partners and these may vary.

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