

Smarter Commerce

Reference Architecture and Integration Strategy

Tim Francis
IBM Distinguished Engineer
CTO, B2B & Commerce Solutions



IBM is entering new markets and reaching new buyers

Target Industry Segments



Human Services



Retail



Urban Planning



Transportation



Education



Financial Services



Public Safety



Energy & Water

Target Clients



Chief Sourcing & Procurement Officer



Chief Marketing Officer (CMO)



Chief Information Officer



Chief Legal Officer



Mayor



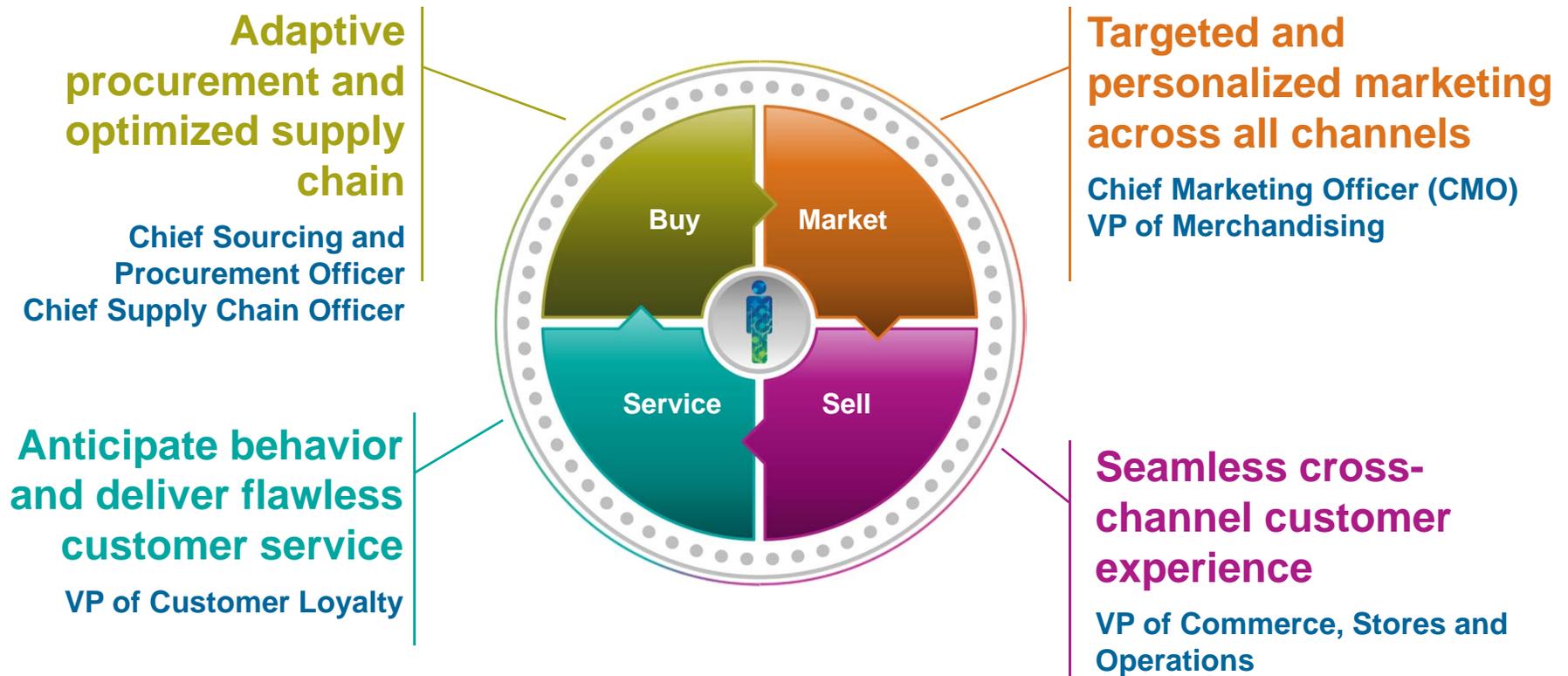
Head of Social Programs



Chief of Police



Smarter Commerce is integrating and synchronizing the value chain, reaching new buyers



IBM Smarter Commerce offers a broad and integrated portfolio

VALUE CHAIN STRATEGY AND SERVICES

CORE BUSINESS SOLUTIONS

BUY

Adaptive procurement and optimized supply chain

MARKET

Targeted and personalized marketing across all channels

SELL

Seamless cross-channel customer experience

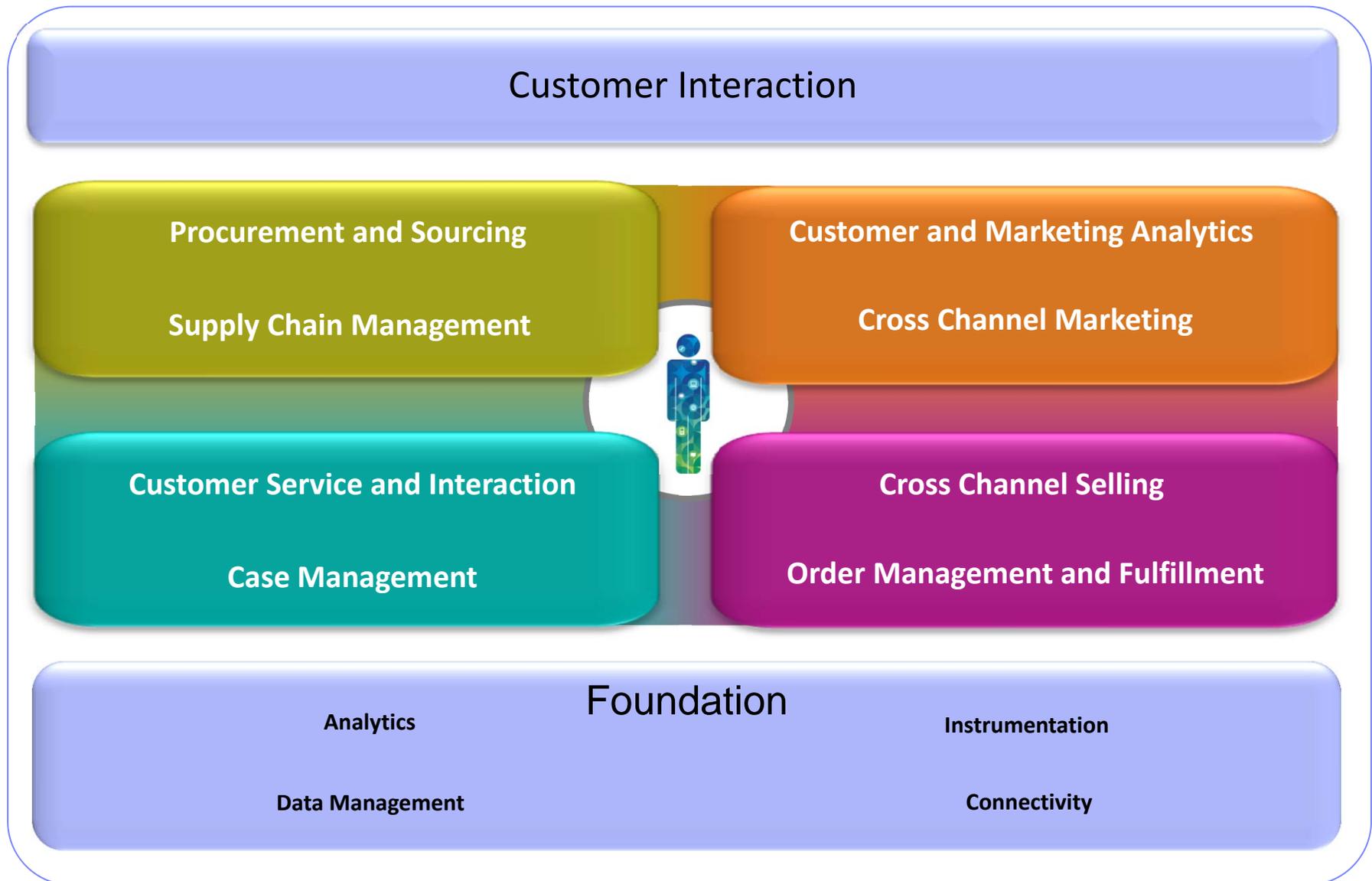
SERVICE

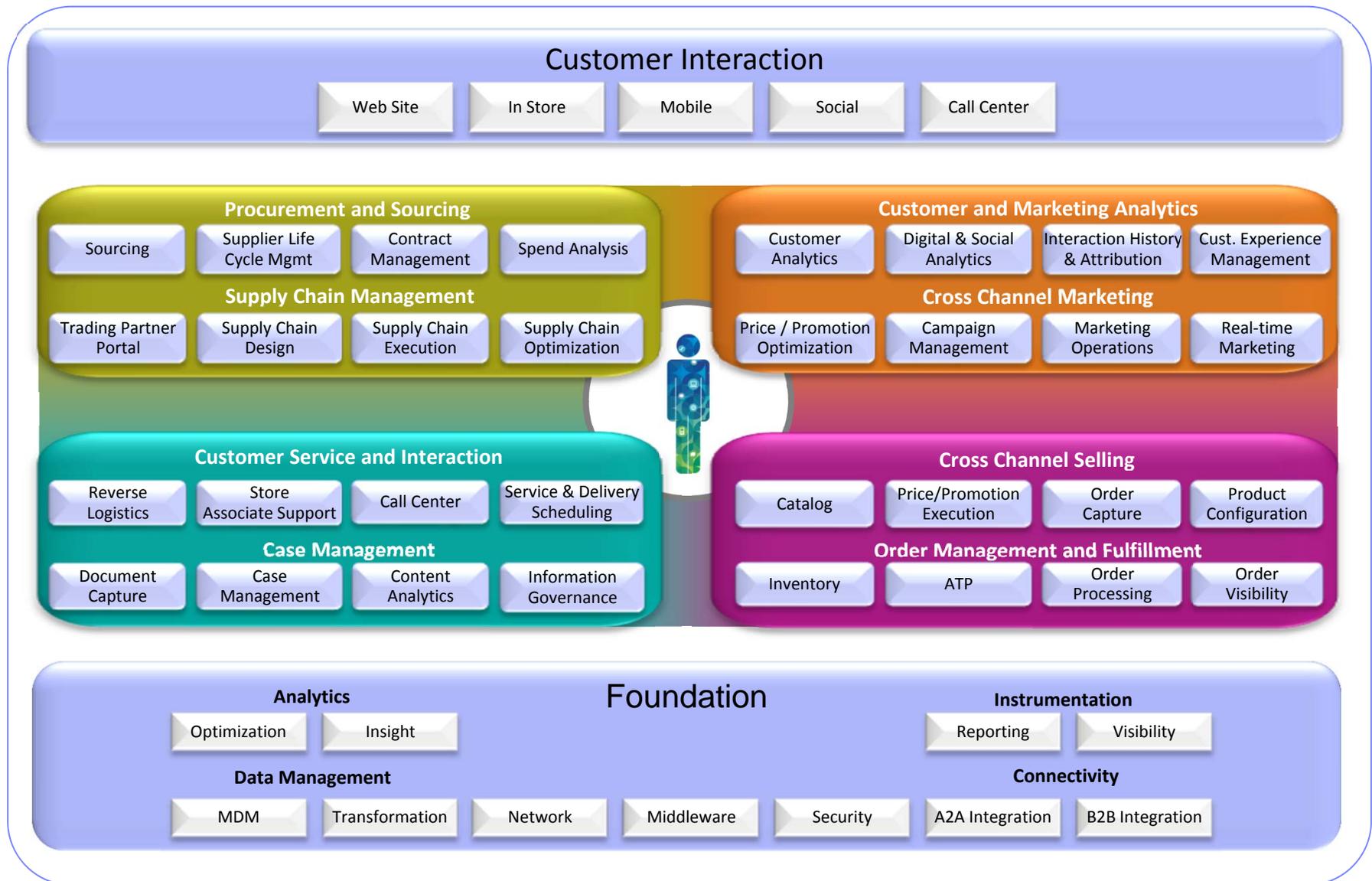
Anticipate behavior and deliver flawless customer service

Smarter Analytics

IBM SmartCloud Solutions and Smarter Computing



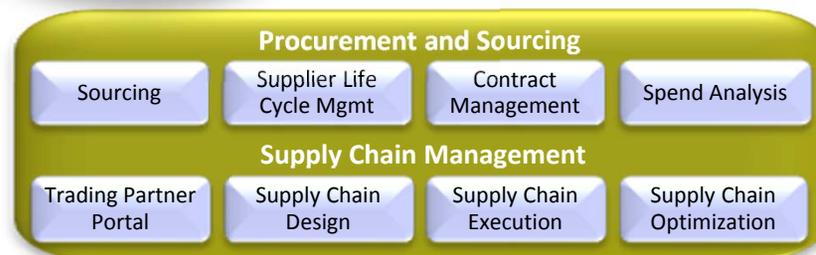




“BUY” processes and capabilities



- Sourcing
- Supplier Life Cycle Management
- Contract Management
- Spend Analysis
- Trading Partner Portal
- Supply Chain Design
- Supply Chain Execution
- Supply Chain Optimization



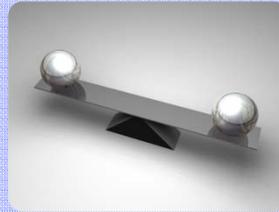
Emptoris Provides a Full Range of Supply Management Solutions

Spend Analysis



Provide Complete
Visibility to all
Enterprise Spend

Contract Management



Increase Quality of
Negotiated Contracts
and Enforce Compliance
to Terms

Supplier Lifecycle Management



Complete Supplier
Performance and Risk
Management, Visibility
and Intelligence

Sourcing



Drive Cost Savings while
Reducing Risk through
Optimized Supplier
Selection

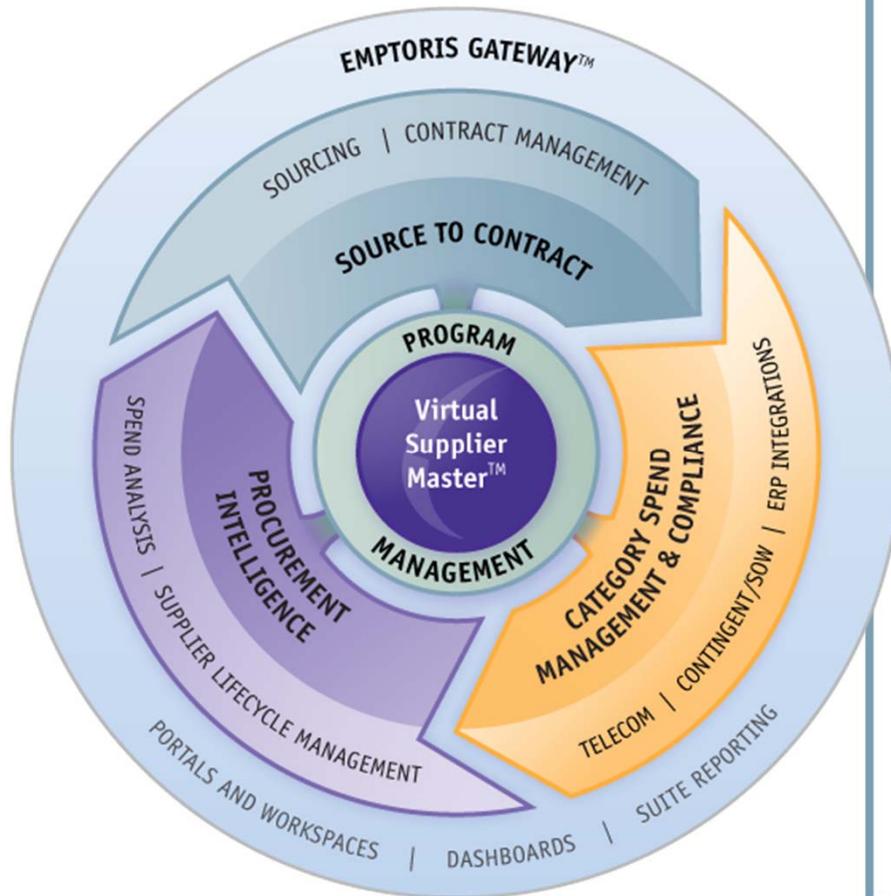
Category Solutions



Manage Complex Spend
Categories, such as
Contract Labor and
Telecom Expenses



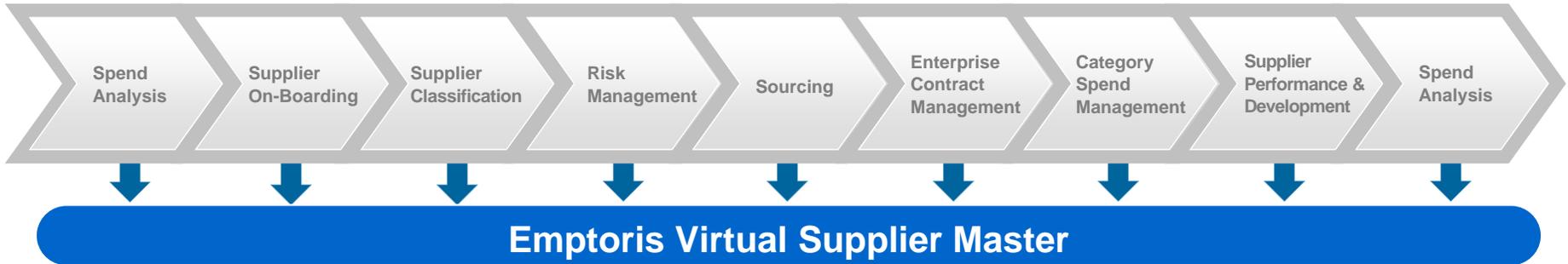
The Emptoris Suite: Smarter Commerce “Buy” Solutions



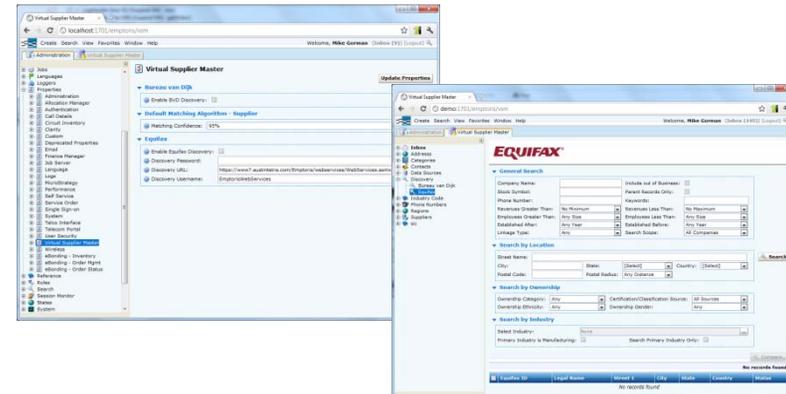
- **Procurement Intelligence**
Global, enterprise-wide visibility into spending and suppliers to drive operational and supplier performance improvement
- **Source to Contract**
Advanced sourcing and enterprise contract management capabilities maximize and lock in savings
- **Category Spend Management and Compliance (Telecom)**
Manage complex spend categories and ensure compliance of service providers and outsourced workers
- **Program Management**
Powerful, cross-suite program management capabilities to drive savings, risk and compliance programs
- **Virtual Supplier Master**
A global master repository for supplier and category information and flexible supplier discovery capabilities



Virtual Supplier Master (VSM) - SLM integration



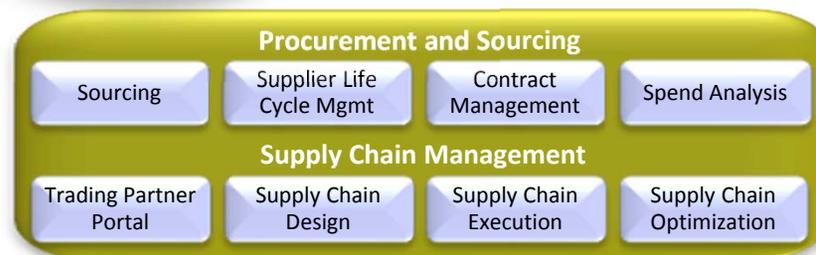
- Rationalize disparate supplier data
 - Process supplier data inputs from multiple sources to build a dynamic configurable master supplier record
 - Configurable data fields allow VSM to manage critical non-ERP data such as performance and risk, diversity status, CSR records, etc
 - Allocates suppliers a unique global ID that can be used throughout the Emptoris Suite
- Discover new suppliers
 - Search externally for new suppliers utilizing external data services
 - Create supplier records from the data found
- Category data management
 - Maintain a master category reference tree that allocates all categories a unique global category ID that can be used throughout the Emptoris suite



“BUY” processes and capabilities



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- Supply Chain Design
- Supply Chain Execution
- Supply Chain Optimization



Trading Partner Portal & Integration Options



*B2B integration addresses complex integration challenges to **synchronize** the value chain of partners, suppliers and customers*

Managed File Transfer



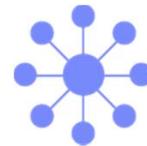
Secure, reliable file transfer **connects** systems

Integration Services



Flexible cloud technologies and expert services host **business communities**

Integration Gateways



Orchestration and **automation** for key partner **processes**

Transformation & Industry Standards



Single, universal **transformation** engine with accelerated support for industry standards

The IBM difference

Secure protocol has never been breached

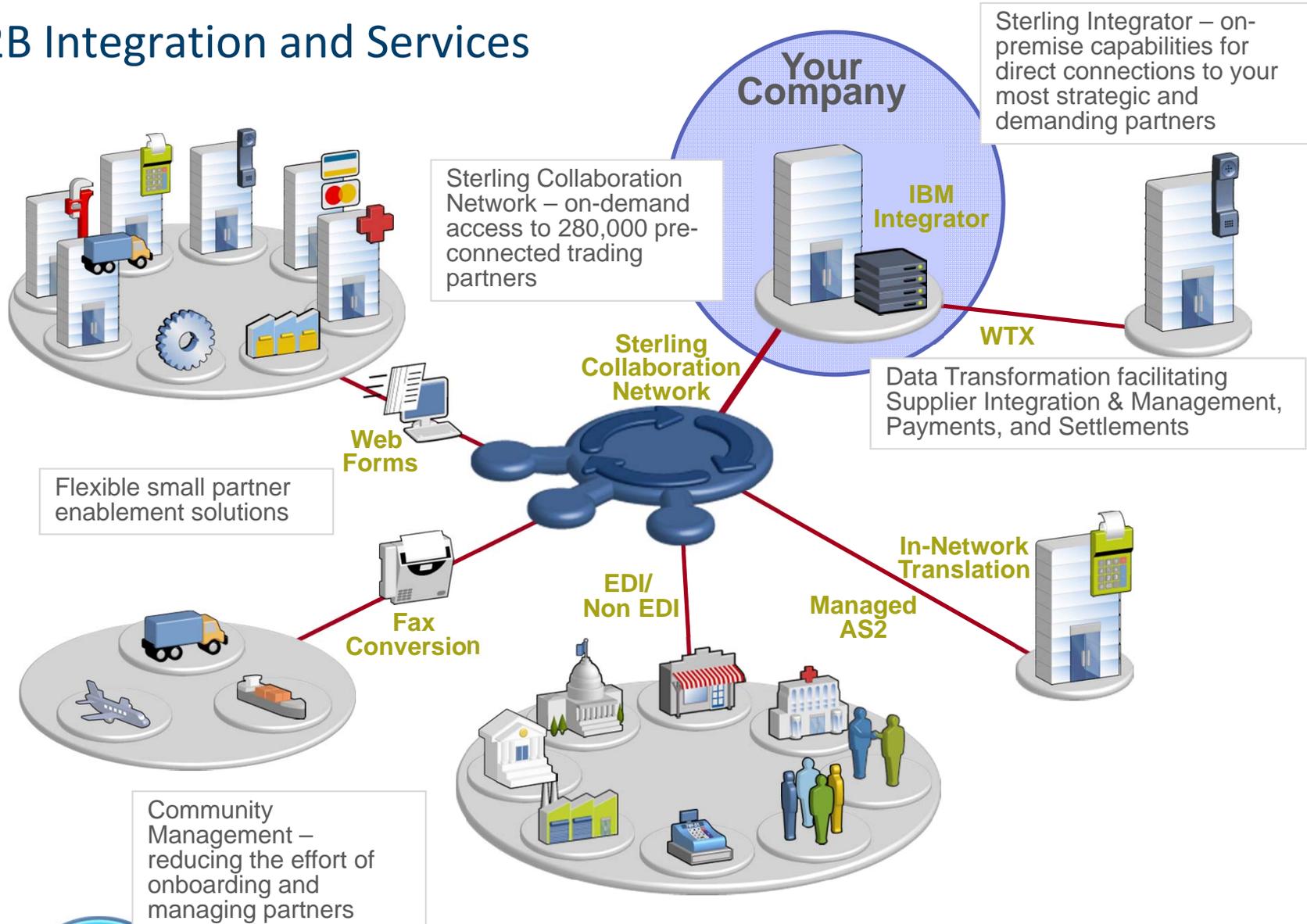
Global network of 300,000 pre-connected trading entities

Unmatched scalability/performance to solve the most complex scenarios

Leader in transformation capabilities across EDI and Industry standards



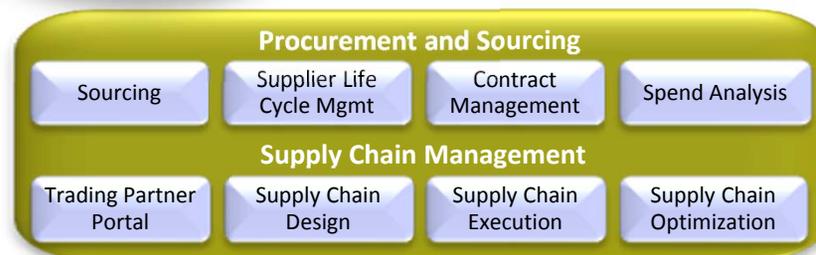
B2B Integration and Services



“BUY” processes and capabilities



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Smarter Commerce enables Supply Chain Excellence

Using IBM Sterling TMS in conjunction with IBM ILOG Transportation Analyst and LogicNet Plus XE enables transportation providers and shippers to make both long-term (strategic) and short-term (tactical) decisions while continuously improving operational efficiency, reducing costs and ultimately enhancing the overall customer order fulfillment experience.

IBM Sterling TMS

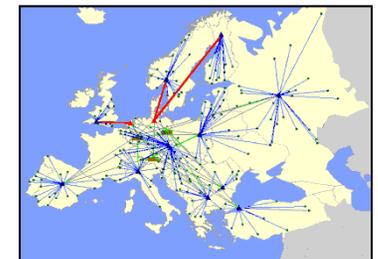
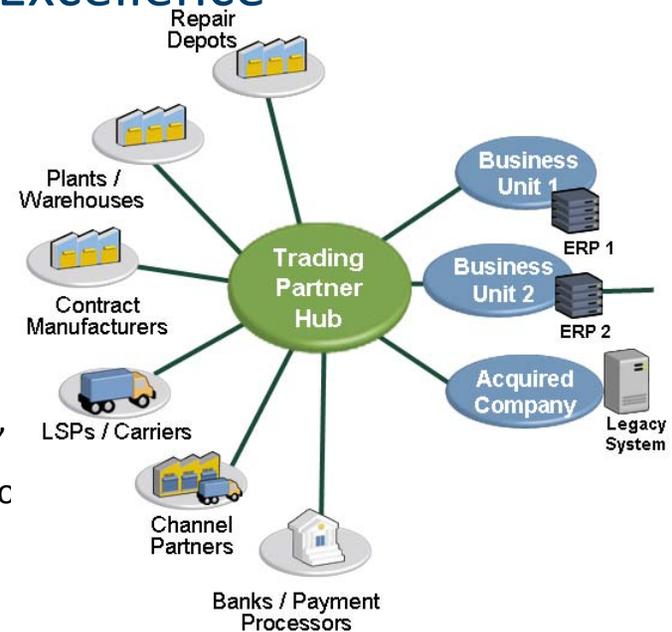
- Provides daily management of transportation planning, load building, and tracking of shipments at the tactical level
- Provides ongoing/real time tracking of orders, shipments, and inventory across your global trading partner networks

ILOG Transportation Analyst

- Provides robust optimization of strategic transportation questions surrounding optimal route design, fleet sizes, backhaul opportunities, time windows and much more
- The results from these studies may then be fed back into the TMS applications to be used as guidance/constraints in daily transportation management

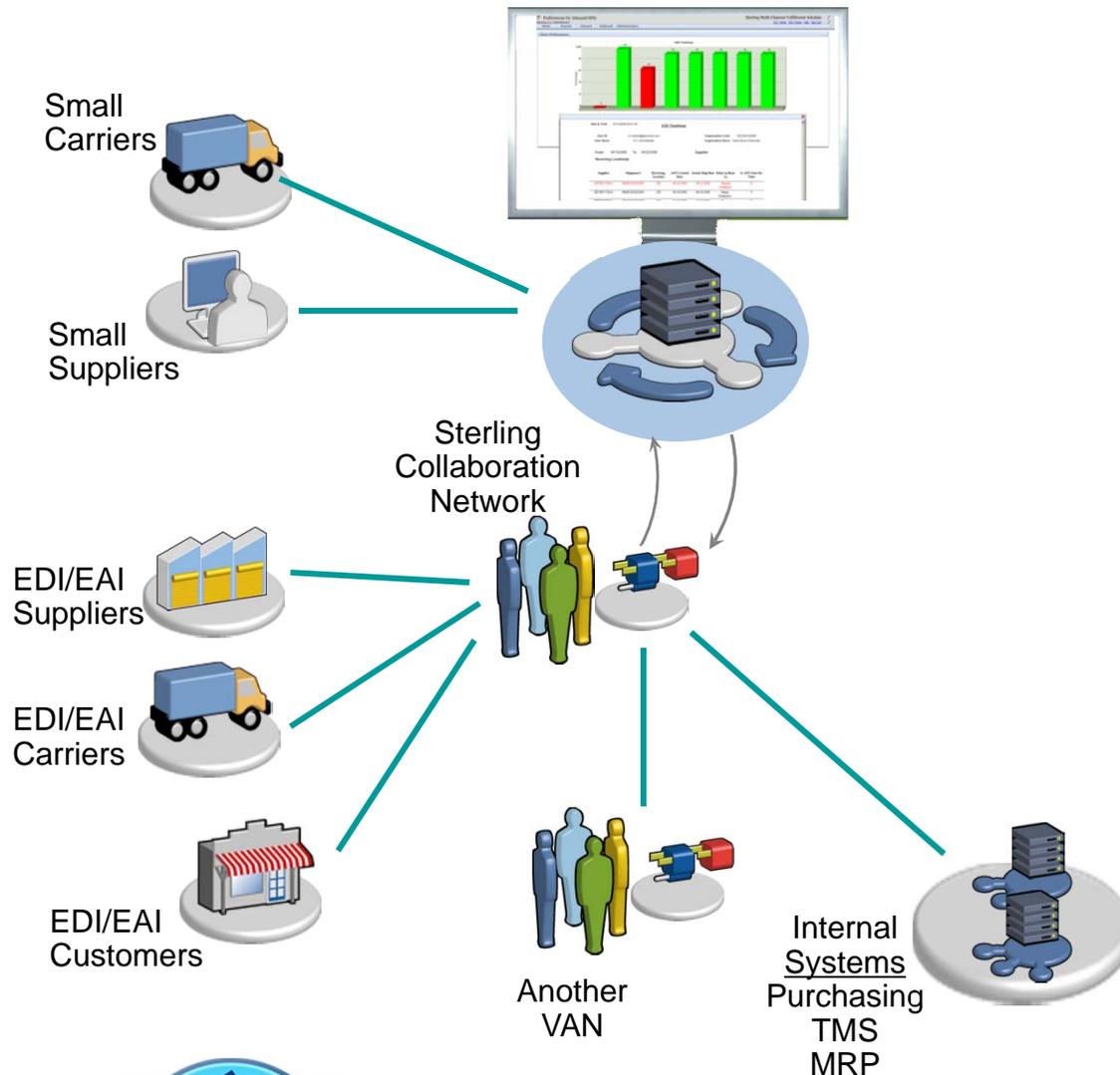
ILOG LogicNet Plus XE

- Provides strategic guidance to number and location of facilities, territory assignment, and sourcing decisions



IBM Supply Chain Visibility improves both the inbound and outbound flow of goods

Supply Chain Visibility



■ Inbound

- Improve supplier performance
- Reduce lead times & their variability
- Reduce stockouts and expediting costs
- Decrease supply chain costs
- Improve supply chain performance
- Analyze current level of supply chain risk

■ Outbound

- Increase customer satisfaction
- Reduce costs associated with manual processes
- Meet SLAs, avoid charge backs
- Decrease carrier delays



IBM's Optimization & Supply Chain Solutions

help customers drive the most efficient utilization possible

- **Network optimization**

for location of facilities, assignment of stores, managing seasonality, and carbon footprinting.

Value: 5-15% reduction in supply chain costs, better service to stores



- **Transportation optimization**

for routing analysis, static and dynamic routes, backhaul, and fleet sizing.

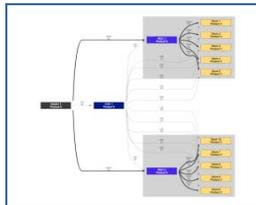
Value: 10-30% reduction in transportation costs, better make delivery windows



- **Inventory and product flow optimization**

for flow path optimization, service level optimization, buffer locations.

Value: 10-30% reduction in inventory costs, better fill rates.



- **Space planning**

to determine the best layout of products in the store.

Value: increase in sales



- **Assortment allocation**

for determining how to distribute same item with different sizes to the stores.

Value: Increases sales of items with multiple sizes



- **Replenishment optimization**

for determining how much and when to buy to trade off discounts and inventory.

Value: 3-5% reduction in procurement costs



- **Work force scheduling**

for determining optimal schedule given all relevant constraints.

Value: Reduction in labor costs



“Market” processes and capabilities

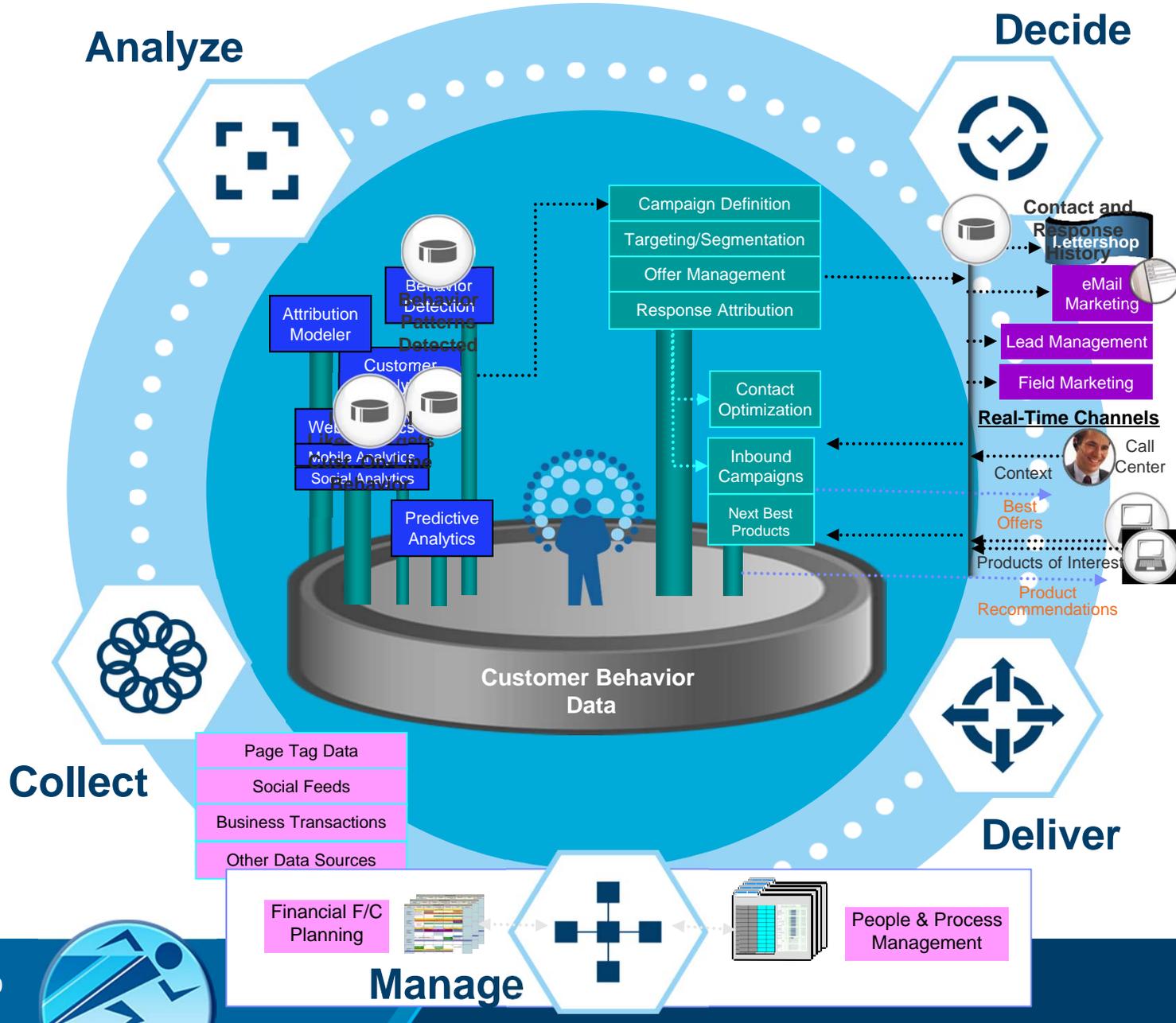


- Campaign Management
- Interaction History & Attribution
- Customer Analytics
- Marketing Operations
- Real Time Marketing
- Digital & Social Analytics
- Customer Experience Management
- Price / Promotion Optimization

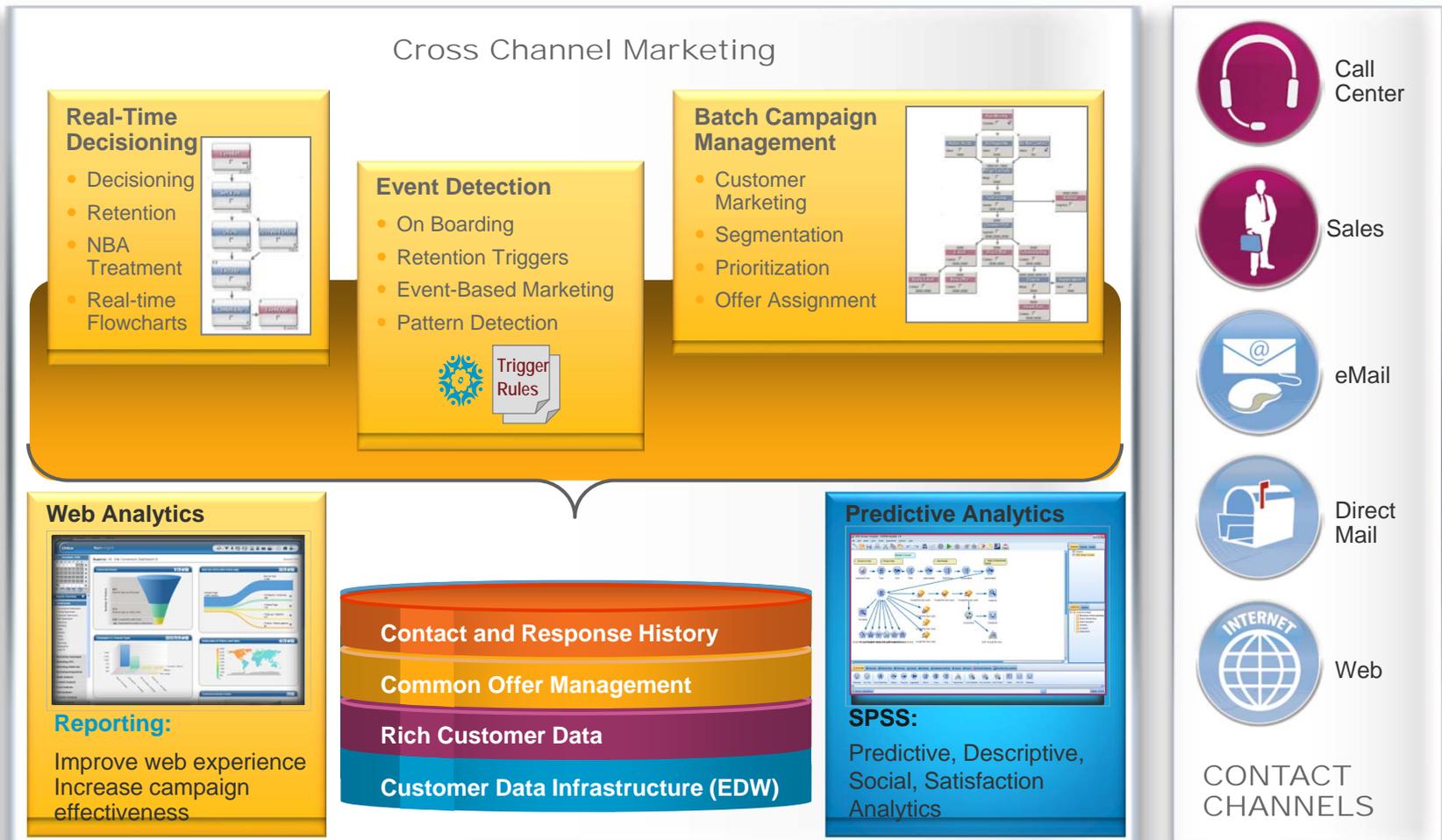


EMM flexibly addresses the needs of specific user groups

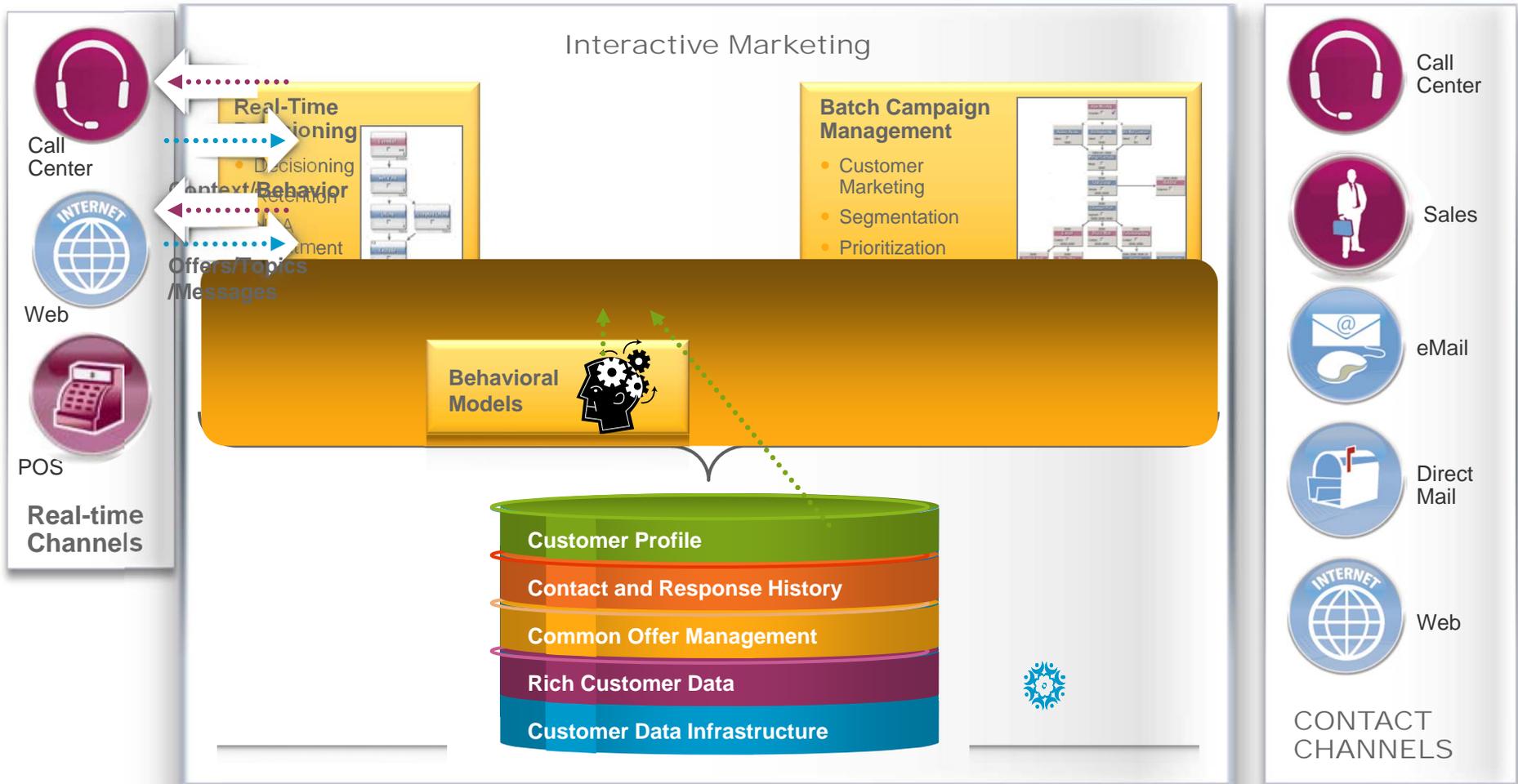
AUDIENCE	CAPABILITY	EMM SOLUTION
 <p>Digital marketers</p>	<p>Orchestrate relevant digital interactions to attract and retain new visitors and grow revenue</p>	<p>Digital Marketing Optimization</p>
 <p>eCommerce professionals</p>	<p>Turn visitors into repeat customers and loyal advocates by improving the online experience of every customer</p>	<p>Customer Experience Optimization</p>
 <p>Customer relationship marketers</p>	<p>Engage customers in a one-to-one dialogue across channels to grow revenue throughout the customer's lifecycle</p>	<p>Cross-channel Marketing Optimization</p>
 <p>Merchandising and sales planners</p>	<p>Make price, promotion and product mix decisions that maximize profit and inventory utilization</p>	<p>Price, Promotion, and Product Mix Optimization</p>
 <p>Marketing leaders and planners</p>	<p>Model and assess mix, and manage marketing operations to maximize ROI</p>	<p>Marketing Performance Optimization</p>



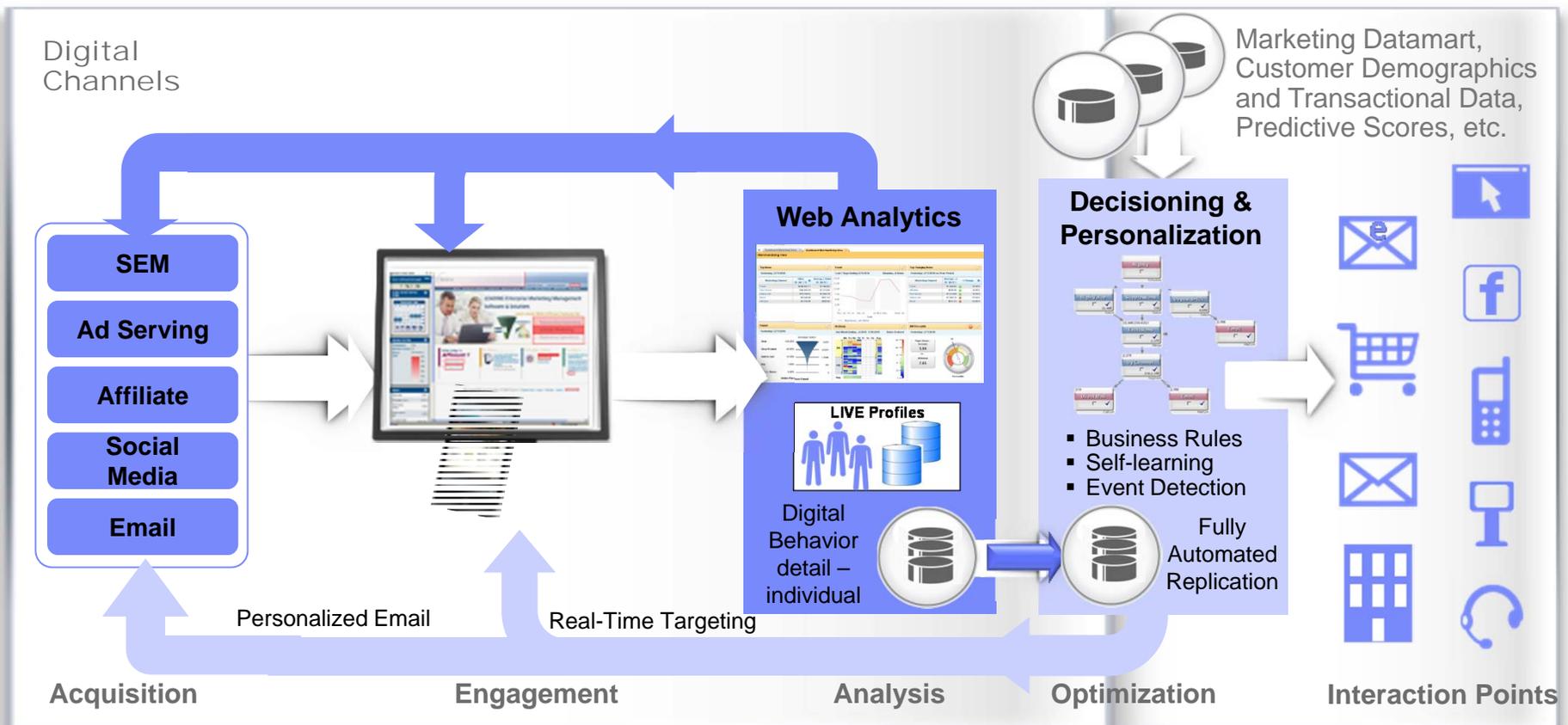
Cross Channel Marketing



Cross Channel Marketing – Real Time Personalization



Our integrated EMM suite optimizes customer messages across all interaction points and marketing channels



Product Differences: Intelligent Offer v. Interact

Intelligent Offer

- **Product Recommendation**
 - Next best product
 - Based on product purchase, viewed, carted, category affinity, etc.
 - Not specific offers
- **Learns What Products Go with Other Products**
 - Collaborative Filtering
 - Uses web behavioral data to build correlation between products

You May Also Consider:

Cuisinart Elite Die Cast Food Processor, 12-Cup Sugg. Price: \$450.00 Our Price: \$249.95	New Cuisinart Elite Food Processors, Black Sugg. Price: \$425.00 – \$500.00 Our Price: \$229.95 – \$279.95	Cuisinart Food Processor, White Sugg. Price: \$229.95 Our Price: \$179.95

Interact

- **Marketing Offers**
 - Next best promotion, message, alert
 - Based on customer behavior, passed history, customer attributes, etc.
 - Not product (sku level) specific.
- **Learns What Offers Best Fit the Customer and Situation**
 - Predictive models that score offer based on behavior and customer data
 - Uses offer acceptance rates to build predictive model

WINTER APPLIANCE SALE
Save 20% on all APPLIANCES

At checkout, enter promo code: '

SHOP NOW ▶

Quantities are limited.

“Market” processes and capabilities



- Campaign Management
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- Customer Analytics
- Marketing Operations
- Real Time Marketing
- Digital & Social Analytics
- Customer Experience Management
- Price / Promotion Optimization



Optimizing today's online customer experiences requires both **quantitative** and **qualitative** digital analytic capabilities

Quantitative digital analytics ("What, Where, and How")

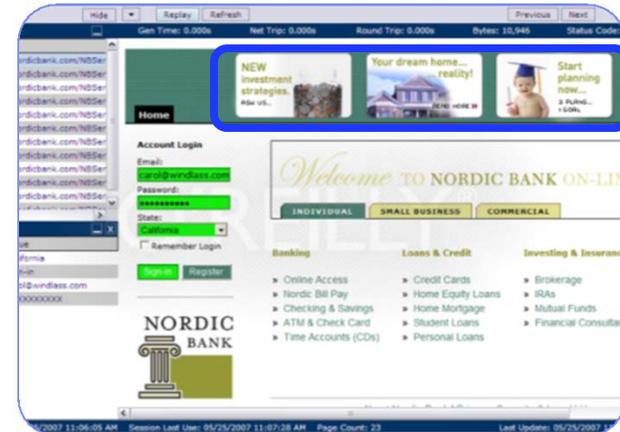


IBM Coremetrics Digital Analytics

provides quantitative insight by capturing web site and mobile interaction data and providing easy to use interfaces showing:

- Purchase funnels
- Realtime sales data
- Traffic flow through site
- Conversion benchmarks

Qualitative digital analytics ("Why")



Tealeaf provides qualitative insight by capturing, replaying, and analyzing individual user interaction data showing:

- “In page” context (incl. dynamic personalized experiences)
- All UI interactions
- Error messages displayed
- Identify impacted visitors



Tealeaf provides Visibility

Analysis and Integrations to Discover Obstacles

Voice of Customer

Investigate Customer Feedback

Search Fields: Link To Search Search

All Text x Username includes Stacey Buyers

- Text in Request
- Text in Response
- Events
- Event Values
- Session Info
- Page Info

Voice of Customer Integration

opinionlab. [+] onlineopinion

Strauss and Plesser Comment Alert
Strauss and Plesser

[4] <http://www.straussandplesser.com>
This page does not work!
[Replay Session](#)
2008-03-15 21:45:42

Why are my customers complaining?

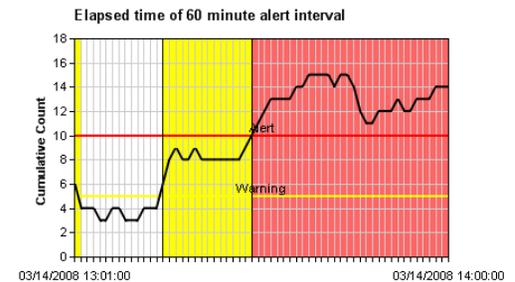
Automatic Struggle Detection

Customer Experience KPIs

Conversion 03/09/2008 - 03/15/2008

60.00% (Target) vs 20.00% (Actual)

KPIs	EPI	Goal	Status	Grade	Rating	Compare - 03/02/2008	Status	Grade	Rating	Change
Conversion	EPI	60.00%	⚠	B	57.85%	60.41%	⚠	B	3.63%	-2.56%
System Issues		2.50%	⚠	B	3.58%	3.63%	⚠	B	3.63%	-0.05%
Application Issues		1.50%	⚠	B	1.86%	1.86%	⚠	B	1.86%	0.00%
Usability Issues		5.00%	⚠	F	7.73%	5.94%	⚠	B	5.94%	1.79%
Business Issues		5.00%	⚠	B	1.57%	1.57%	⚠	B	1.57%	0.00%



Alert based on known Issues

Web Metrics Integrations

Why have my conversion rates dropped?

Web Analytics Integration

Multi-variate Testing Integration

Why didn't my test do well?



Tealeaf provides Answers

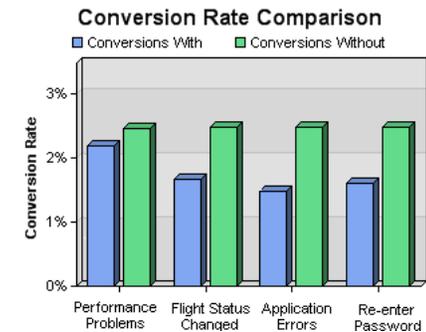
Giving you the ability to Quantify and Act on Obstacles

Revenue Impact Analysis

Discover Every Impacted Desktop and Mobile Customer

	Session Time	Duration	Login ID	Events
	04/15/2008 21:38:34	00:02:52	carol@windlass.com	1
	04/15/2008 18:56:25	00:03:55	carol@windlass.com	1 3 5 6 7
	04/15/2008 18:53:45	00:04:49	carol@windlass.com	1 3 4 5 6 7
	04/15/2008 18:13:24	00:06:13		1 3 4 5 6 7
	04/15/2008 18:04:19	00:04:50		1
	04/15/2008 17:22:35	00:00:04		1

Quantify the Financial Impact of an Obstacle



Root Cause Analysis

Analyze Impacted Sessions for Anomalies or Similarities

ID	Form Field	Field Value	Count
48	coupon_code	xxxx10	17
48	coupon_code	tt	9
48	coupon_code	xxpdd/g	8
48	coupon_code	15%off	8
48	coupon_code	15percentoff	8
48	coupon_code	abc123	8
48	coupon_code	coupon23	8
48	coupon_code	giveawayFreeStuff	8

Customer & Revenue Recovery

Follow Up with Impacted Customers

carol@windlass.com

carol@windlass.com

carol@windlass.com

We're sorry for the inconvenience. Message

Subject: We're sorry for the inconvenience

Content Code: 1025775

This coupon is for 15% off on all items at www.stratusplesier.com

This coupon can be used on any purchase before the end of the month. Thank you again for shopping at Stratus and Plesier.

Securify
The Stratus and Plesier Team



“Market” processes and capabilities



- Campaign Management
- Interaction History & Attribution
- Customer Analytics
- Marketing Operations
- Real Time Marketing
- Digital & Social Analytics
- Customer Experience Management
- Price / Promotion Optimization



DemandTec helps merchandising, sales, and marketing professionals address their key challenges

Pricing and promotion

Evaluate millions of alternatives to profitably define the right pricing and promotion approach in response to changing shopper and/or segment behavior, supply chain dynamics, etc.



Assortment

Ensure item assortments are relevant to target customer segments and maximize store/space profitably by region and category



Trade planning

Allows manufacturers to optimize pricing, promotion and marketing mix decisions by class of trade, brand, and customer to increase profit and share



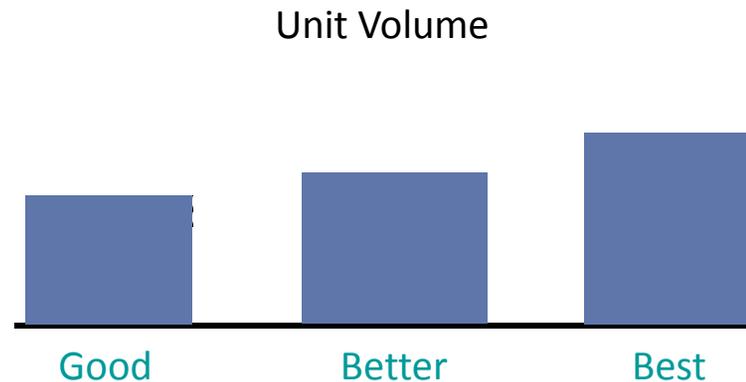
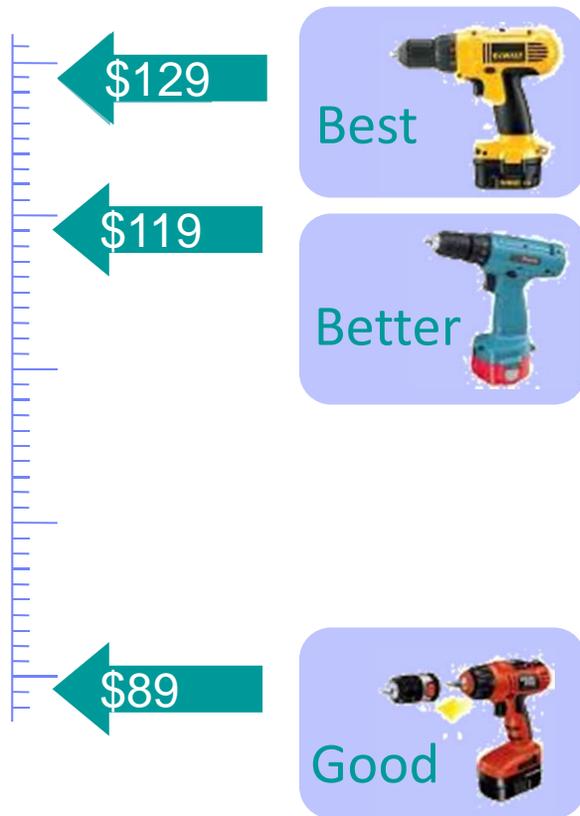
Supplier/seller collaboration

Improve negotiation processes and collaboration between retailers and manufactures



DemandTec helps increase profits and vendor sales using price gaps

- Most consumers were buying the **Best** or the **Good**



**DemandTec
in Action**

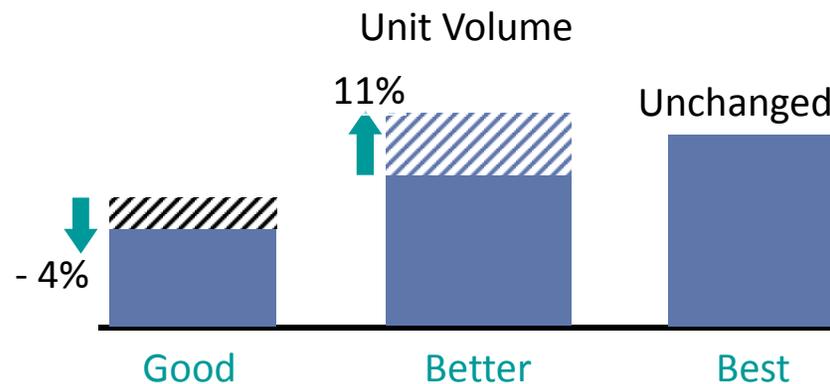
Increased profit by lowering prices and demonstrating to vendors that market share is negotiable with better pricing terms



DemandTec helps increase profits and vendor sales using price gaps



- Most consumers were buying the **Best** or the **Good**
- Closing the gap between **Good** and **Better** caused consumers to trade up
- Customers of **Best** did not trade down

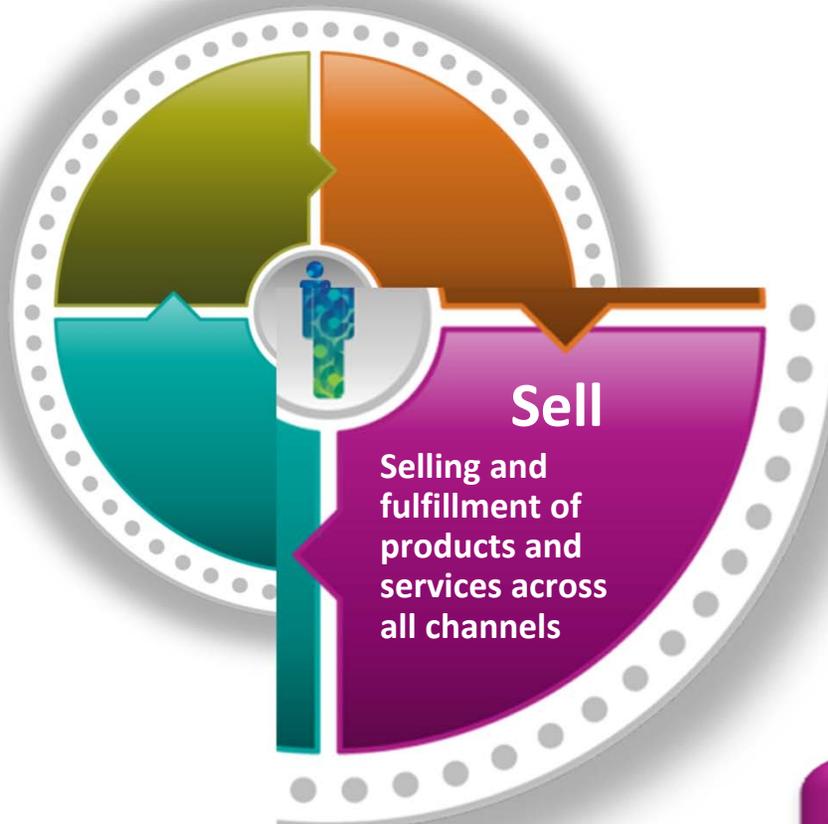


DemandTec in Action

Increased profit by lowering prices and demonstrating to vendors that market share is negotiable with better pricing terms

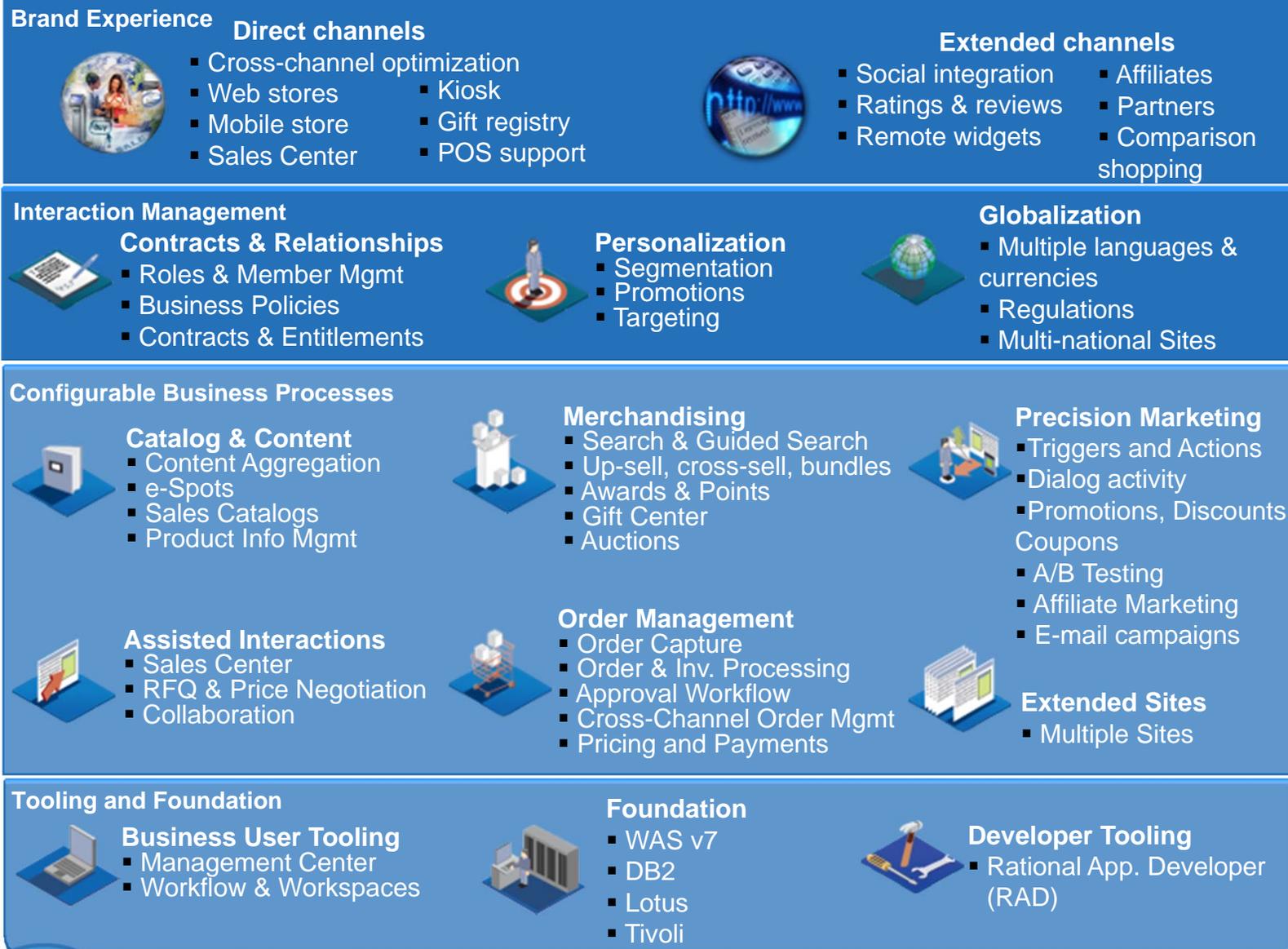


“SELL” processes and capabilities



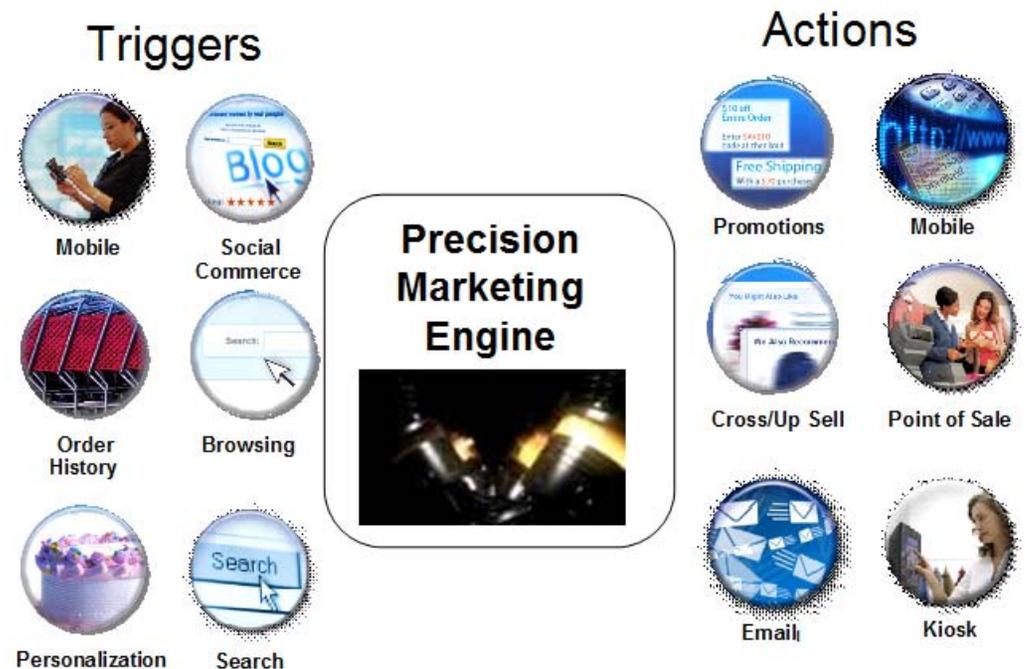
- Catalog
- Price & Promotion Execution
- Order Capture
- Product Configuration
- Inventory
- ATP – Availability to Promise
- Order Sourcing & Processing
- Order Visibility



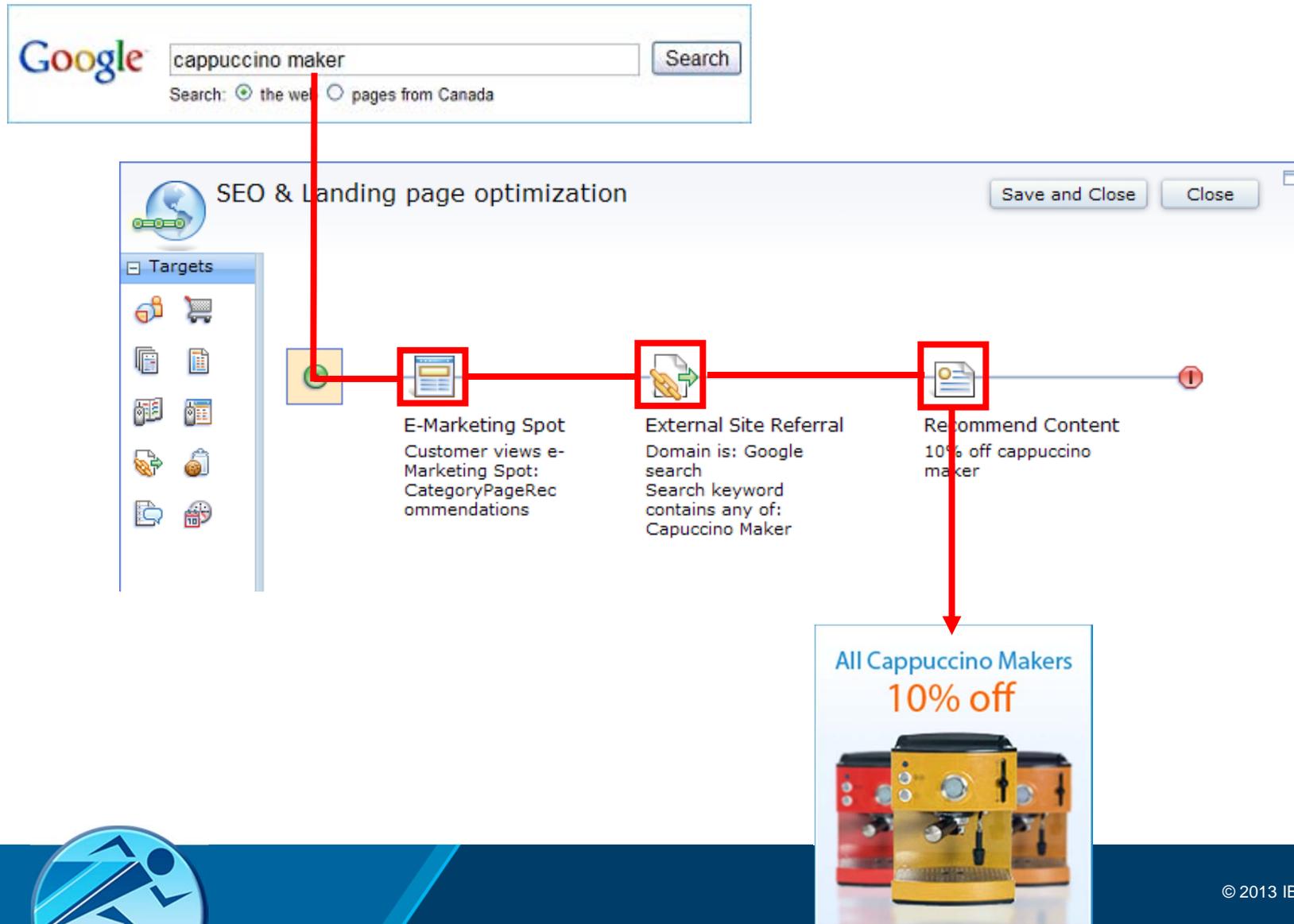


Configurable Business Processes: Precision Marketing

- Powerful, automated, one-to-one merchandising and marketing based on shopper preference and behavior
- Build an ongoing, event-based dialogue with consumers by processing triggers and responding with actions
- Cross Channel Precision Marketing Engine supports
 - Web, Mobile, Cross Channel
 - Social Participation
 - Integrated with ecosystem
 - B2B “behavioral marketing”
 - Behavioral segmentation

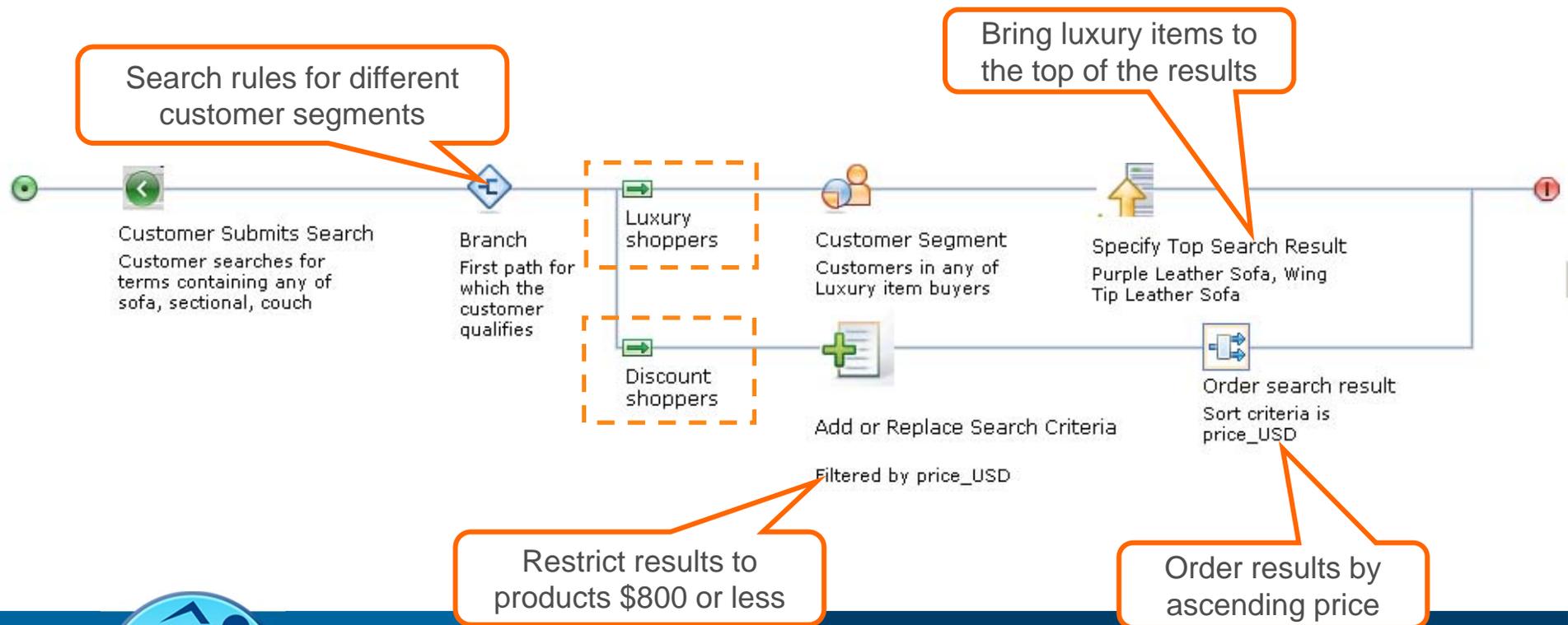


SEO and Landing Page Optimization



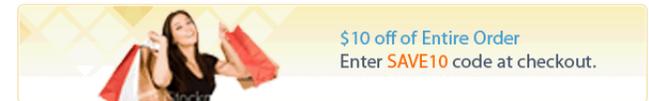
Search-Driven Merchandising

- Supports a robust set of search-driven merchandising capabilities such as:
 - Rank search results based on business rule(s)
 - Re-order search results
 - Promote products by adding them to the top of search results
 - Alter shopper's search criteria



Social Commerce: Reward Active Participation

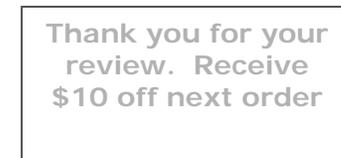
Change Banner \$10 Off Next Order



Add to Active Participant Segment



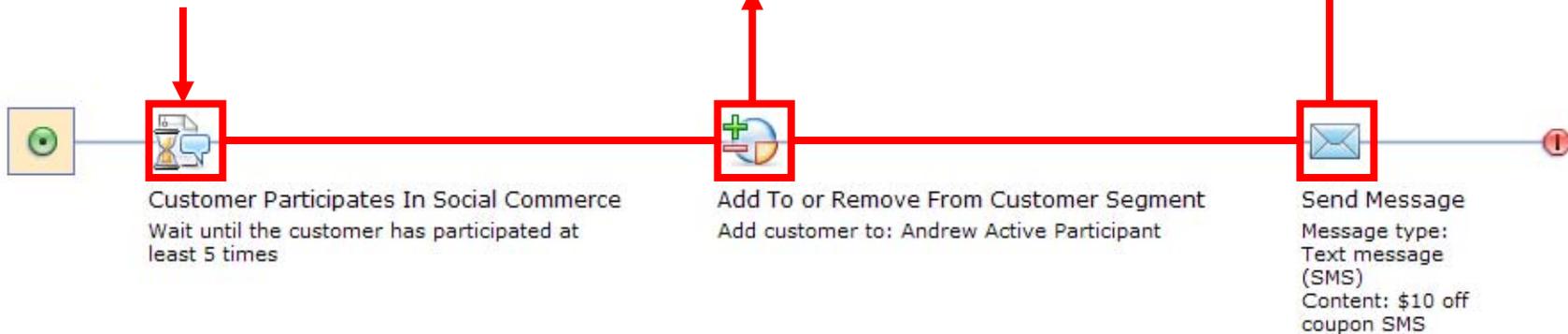
Send \$10 Off SMS Coupon



Customer Writes 5 Reviews

Rating ★★★★★ 5
 Craftsman 17765 shop vac, May 9, 2007
 By DangerRanger98 from OH
 Value ██████████ 5
 Durability ██████████ 5
 Performance ██████████ 5

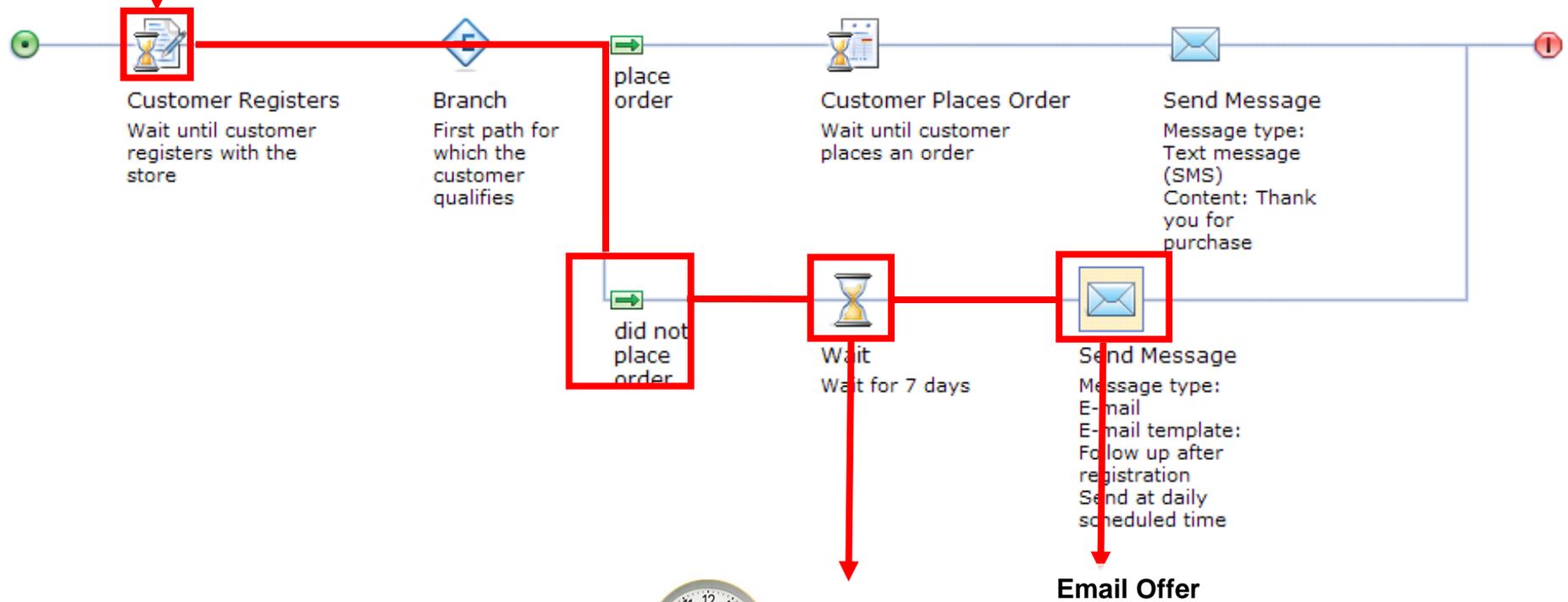
Submit



Customer Registers



Dynamic Cross Channel Customer Dialog



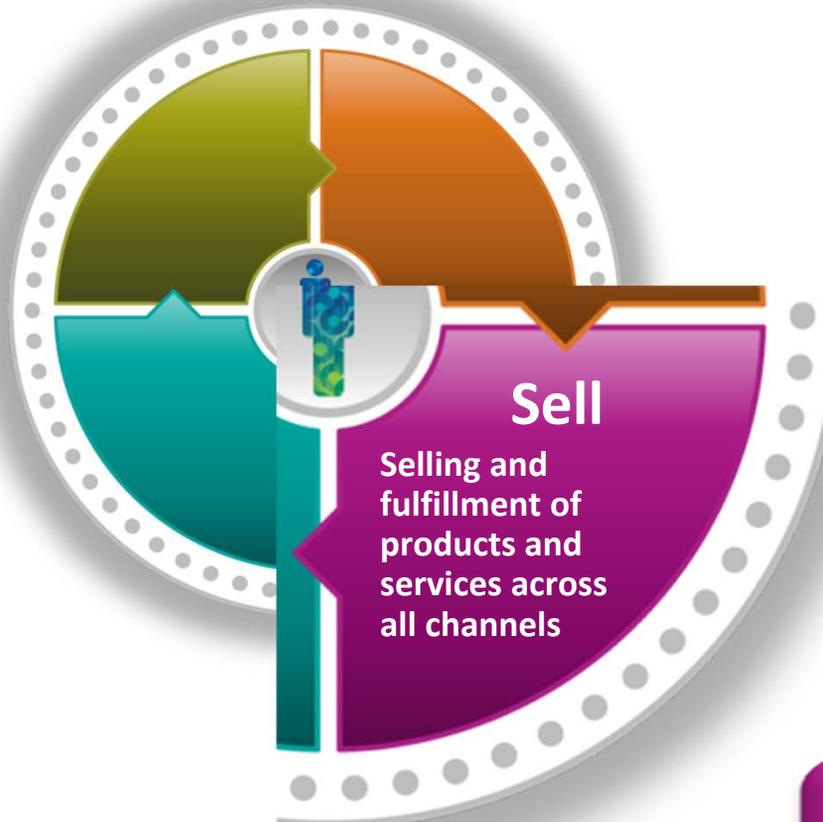
Wait one week

Email Offer

Thank you for your registration. We're running a special on _____



“SELL” processes and capabilities



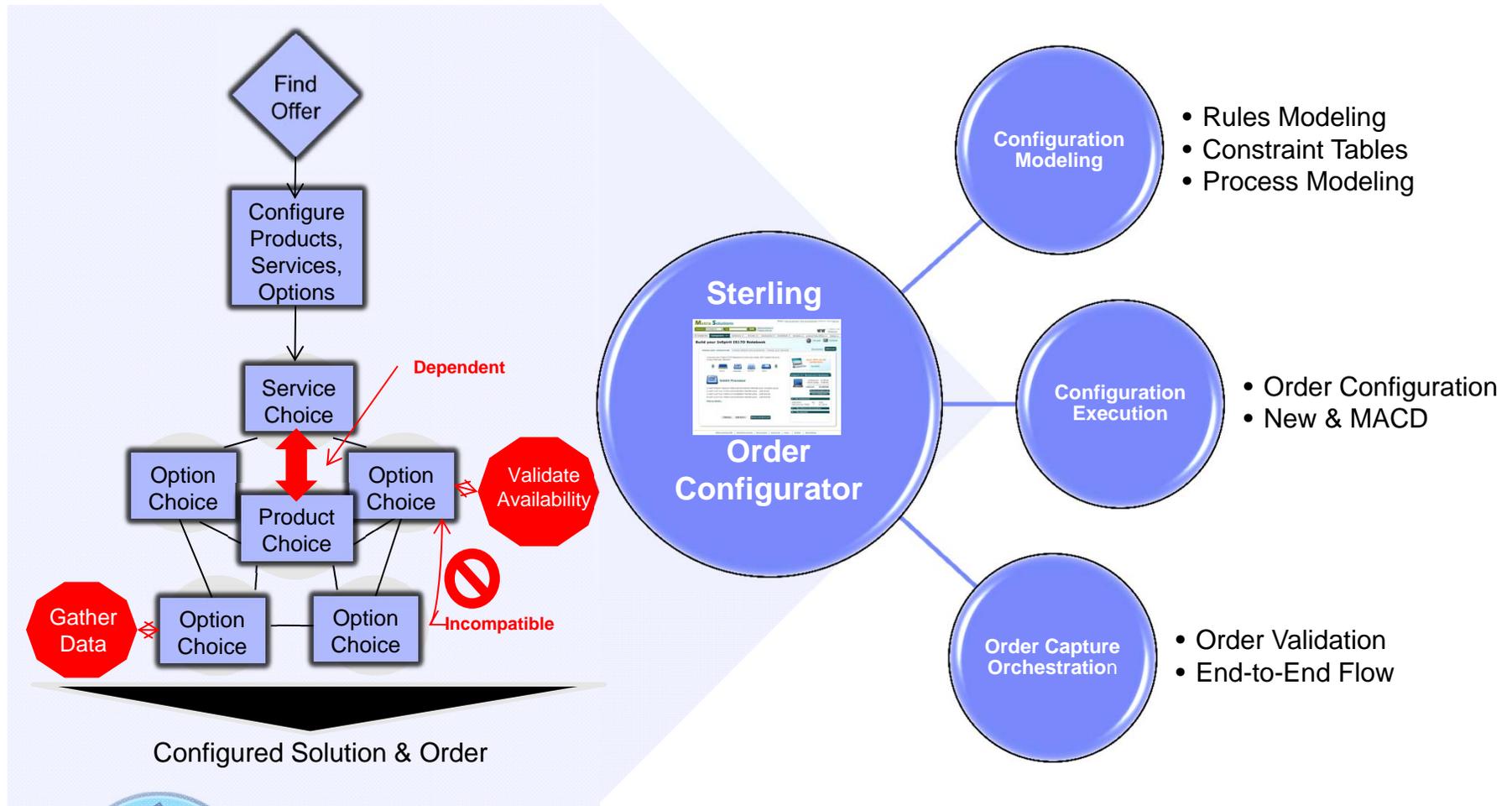
- Catalog
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Configurator enables complex product options & configurations

Example Buy & Order Flow

Sterling Manages



WebSphere Commerce integration with Sterling Configurator

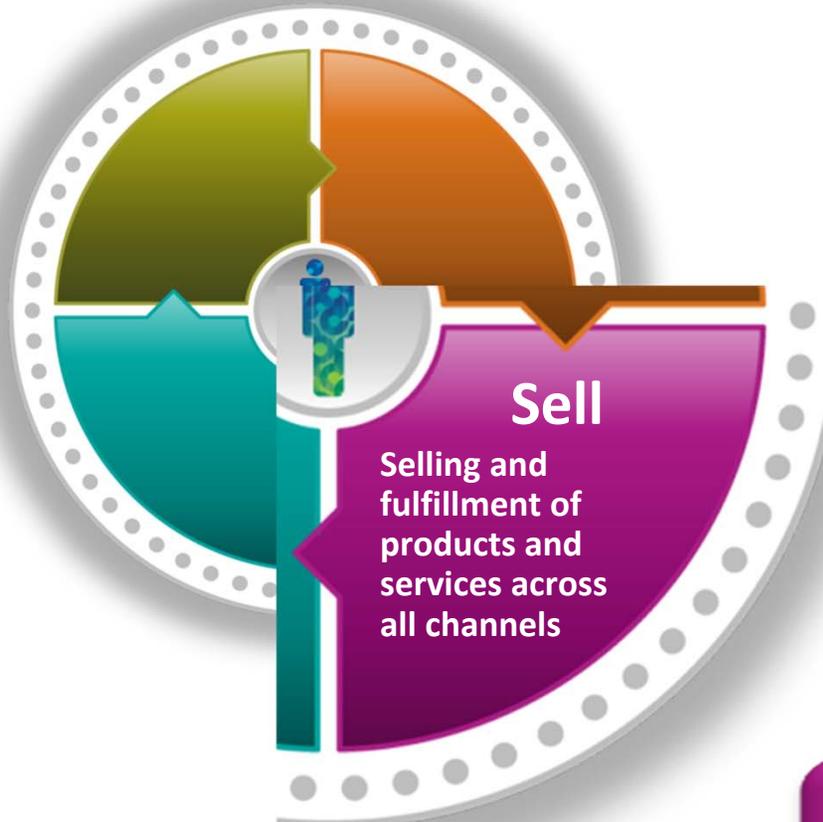
Bringing the power of Sterling Configurator to model and guide the configuration and selling of complex products to WebSphere Commerce-driven store sites

- Sterling Configurator is IBM's strategic offering for product and services configuration
 - Guides end-users through selection, configuring, quoting, and ordering of complex products and services
 - Now is integrated to operate in combination with WebSphere Commerce storefronts and tools

The image displays two screenshots of the MADISONS e-commerce website. The left screenshot shows a configuration page for a 'Desktop 8600'. The page is titled 'Configure your Desktop 8600' and has a price of \$499.99. It lists various hardware options under the 'Hardware' section, including Processor (One 2.8GHz Quad-Core processor, One 3.2GHz Quad-Core processor, One 3.3GHz Quad-Core processor), Memory (3GB, 6GB, 8GB), Hard Drive (1 TB, 2 TB), Optical Drive (18x, 24x), Video Card (HD 5770, HD 6770), Monitor (LED display 20", LED display 27"), and Accessories (Networking, Printer, Security). The right screenshot shows the product page for the 'Desktop 8600' with a price of \$499.99. It includes a quantity selector, an 'Add to Cart' button, and a 'Check Store Availability' section. The page also features a description, a configuration list, and a 'Customer Service' section.



“SELL” processes and capabilities



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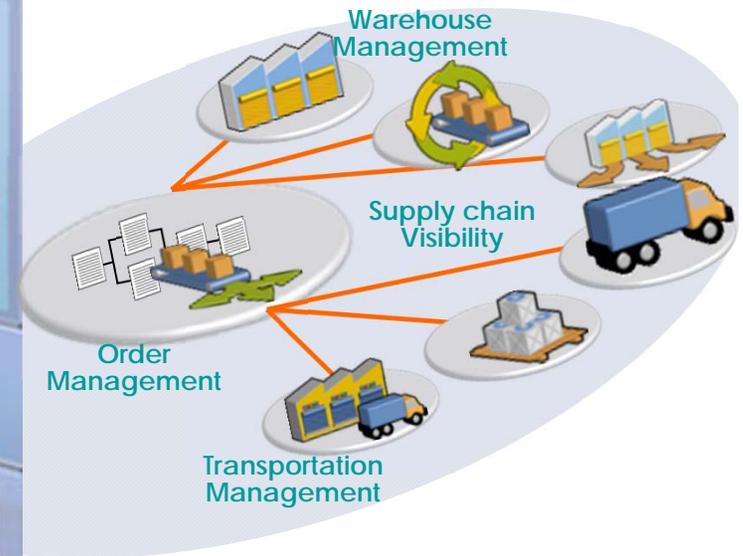
Order management powers the best inventory visibility capability

IBM Multi-Channel Commerce

Cross-channel Customer Experience



Order & Fulfillment Orchestration



1. Let customers buy the way they want
2. Provide value added services
3. Be smart how to interact with them

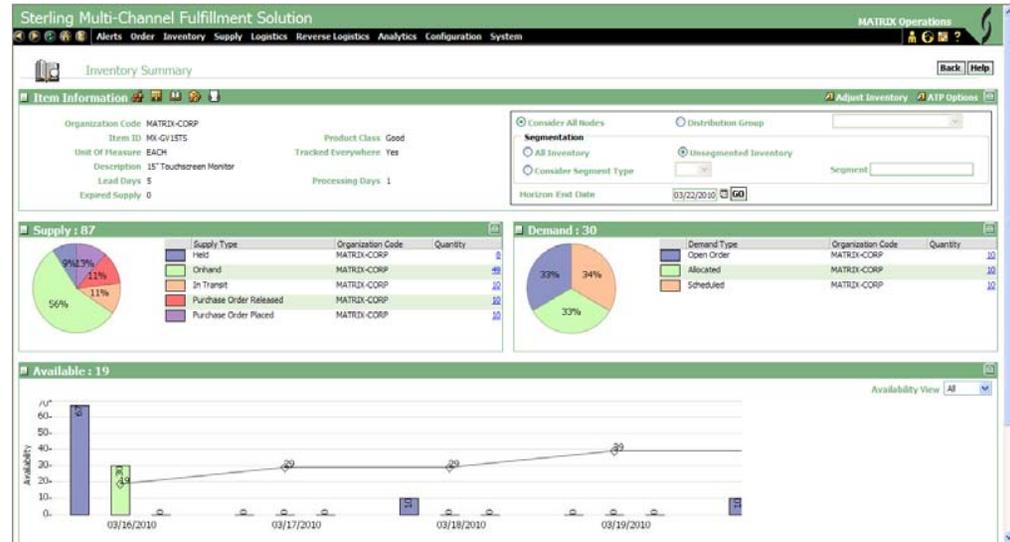
IBM Global Inventory Visibility optimizes inventory usage and provides more accurate promise dates

Track Inventory Anywhere

- Provide single view of virtually all supply and demand from multiple systems
- In store
- In DCs
- At distributors
- At suppliers
- In transit
 - *From:* Supplier, distributor, DC, store
 - *To:* DC, store, consumer

Optimize promise dates and fulfillment processes

- Intelligent sourcing engine optimizes inventory use across the extended enterprise to provide best Available-to-promise (ATP) dates and most efficient fulfillment options



More Stores

Zip Code: 22060 OR City, State: MA Show More Stores Search F7

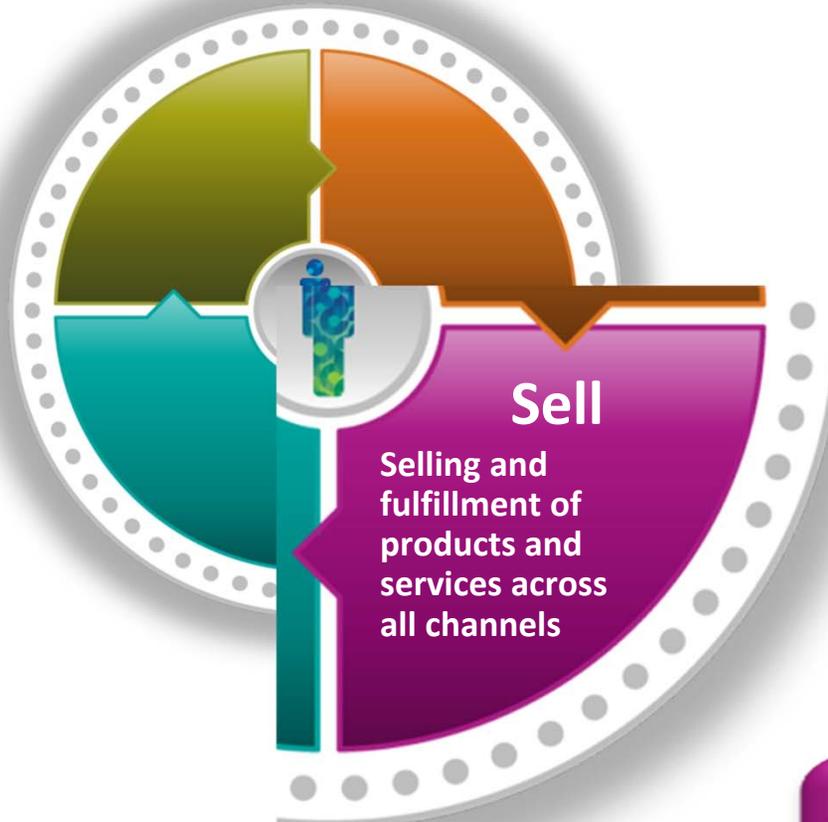
Items	Store 123 Nashua, NH (3.2 Miles)	Store 125 Salem, NH (5.4 Miles)	Store 124 Manchester, NH (10.2 Miles)	Store 126 Concord, NH (14.5 Miles)
Web Cam Camera (WEBCAM)	<input type="checkbox"/>	<input type="checkbox"/>	✗	<input type="checkbox"/> Product Available 12/10/2006
Remote Control (REMOTE)	✗	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Product Available 12/10/2006
Wireless Network Switch (WIRELESS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Available Now
 Available in Future
 ✗ Not Available

Apply F4 Close Esc



“SELL” processes and capabilities

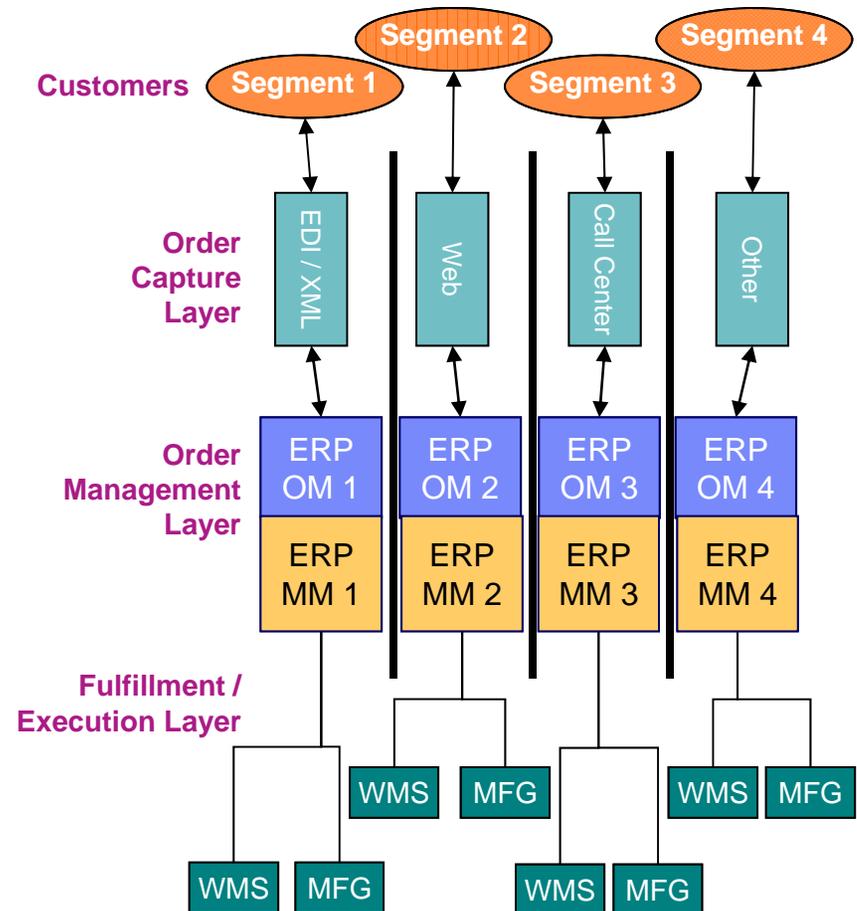


- Catalog
- Price & Promotion Execution
- Order Capture
- Product Configuration
- Inventory
- ATP – Availability to Promise
- Order Sourcing & Processing
- Order Visibility

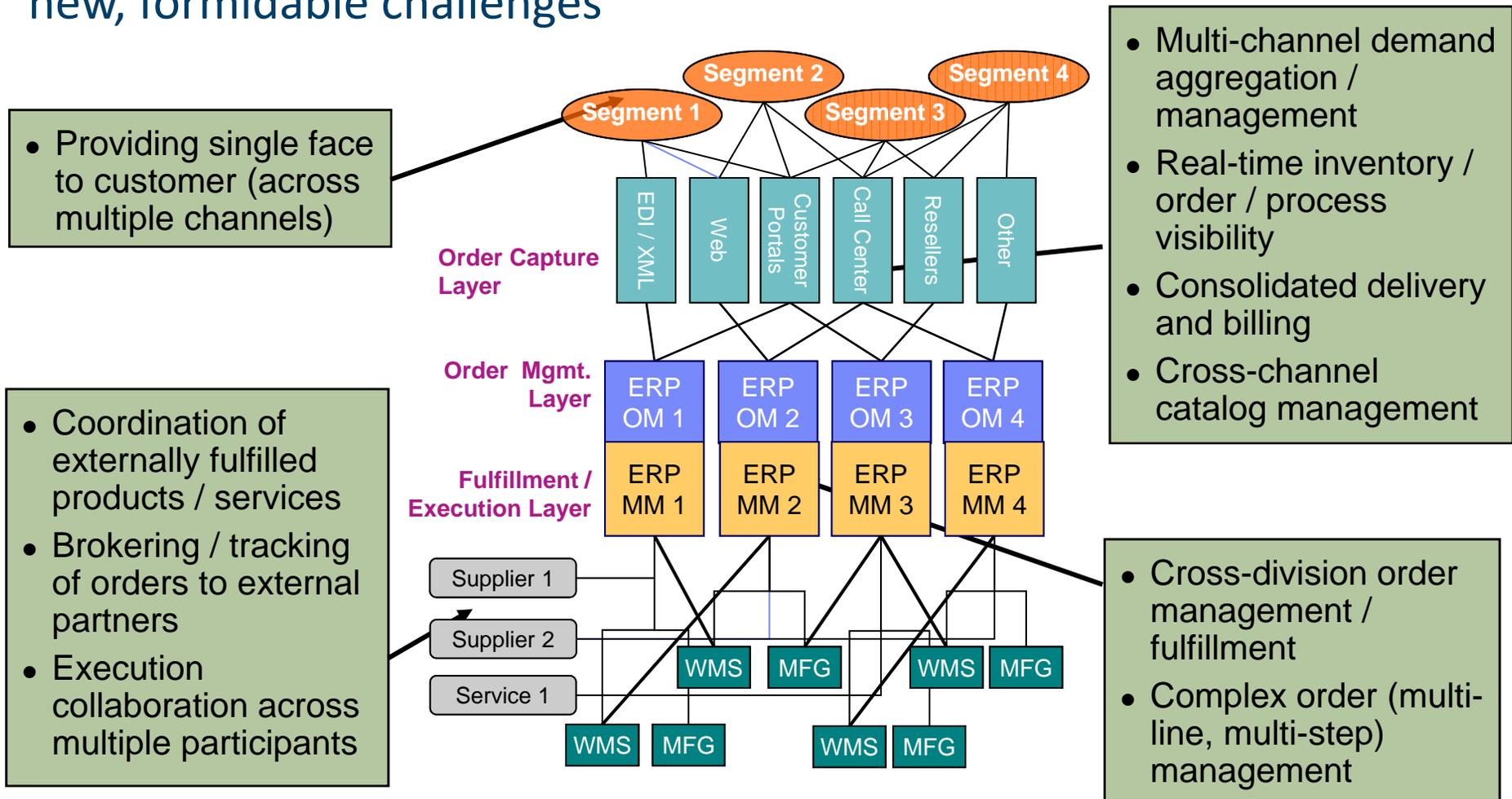


An ERP's capabilities typically manage and optimize processes within distinctly-defined financial reporting units

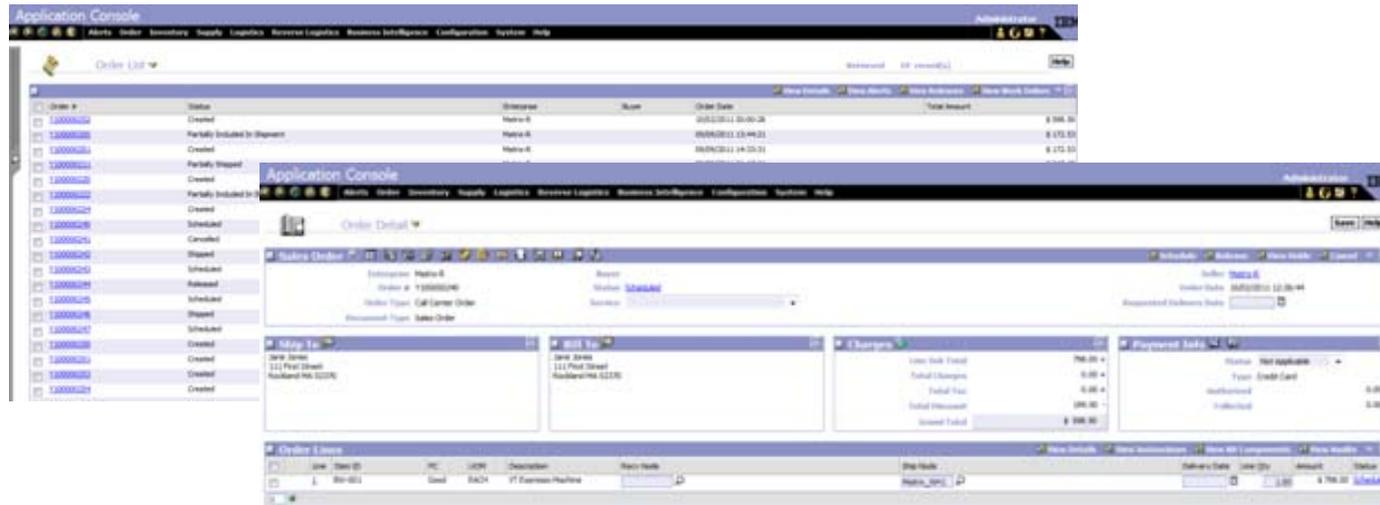
- Separate instance for each unique business unit, division, geography or segment
 - One Order Management module, for every Fulfillment / Mfg. module
 - Each Order Management instance is unable to communicate with multiple fulfillment instances
- Model and automate *internal, independent* operational processes
 - Sales, fulfillment, manufacturing, procurement
 - Manage / optimize repetitive processes
- Interact with customers, fulfillment nodes and suppliers with dedicated, point-to-point integrations
 - Minimal interactions (or disruptions) with batch processing



However, increasing customer demands, shifting business models, and the evolution from supply chains to fulfillment networks present new, formidable challenges



Order Visibility & Management



Capabilities

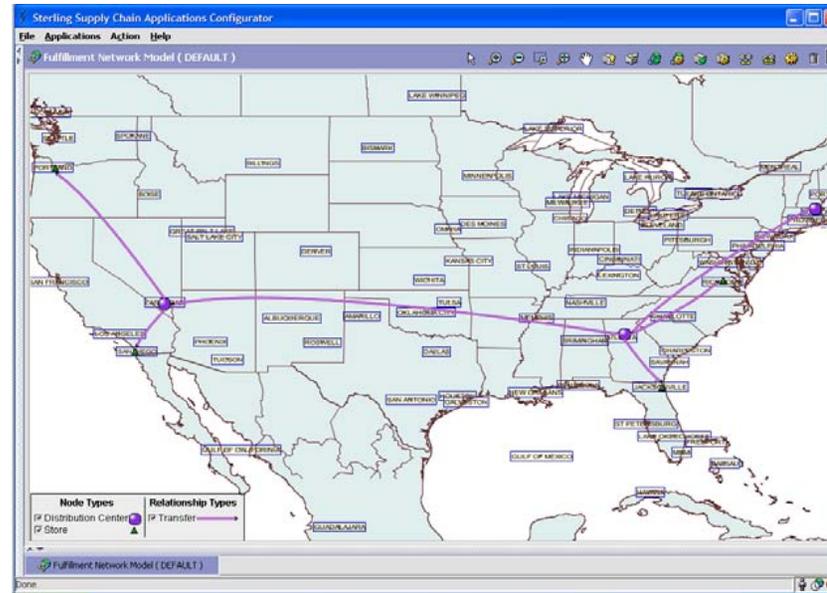
- Enables aggregating, managing, & monitoring orders from all channels
- Provides a single order repository to create, modify, & monitor & track an order's lifecycle
- Line level Independence allows more flexibility
- Coordinates intelligent sourcing & fulfillment across the extended enterprise

Benefits

- Maximizes customer satisfaction & revenue
- Improves order fill-rates & cycle times
- Reduces order management & expediting costs
- Reduces inventory costs & obsolescence
- Gives channels complete transparency of the order and all relevant information pertaining to it.



Sourcing



Capabilities

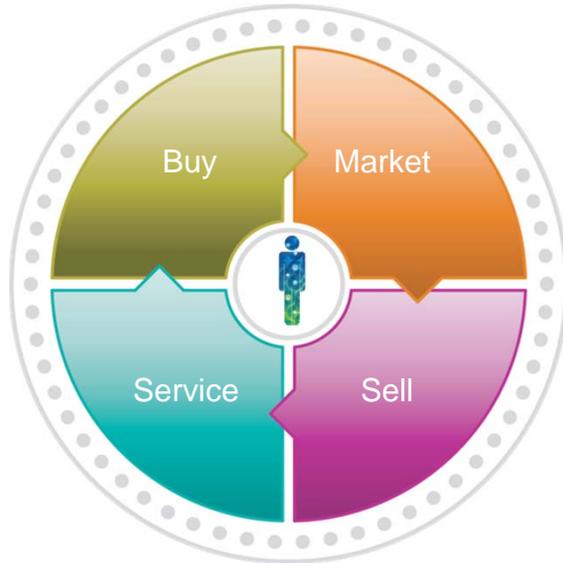
- Builds out the fulfillment network and defines the different types of facilities
- Rules for locations to allocate from, based on proximity, cost, least number of shipments, ...
- Provides constraints around splitting orders or lines, backorder rules and releasing orders
- Triggers transfers or purchase orders from other facilities depending on business rules

Benefits

- Reduces backorders by providing allocation capabilities across an entire fulfillment network.
- Improves order fill-rates & cycle times
- Increases customer satisfaction by providing customer level rules
- Reduces inventory costs & obsolescence



“Service” processes and capabilities



- Reverse Logistics
- Store Associate Support
- Call Center
- Service Delivery & Scheduling
- Document Capture
- Case Management
- Content Analytics
- Information Governance

**Provide services
and deliver them
flawlessly**

VP of Customer Loyalty



Returns Management

Line #	Date	Item ID Description	Product Class	UCOM	Reason Code	Quantity	Amount	Status
1	01/19/2005	Item123		EACH	Damaged	3.00	\$ 0.00	Created

Capabilities

- Enables directed workflow for all tasks with visibility, alerts & event management
- Supports automated item re-classification, based on return status & disposition codes
- Enables linking return to original sales order and all subsequent return processing activities
- Simplifies complex returns scenarios such as wrong item returns, and uneven exchanges.

Benefits

- Provides end-to-end return processing visibility, i.e. 'one version of the truth'
- Ensures timely processing of returns by enabling managing internal / external process participants
- Can be readily reconfigured to support changing returns (business) processes



Store Associate Support

Items	Store 123 Nashua, NH (3.2 Miles)	Store 125 Salem, NH (5.4 Miles)	Store 124 Manchester, NH (10.2 Miles)	Store 126 Concord, NH (14.5 Miles)
Web Cam Camera (WEBCAM)	<input type="checkbox"/>	<input type="checkbox"/>	✗	<input type="checkbox"/> Product Available 12/10/2006
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Wireless Network Switch (WIRELESS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Available Now
 Available in Future
 ✗ Not Available

Apply F4 Close Esc

Assign Gift Recipient

Set Gift Recipient

First Name

Last Name

Phone

Clear Gift Recipient

Apply F4 Close Esc

Capabilities

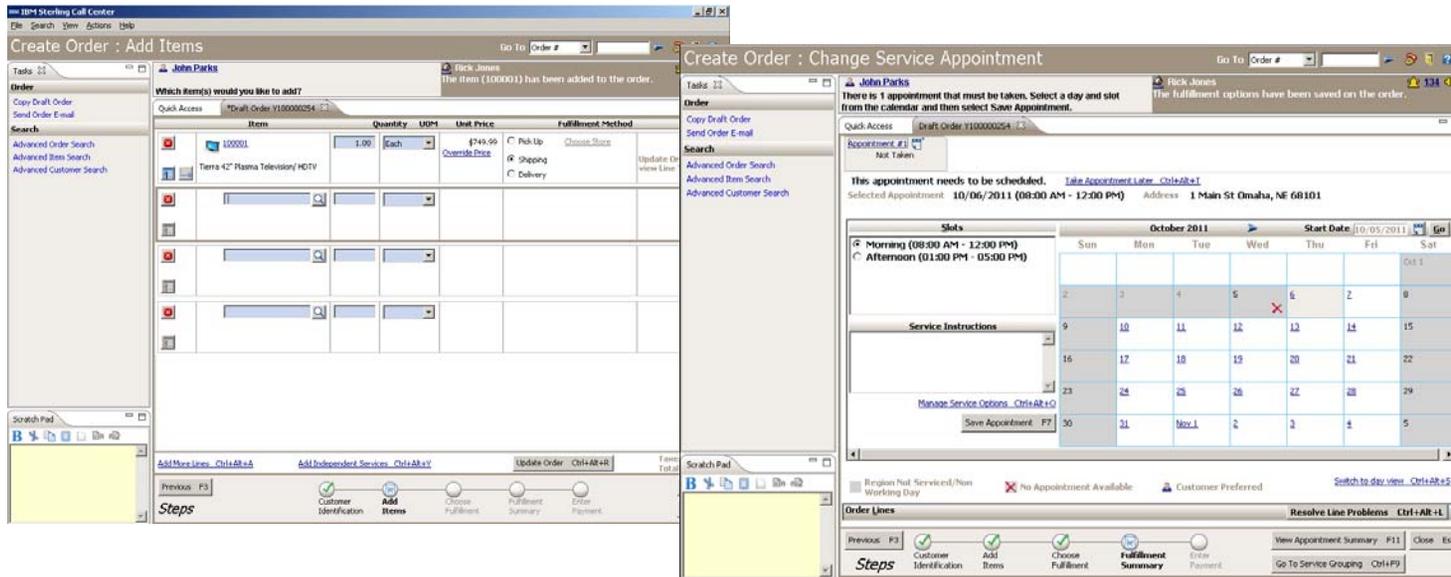
- Enable the “endless aisle” by allowing store associates to place special orders for direct shipment and/or pick-up in store
- Real-time, integrated store inventory check and order placement for alternative store-pick-up to save sales
- Enable stores to participate in multi-channel order management process

Benefits

- Increase Store Revenue through Save the Sale and Endless Aisle Capabilities
- Increase Customer Satisfaction
- Reduces training



Cross Channel Fulfillment – Call Center & Service Scheduling



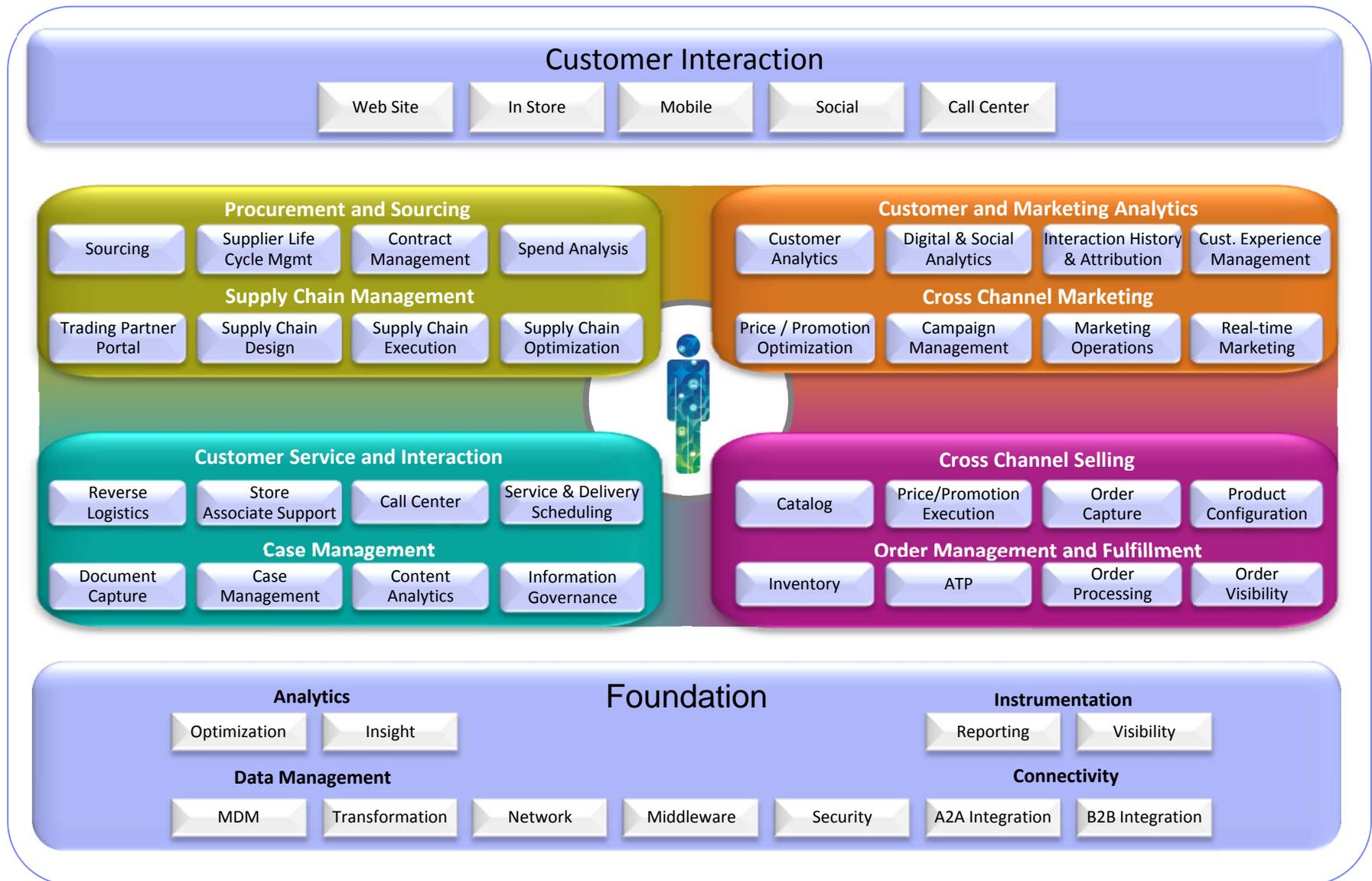
Capabilities

- Multi-channel call center solution gives CSRs visibility into selling and ordering processes across channels and fulfillment methods
- Wizard driven order entry and modification
- Proactive alert management
- Easy to use task based user interface

Benefits

- Enhances Customer Service across all channels
- Better exposure to problems so CSRs can react quicker
- Reduces training





Smarter Commerce powers mobile and social everywhere

Allows **mobile monitoring** of key commerce processes

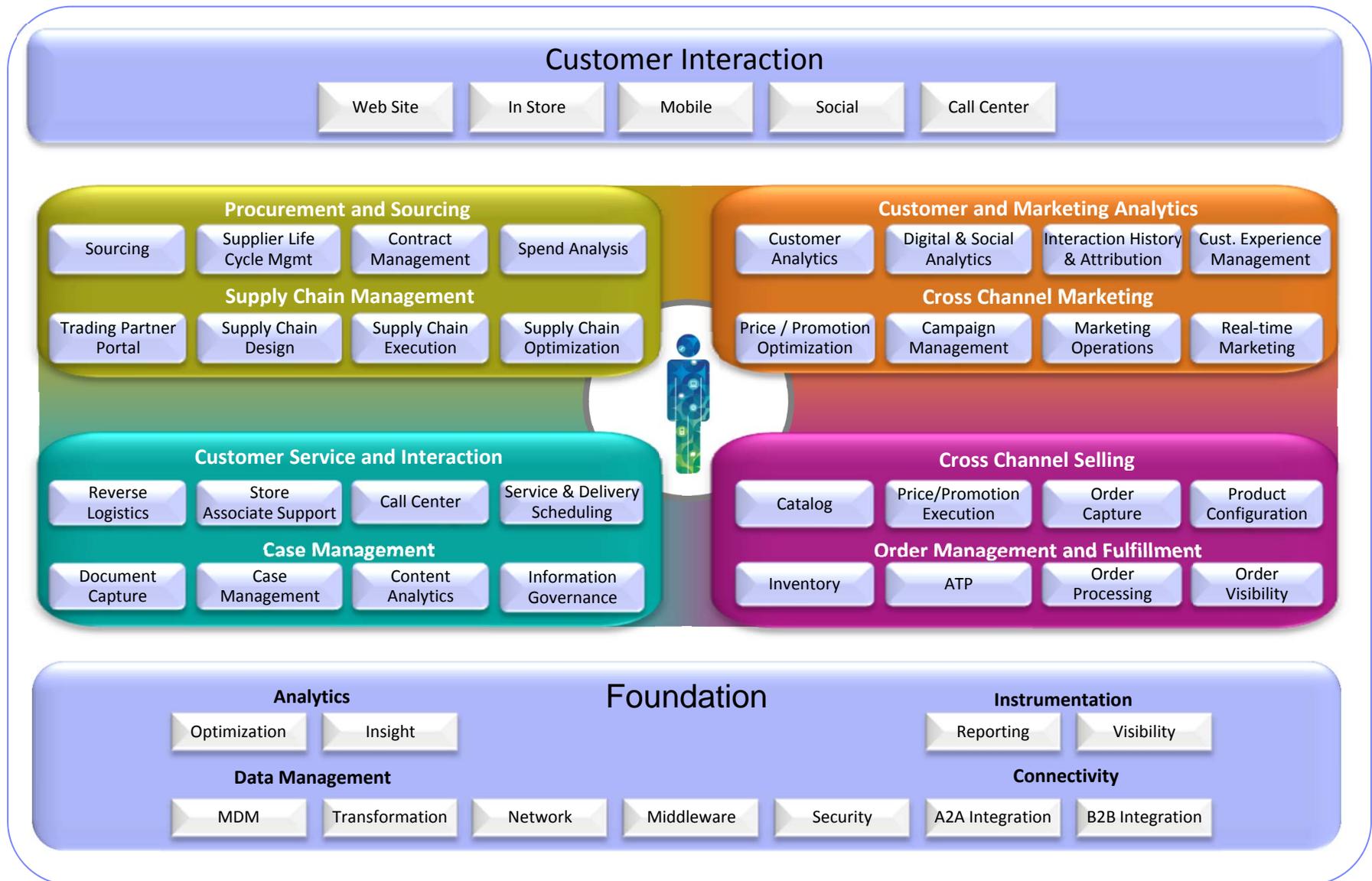
Enables **location-based** offers with targeted messages

Delivers **mobile stores**, bar code scans, Facebook “Likes” and voice search

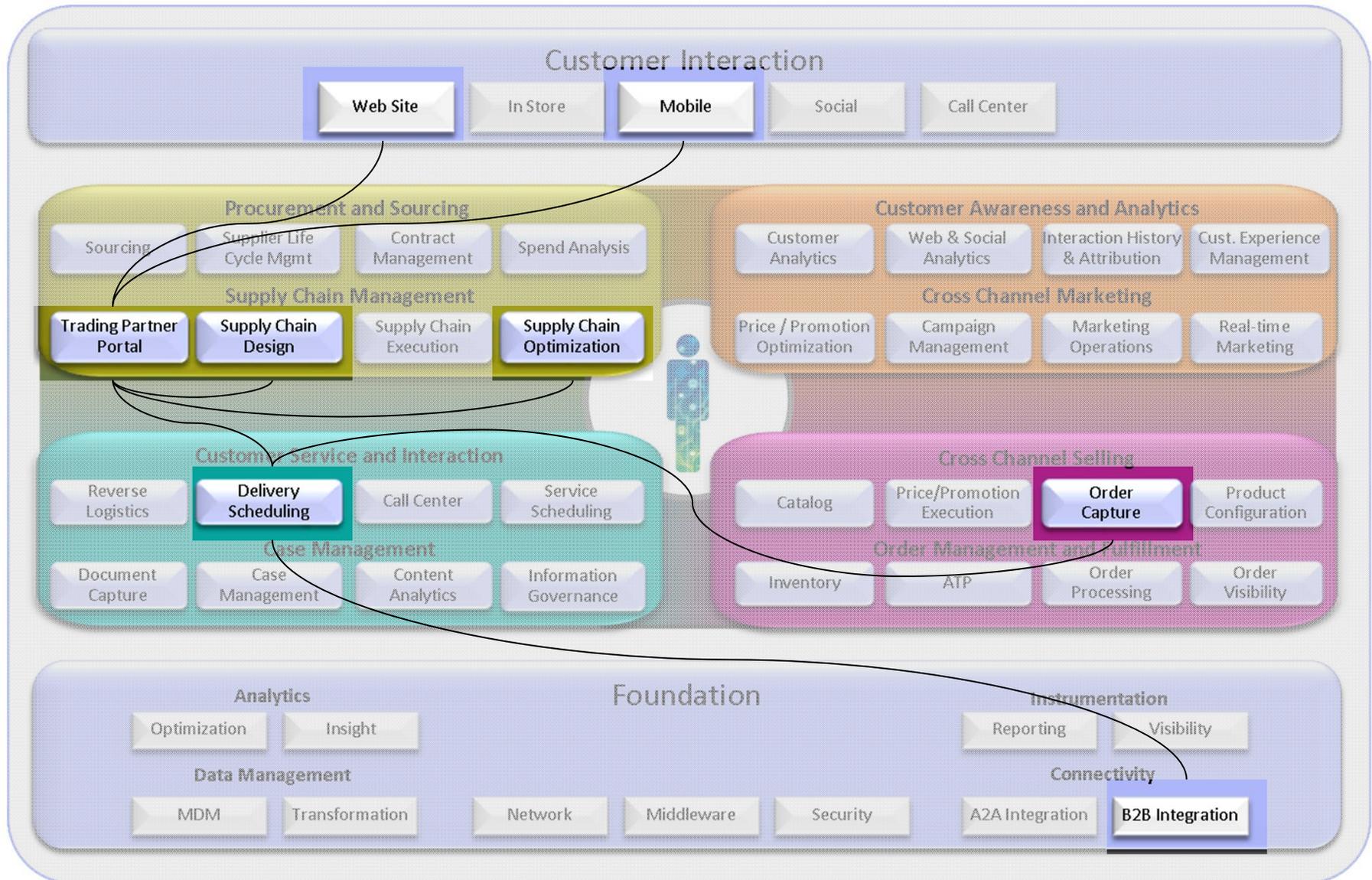
Predicts behavior by **listening and tracking** social channels

Transforming the customer experience by integrating social and mobile capabilities throughout the value chain.

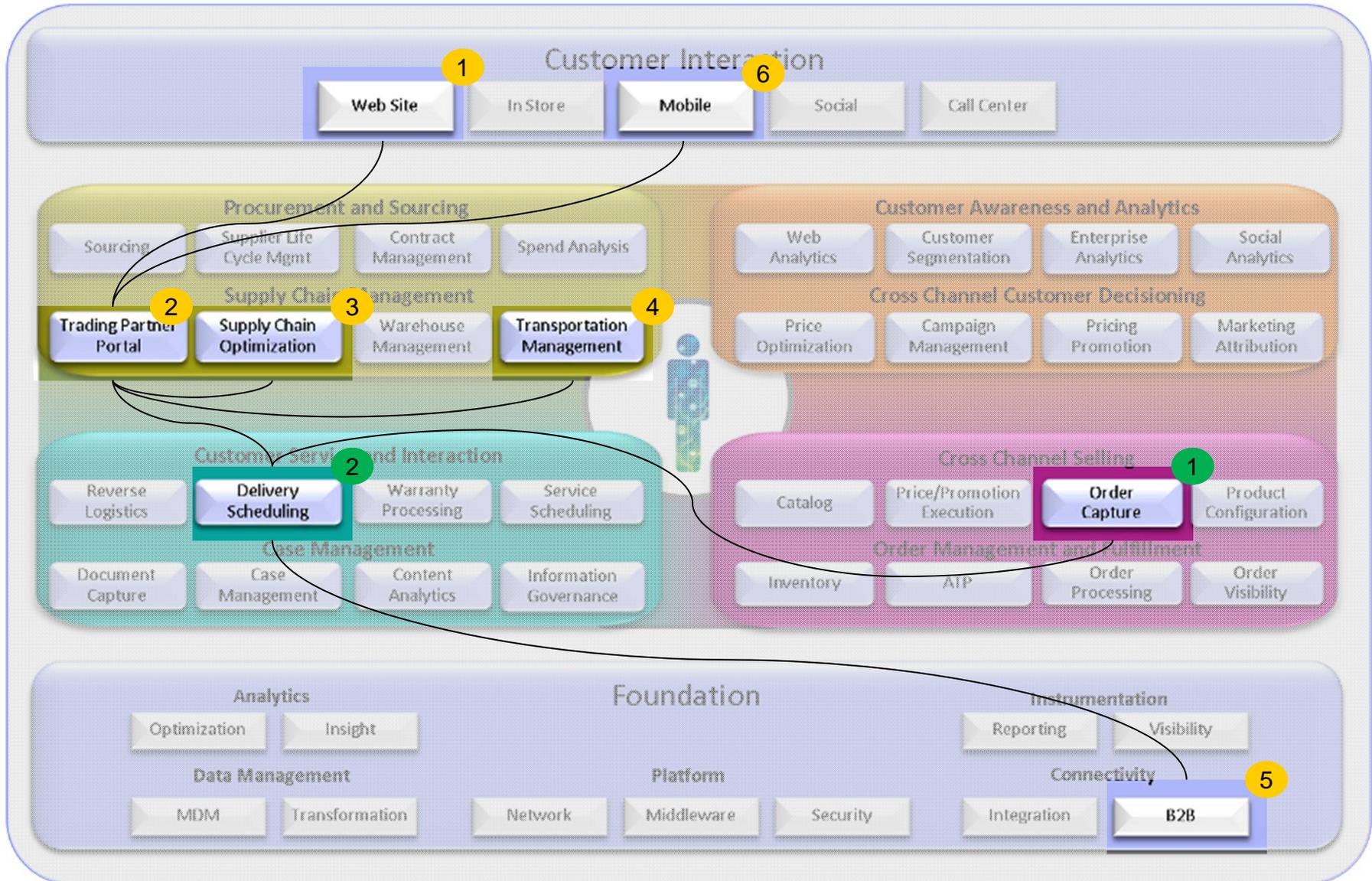




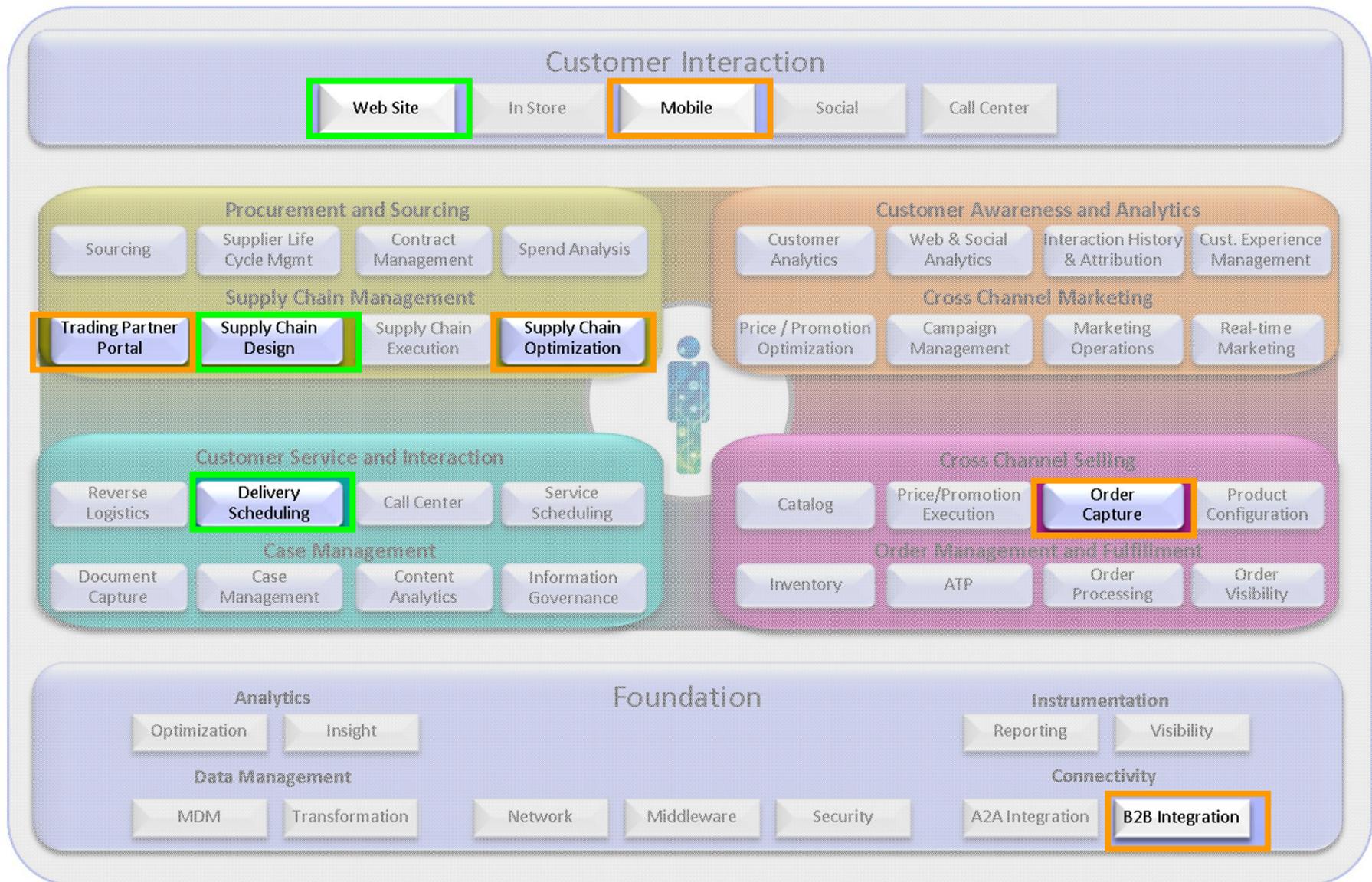
Applying the Reference Architecture – Customer Solution Description

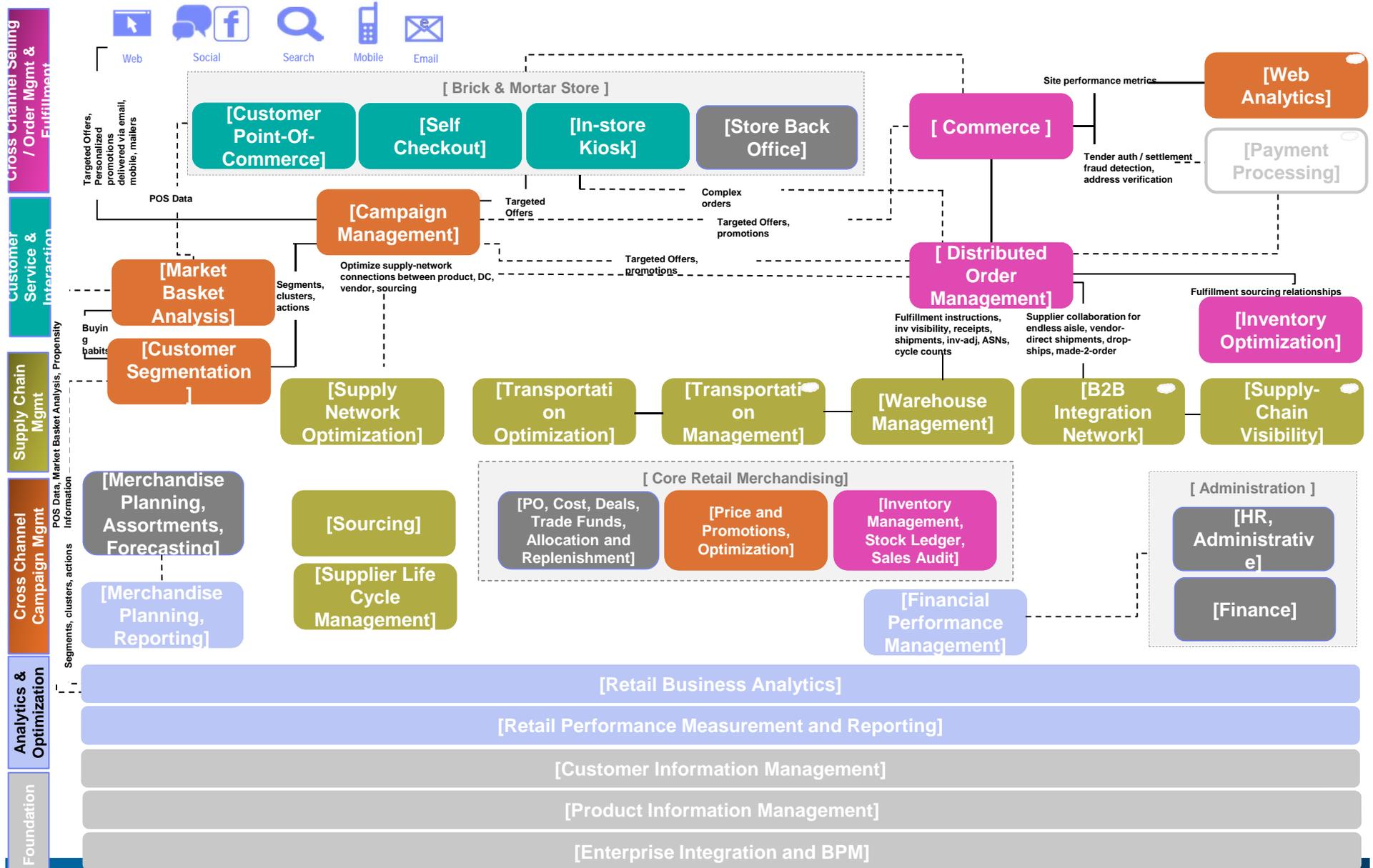


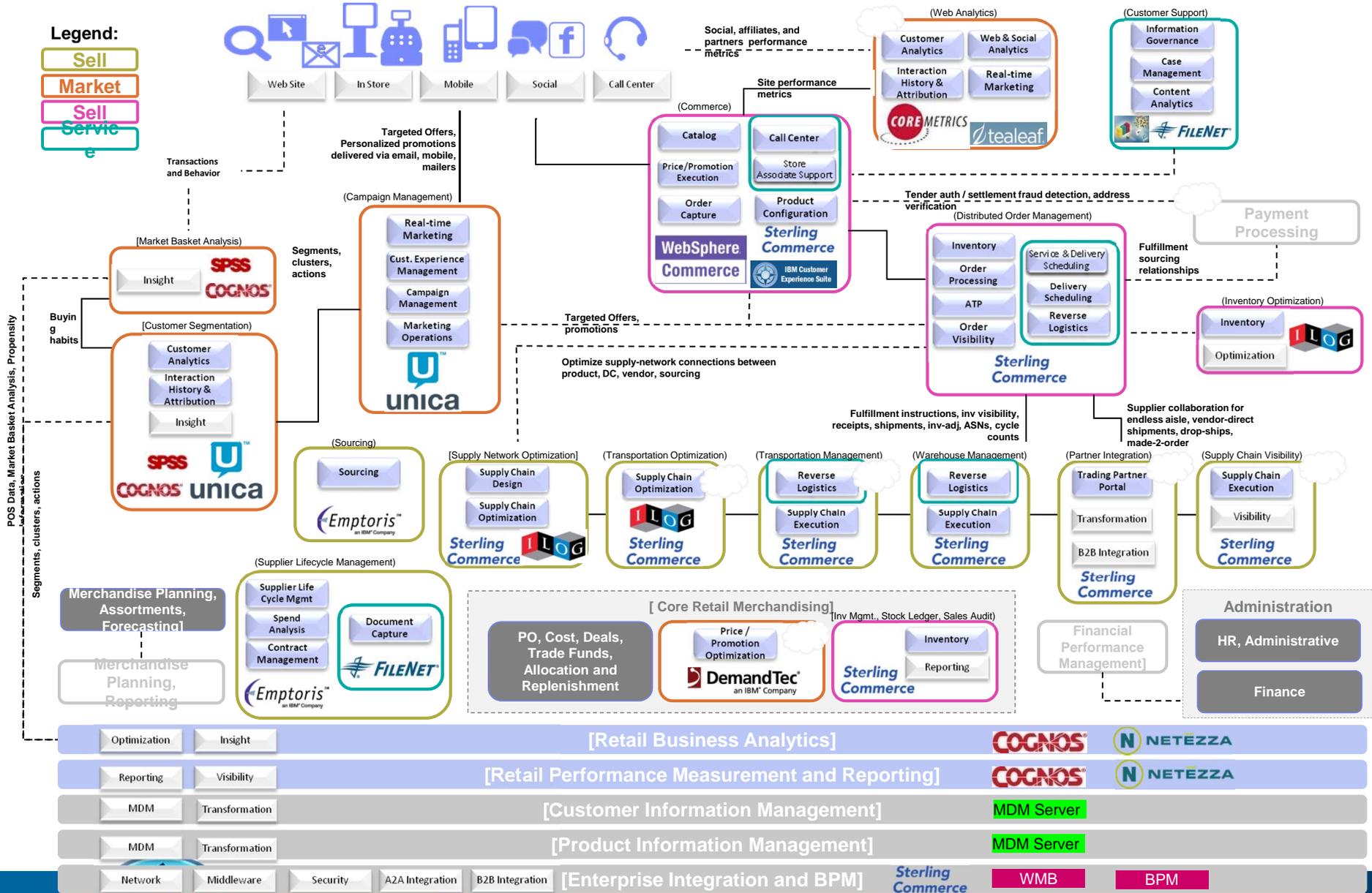
Applying the Reference Architecture – Demo Scenario



Applying the Reference Architecture – Heat Maps



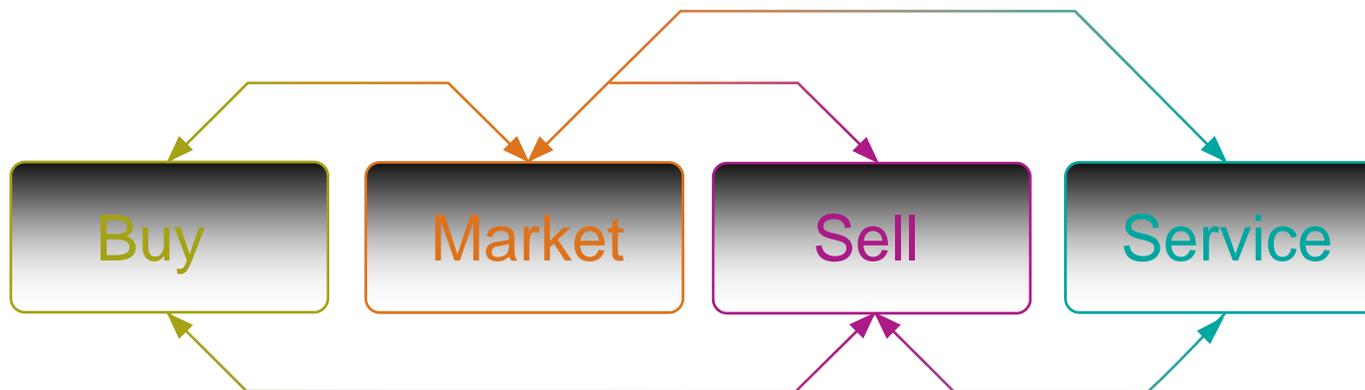




Smarter Commerce **integrates and enhances** the commerce cycle

Order visibility and status
adapt procurement
and logistics

All customer
interactions
are a market opportunity



Insight from all channels
through analytics
improves loyalty

Promotions, guided selling
and precision marketing
drive sales



IBM Solutions for Transportation Management

IBM Solution	Transportation actions/ decisions	Time Horizon
	Location of facilities, territory assignments, capital investment in facilities & fleet	Annually
	Adjustment of territories, seasonal sourcing adjustments, fixed route creation, mode analysis	Quarterly
+ TMS	Fixed route creation, milk-run design, mode analysis, Bid/Proposal, Transportation BI	Monthly
+ TMS	Private fleet routing, mode analysis, Pre-shipment Audit	Weekly
TMS	Tendering, Dock Scheduling, Events & Alerts, Visibility, Invoicing, Route Guide Compliance, Shipment/Carrier Optimization	Daily



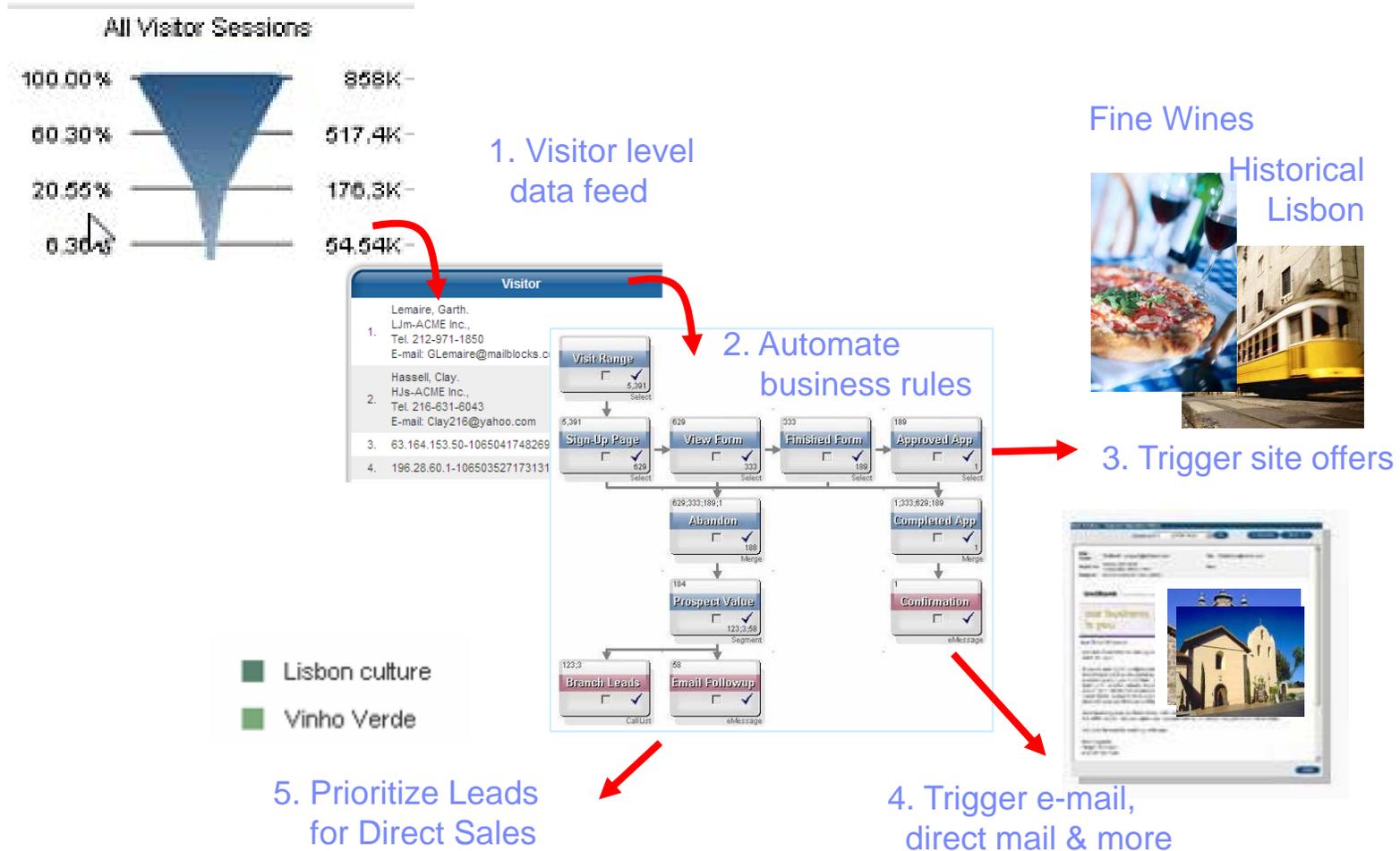
Unica & Coremetrics Integration – Released May 2012



1. Integration between Coremetrics and Unica provides **single sign on, segment exchange, re-targeting capabilities**
2. Integration between product and content modules provides **coordinated real time offer** (e.g. 20% off) **and real time product recommendations** (e.g. shoppers also bought)
3. Cross-channel customer interaction history and statistical marketing attribution provides rich **historical reporting for each individual and a way to assign credit/ROI** to marketing tactics
4. Solution pack for social provides **targeted, one-to-one marketing messages across Twitter, Facebook**
5. “Post-click” email analytics helps marketers optimize their email campaigns by **tracking unique activities after the click**



Automated "Lights out" Marketing



Coremetrics Analytics -> Unica Campaign Integration

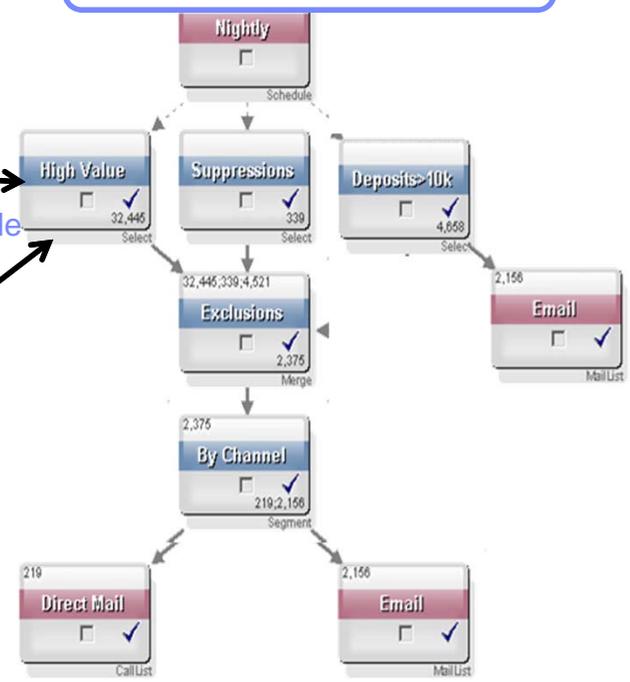
Analytics Report Segments

TOTAL: 27 Segments (19 Active, 11 Remaining)

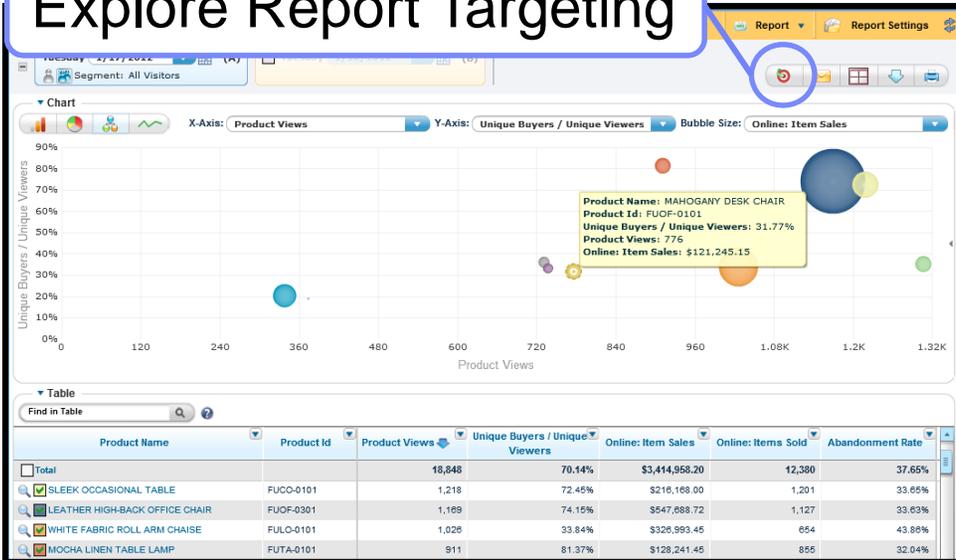
Report Segment	Category	Status	Created By	Type	Segment Range
<input type="checkbox"/> \$100-\$500	Price Range	Running	Laurie M	One-Time	Sep 16, 2007...ct 16, 2007
<input type="checkbox"/> backpacks3	Back Pack	Active	dhatcher	One-Time	Jul 17, 2010...ug 17, 2010
<input type="checkbox"/> Copy of non on-site search	Original segments	Pending	CMAnalyst	Persistent	-
<input type="checkbox"/> Direct Load	Original segments	Active	Laurie M	Persistent	-
<input type="checkbox"/> Email	Original segments	Active	clinks	Persistent	-
<input type="checkbox"/> Email Pixel Traffic Filter Apr	Email Pi...ic Filters	Active	coampolo...trics.com	One-Time	Mar 29, 2010...ay 2, 2010
<input type="checkbox"/> Email Pixel Traffic Filter May	Email Pi...ic Filters	Active	coampolo...trics.com	One-Time	May 3, 2010...ay 30, 2010
<input type="checkbox"/> Engaged Visitors	Engagement	Active	dhatcher	Persistent	-
<input type="checkbox"/> ETE Segment	ETE Segment	Running	dhatcher	One-Time	Jan 25, 201...eb 24, 2010

Unica Campaign

Selected segments are made available for immediate selection in Campaign



Explore Report Targeting



Coremetrics for WebSphere Commerce

Customer Benefits

- Single Sign-On authentication between applications
- Out of the box WebSphere Commerce specific analytics
- Auto-configured tag library to speed implementation & maintenance
- Intelligent Offer recommendations served through eSpots
- Export segment to WebSphere Commerce for personalized targeting

The image displays several screenshots from the Coremetrics and WebSphere Commerce systems. At the top left, the 'Management Center Tools' interface shows a menu with 'View Promotions Web Report' highlighted by a blue arrow. To the right, the 'Coremetrics Analytics' dashboard is visible, featuring a 'Campaigns Full List' report with various charts and data points. Below these, there are two more screenshots: one showing a 'Great offers' eSpot with four product cards (Garden Arbor, White Wing Chair, Sharpson SmartBrew Coffee Maker, and 3-Piece Silverware Set) and another showing a 'WebSphere Commerce' navigation menu with 'Campaigns Full List' selected. At the bottom, a 'Profile Segments' window shows a table with columns for Profile Segment, Status, Created By, Report Range, Segment Range, and Actions, including an 'Export to WebSphere Commerce' button.



WebSphere Commerce integrations with Coremetrics Analytics Reports

Provides “in-context” Coremetrics reports while editing WC campaigns and promotions

The screenshot shows the IBM Management Center for WebSphere Commerce interface. On the left, a 'Promotions' list is visible with a context menu open over a selected item. The menu includes options like 'Reload', 'Show Promotions List', 'Show Promotions Calendar', and 'View Promotions Web Report'. A green arrow points from the 'View Promotions Web Report' option to the Coremetrics Analytics report overlaid on the right side of the screen.

The Coremetrics Analytics report, titled 'Promotions | Web', displays data for the period 2/1/2011 - 2/28/2011. It features a bar chart showing 'Web Sales' for various promotions and a table below it.

Promotion Name / Promotion Code	Web Sales	Web Orders	Web Cost Of Promotion	Web Average Order Value	Web Average Of pro
Total	\$28,520.74	29	-\$5,812.35	\$983.47	
FREE GIFT WITH ORDERS OVER \$100	\$15,767.72	15	-\$321.93	\$1,051.18	
FURNITURE CATEGORY DISCOUNT	\$15,767.72	15	-\$3,978.26	\$1,051.18	
FLAT SHIPPING	\$15,232.89	13	-\$27.84	\$1,171.76	
MY PROMO-10000601	\$9,799.67	3	-\$748.97	\$3,266.56	

IBM has delivered an aggressive set of “Sell” portfolio integrations

- **WebSphere Commerce + Coremetrics Intelligent Offer (2010)**
Coremetrics IO delivers “wisdom of the crowds” product recommendations directly into WC via a Precision Marketing “trigger”
- **WebSphere Commerce + Sterling Order Management, Phase I (2010)**
Integrated message mapping allowing access to inventory, order and fulfillment information
- **WebSphere Commerce + Sterling Configurator (2011)**
Allows business users to create complex configuration models, enabling selling of configurable and complex products/services within WC
- **WebSphere Commerce + Sterling Order Management, Phase II (2011)**
Optimized inventory caching and asynchronous messaging for better OM performance
- **WebSphere Commerce + Coremetrics Web Analytics (2011)**
Single sign-on integration allows business users to view and leverage Coremetrics web analytics reports as a “dashboard” within WC Management Center



Extending the built-in integration in 2012, with WC FEP 5 & OM 9.2

▪ **Order status**

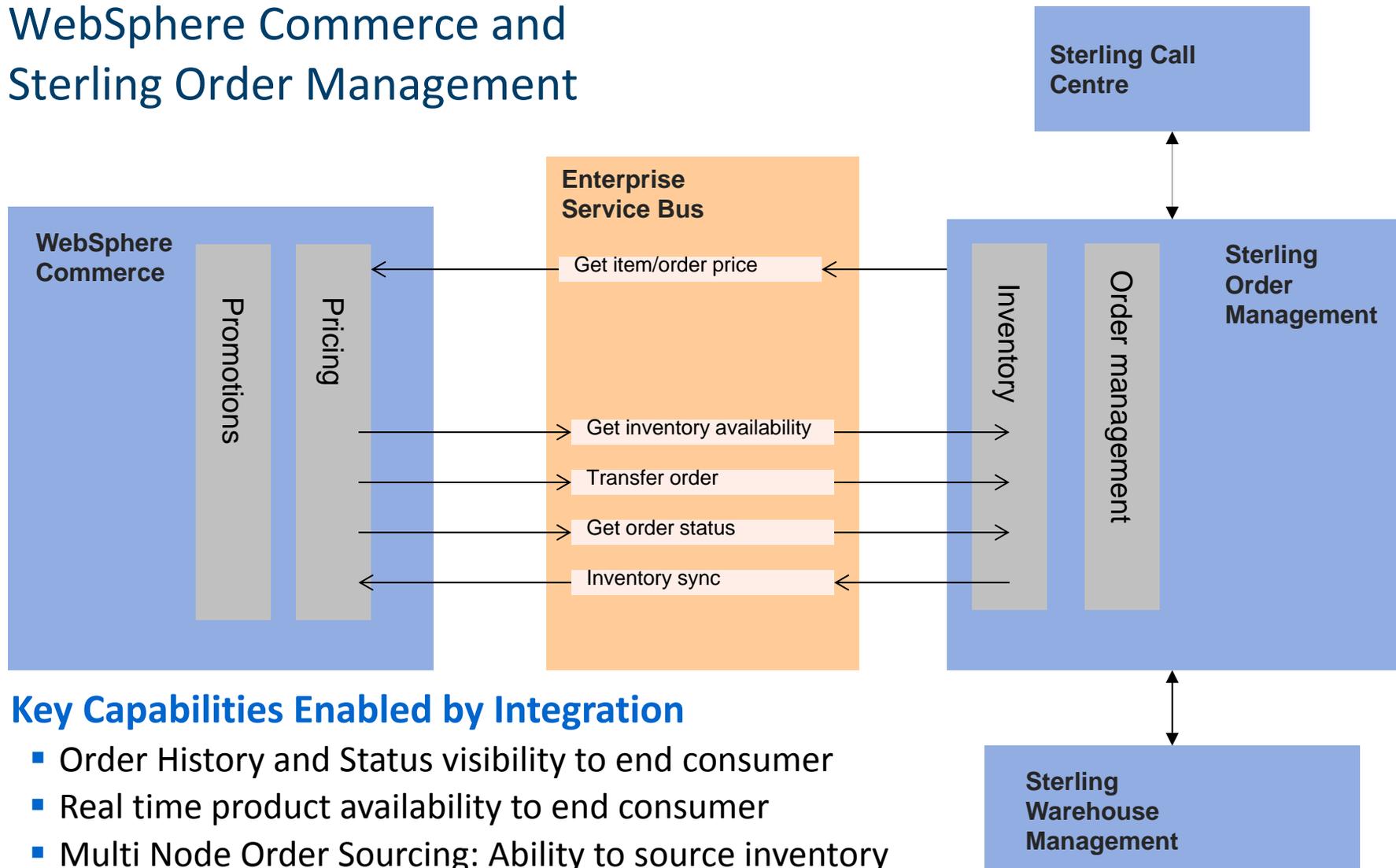
- Reorder capability added in the store front
- Sterling Call Centre will allow a customer service representative to display order list and detailed status/information for a customer
- Shopper can log into their account in the store front to see order list and detailed status/information for orders placed in store front & Call Centre

▪ **Order cancellation/update/return**

- Sterling Call Centre will be used to cancel/update/return items in an order
- Sterling will make the necessary calls to WC to reprice the order and update the promotions when the order modifications impact its price



WebSphere Commerce and Sterling Order Management



Key Capabilities Enabled by Integration

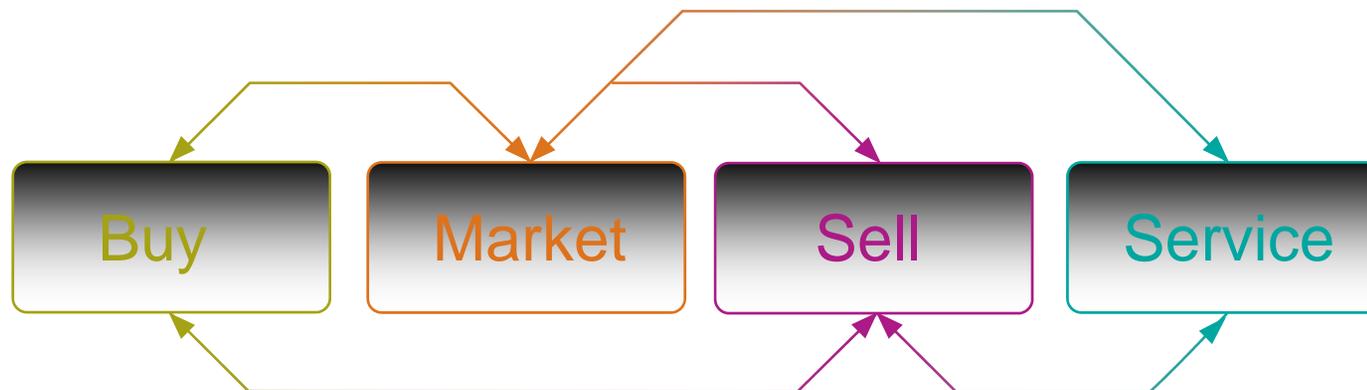
- Order History and Status visibility to end consumer
- Real time product availability to end consumer
- Multi Node Order Sourcing: Ability to source inventory from multiple locations depending on availability



Smarter Commerce integrates and enhances the commerce cycle

Visibility and order status
adapt procurement
and logistics

All customer
interactions
are a market opportunity



Insight from all channels
through analytics
improves loyalty

Promotions, guided selling
and precision marketing
drive sales



Integrated marketing allows you to manage marketing across multiple interaction channels

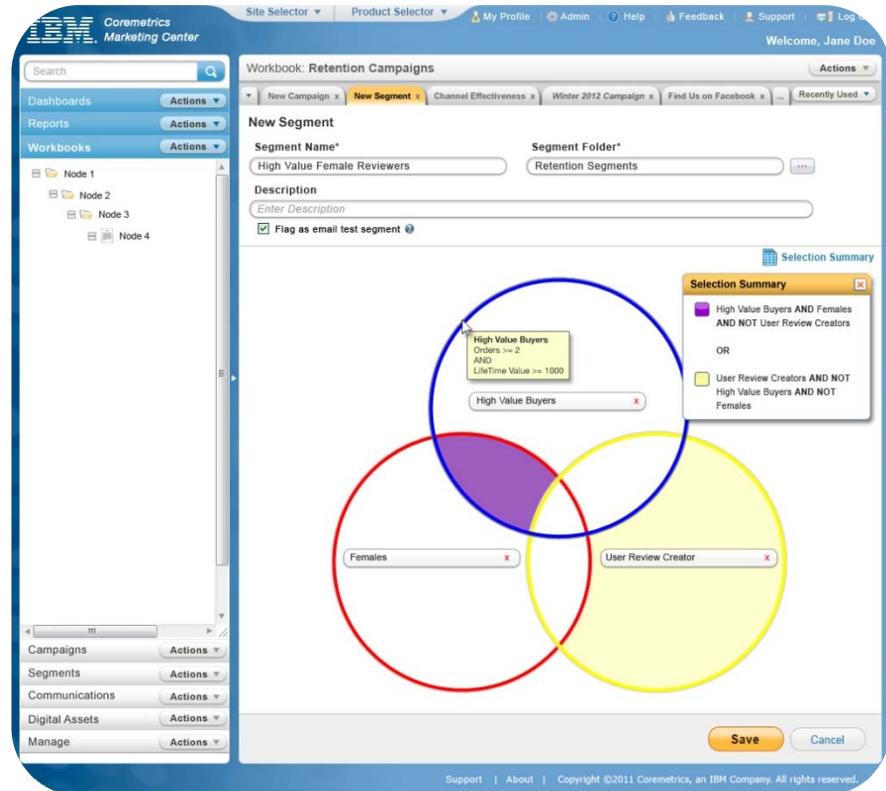
Manage marketing across multiple interaction channels

- Leverage social media data using **Cognos**
- Determine marketing response likelihoods with **SPSS Predictive Analytics**
- Cross-channel marketing strategy is defined and planned using **Unica**
- **Coremetrics** is used to track consumer actions, and make relevant recommendations
- The e-commerce web site and order capture is provided by **WebSphere Commerce**
- Customer experience with responsive interaction is guaranteed by **workload optimized systems**



IBM Marketing Center: Cloud-based solution for marketers - combines digital analytics with real-time marketing in a single app

- Execute & reinforce marketing communications designed for each customer as an individual
- Draw on all the digital analytics data visitors are providing and import additional offline data as needed
- With a few clicks go from analytical insight to campaign management
 - Email marketing
 - Site personalization
 - List targeting
- Automate marketing tracking & analytics
- Automate A/B testing
- Manage digital assets, audiences, contact fatigue, campaign scheduling / precedence
- Coremetrics customers: complements existing solution – with no retagging needed
- New customers: Can use as a standalone



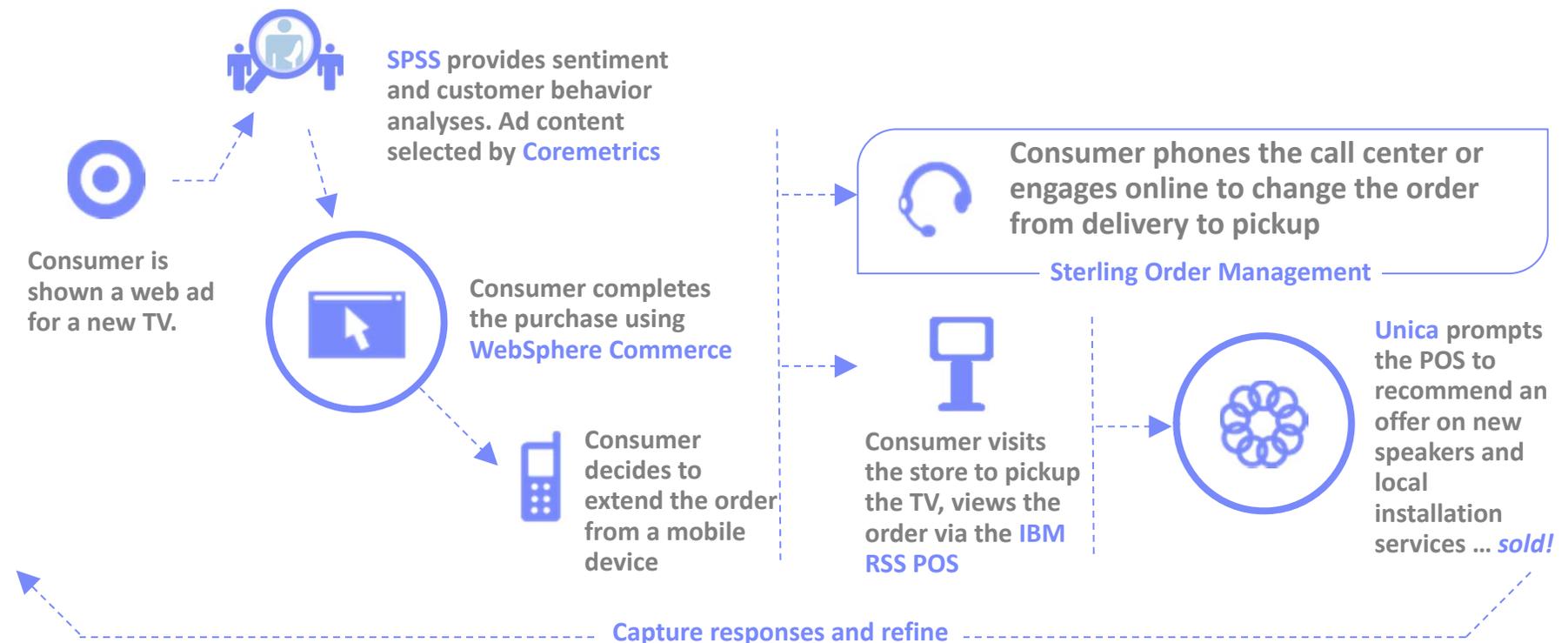
Reduce the IT cost, complexity and delay previously required to integrate multiple cloud solutions.



Enabling a unified, cross-channel shopping experience

Take action based on a consistent view of a consumer's order across multiple channels

- **Coremetrics** is used to track consumer actions, and make relevant recommendations
- The e-commerce web site and order capture is provided by **WebSphere Commerce**
- **Sterling Order Management** maintains a consistent view of the consumer's order
- The POS from **Retail Store Solutions** integrates with the entire system to maximize POS sales



Point-of-Commerce is the extension of Commerce capabilities into traditional POS, empowering cross-channel retailing

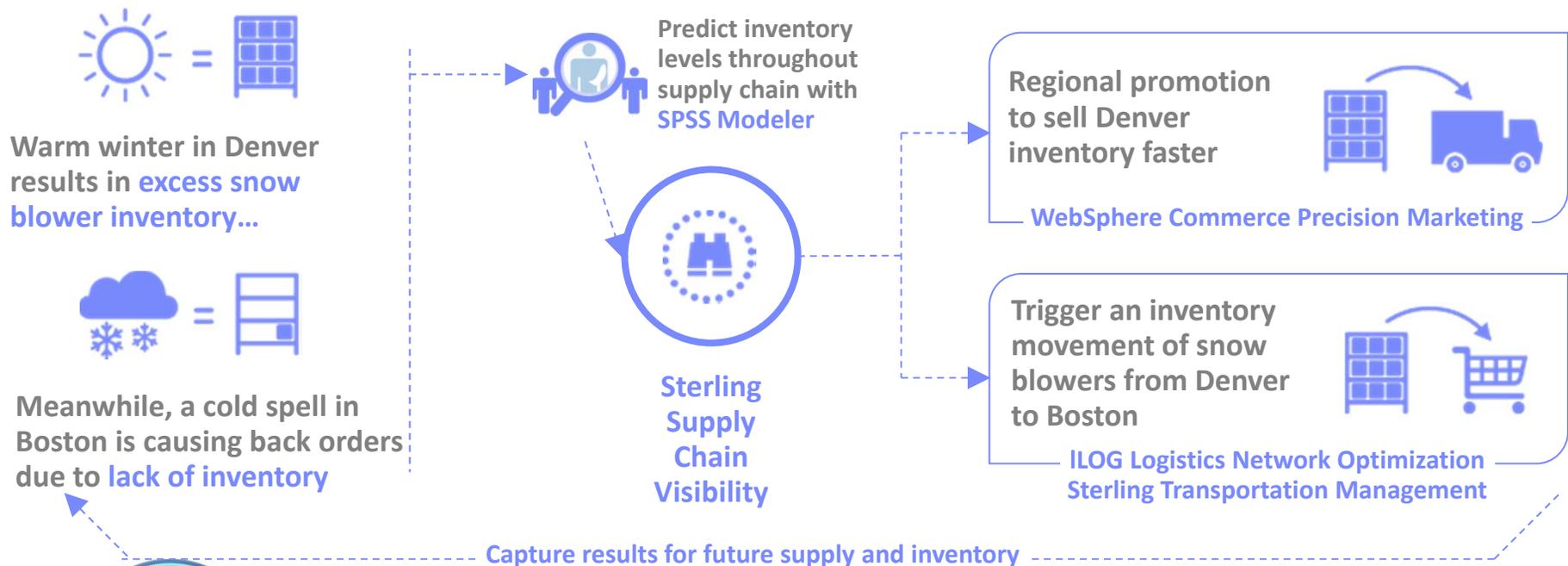
- Address the **Smarter Consumer** with a seamless Point-of-Commerce solution that enables consumers to go to a local store to perform a full suite of store-to-store and cross-channel scenarios.
- Address the **Evolving Retail Store** with flexible client and flexible deployment options optimizing the amount of IT per store based on a retailer's requirement – not the vendors' requirement.
- Address the **Tightening Pocket Book** with sustainable IT costs and reduced complexity given common data and common services, easing pressure on IT staff across channels and allowing focus on other high-value priorities.



Leveraging supply chain intelligence to shift inventory and execute regional promotions

Offer regional product promotions and optimize inventory distribution

- **SPSS Modeler** predicts inventory levels based on weather, customer demands, and much more
- **Sterling Supply Chain Visibility** monitors flow of inventory vs. annual norms
- **ILOG** is used to optimize the logistics network
- Network details are deployed into the **Sterling Transportation Management System**
- **WebSphere Commerce** leverages this intelligence to issue custom regional promotions



IBM's Smarter Commerce Portfolio Drives Real Benefits

-  **Enhance the Customer Experience** with personalized marketing and consistent customer interactions across all channels
-  **Synchronize your Value Chain** by combining insights from customer interactions, inventory levels and trading partner networks, enabling an automated response to changing market conditions
-  **Drive Growth** by enhancing, extending, and redefining the value you provide
-  **Increase Margins** by boosting efficiency at every stage of the commerce cycle



Thank You

