WebSphere® software

Powering a Robust Enterprise Procurement System

Overview

■ **Challenge**

To create a scalable and reliable infrastructure for a B2B web-based auction portal that would meet the demands of a rapidly growing enterprise client base.

■ **Solution**

The IBM WebSphere Application Server and IBM DB2 based Enterprise Procurement System (ESP) that functions as a robust, scalable and flexible auction portal that can be easily configured to meet the needs of the specific customers.

■ **Key benefits**
- *Transparency in procurement process*
- *Low cost of procurement for buyers*
- *Low cost of service for sellers*
- *Shorter procurement cycle-time*

Starting as a medium for sharing information the Internet has now become the biggest medium for selling goods and services. With the emergence of e-commerce, people can buy many products and services from any place that has an internet connection and at any time that is convenient to them. Moreover, e-commerce often offers people access to a wider array of options leading to better purchasing decisions.

While individuals were among early adopters of e-commerce, businesses soon realized that e-commerce could help them cut procurement costs and enable them to access a wider array of suppliers. The suppliers also had got the opportunity to bid for a wider array of contracts and contact businesses they may otherwise not have had access to.

e-commerce, today, is an integral part of business processes and B2B e-commerce is growing rapidly in bounds.

MJunction: A Pioneer in Coal and Steel Emarketplaces

Founded in 2001 as a 50:50 venture of SAIL and Tata Steel, mjunction was established to create an Internet-enabled B2B portal that would transform the supply chain for steel and coal in India by infusing efficiency, transparency and convenience.

Starting with just Rs.94.35 crores in transaction value in FY'02, mjunction has grown at a spectacular CAGR of 144% with transaction values standing at Rs.8,053 crores in FY'07. mjunction today has a national footprint with offices in 10 locations and is extending the B2B marketplace platform to other industries.

Creating a Robust Infrastructure

With business growing at a rapid speed, mjunction found that its IT infrastructure was crumbling under the pressure of the demands placed on it. This resulted in poor response times and delays in processing customer requests, not to mention frequent downtimes.

Moreover, the IT infrastructure was not completely integrated leading to manual intervention which added to the delays and also higher costs for both the buyer and the seller.

mjunction needed to bolster its IT infrastructure to create a scalable and reliable solution capable of handling high loads while remaining highly responsive. It also needed to eliminate all manual intervention so that all processes are automated and result in faster transactions at a lower cost.

mjunction also recognizes that each organization has its own unique methods and documentation, and so wanted the site to be flexible enough to support customization to specific needs. This would help suppliers and buyers adhere to organizational standards while leveraging mjunction infrastructure for ecommerce.

The Solution

Paramount to mjunction's quest for a new IT infrastructure was that it should use industry standard software and be backed by a vendor who can meet all the business and technology needs.

They chose IBM because it provided end-to-end solutions from BPM to the software and hardware building blocks essential to build the system. More importantly, IBM had demonstrated competence in building enterprise systems across a variety of industries.

The mjunction team was particularly impressed by the time the IBM team spent in understanding their requirements and suggesting viable solutions in the pre-sales cycle.

The IBM solution architects worked closely with mjunction's IT team to build an SOA-based auction portal that would withstand the high loads while being responsive and flexible.

IBM architected an Enterprise Procurement System (EPS) based on the IBM WebSphere Application Server (IBM WAS) and DB2 as the database. The heart of the EPS, the IBM WAS provided a reliable, scalable, highly available, platform to build, run, integrate and manage dynamic, On Demand business applications. In addition the robust, standards-based security infrastructure offered by IBM WAS creates a secure environment so essential to an ecommerce site.

IBM used load balancers to ensure that the load was evenly distributed between the two application servers. However, each server has the capability of handling the entire load should the other fail.

IBM built in further availability by providing for site URL redirection to a Disaster Recovery site in the event of primary site failure to ensure uninterrupted availability.

The Benefits

With the new EPS in place, mjunction experienced:

- Continuous availability in the face of high loads

- Reduce procurement cycle times

- Significantly lower cost of procurement for buyers and lower cost of service

  for sellers

- Transparency in procurement process

- Inconvenience arising out of lack of information access and availability is

  alleviated

For more information

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