



**WebSphere Commerce  
Business Edition**

**WebSphere**

**| The Fastest Way to e-business |**

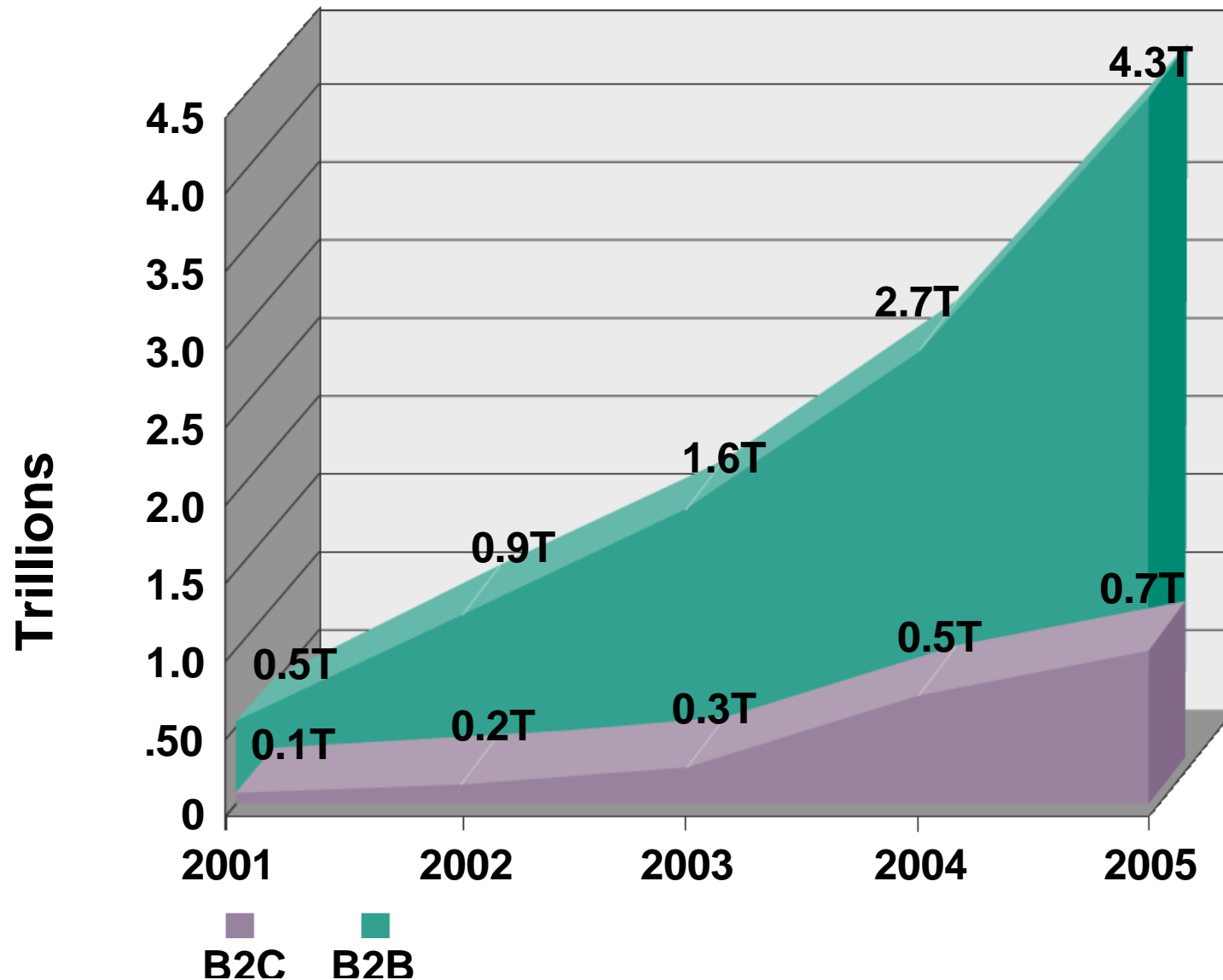
09/11/01

## Agenda

- WebSphere Commerce - #1 platform for e-commerce - *Sandy Carter*
- Introducing:  
WebSphere Commerce Business Edition -  
*Ed Harbour*
- Partner Sales Channel Enablement - *Jay Sottolano*
- Q & A



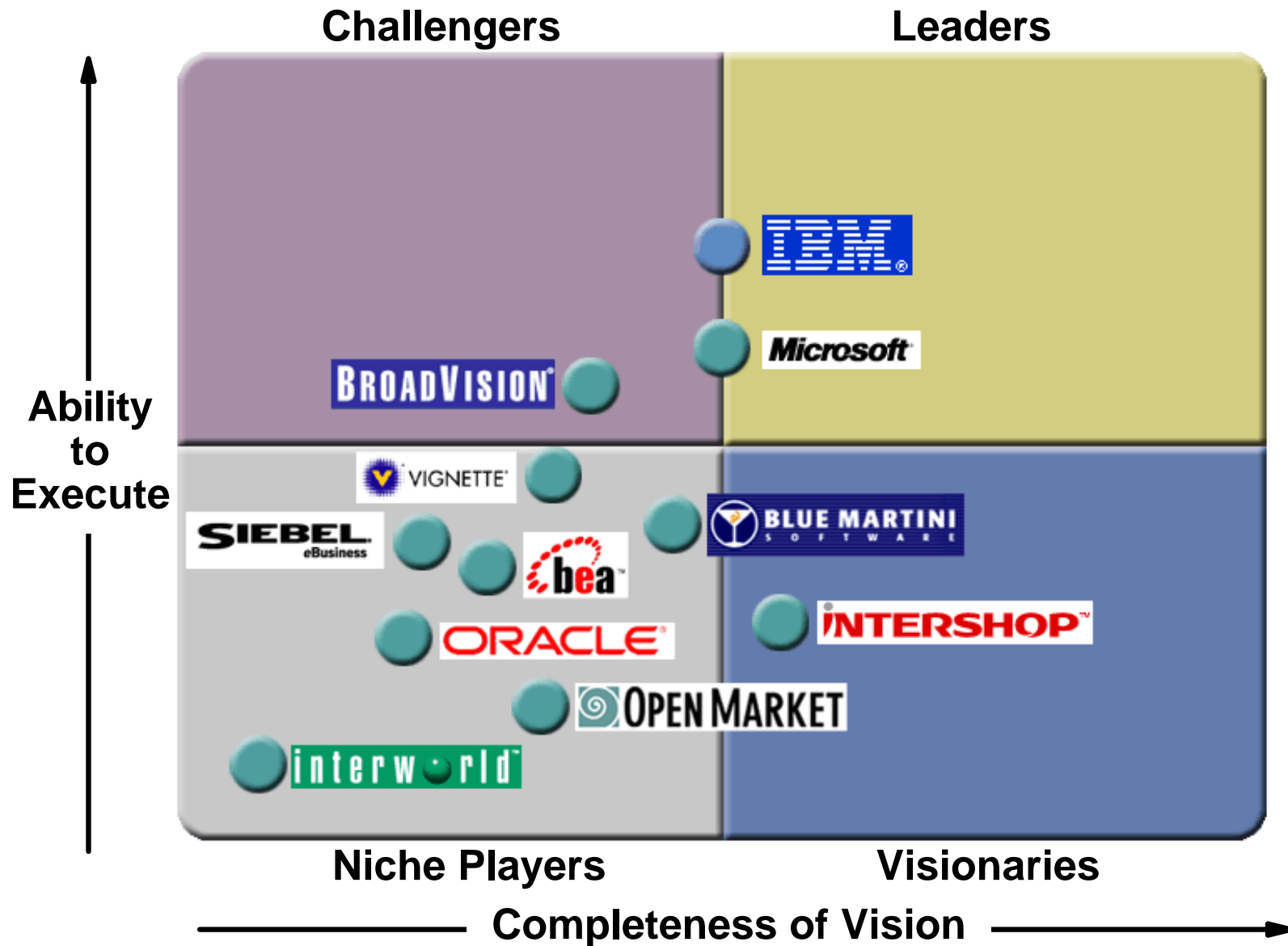
## Revenue Conducted Through e-Commerce Channels



# IBM is The Leader in e-Business Solutions



# Magic Quadrant





## WebSphere Commerce

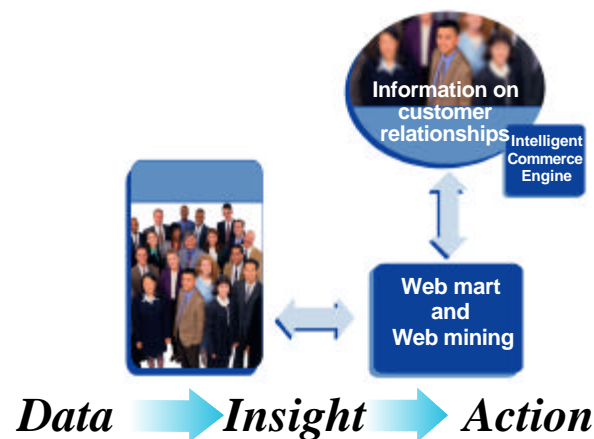
**Serious Sell-Side Solutions to manage real relationships and complex business interactions**

- **Strengthen Relationships**
- **Speed & Depth of Integration**
- **Global Dynamic Business Infrastructure**



*Solving Serious Business Issues through ....  
Cost Savings and Accelerated ROI*

# Strengthening Business Relationships



- 93% of CEOs view customer retention as most critical success factor!
- It costs 5 to 10 times more to acquire a new client than retain your current customers
- Companies lose 50% of their customers every 5 years

Source: HBR

IBM delivers e-commerce solutions that support the way you do business

- *Capture and Incorporate business relationship*
  - LOB can quickly setup multiple business relationships and multiple contracts without complex programming
  - Stream line processes with granular access control, Integrated order management and inventory management
- *Collaboration*
  - Encourage and capture real-time customer interactions
  - Leverage information within conversations or work initiatives to define business relationships and contractual terms
- *Customer Intelligence*
  - Analyzes business relationships and effects for marketing and pricing decisions with comprehensive commerce data mining tools and Business Intelligence Reporting

## Strengthening Business Relationships

### Whirlpool Corporation

- World's largest manufacturer and marketer of major home appliances
- Based in Michigan, USA
- Needed B2B trading portal to serve mid-tier partners and B2C site for US consumers





## Strengthening Business Relationships

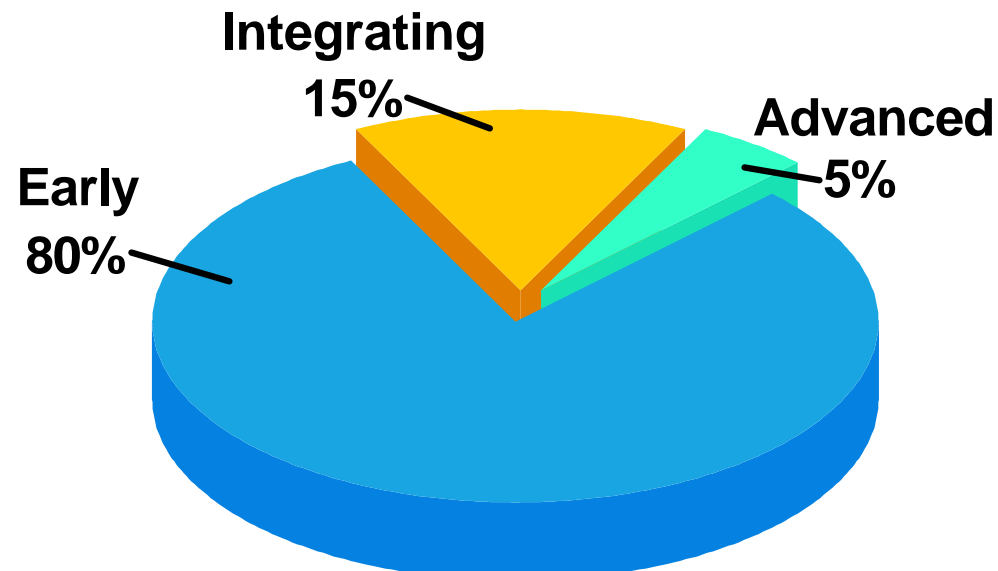
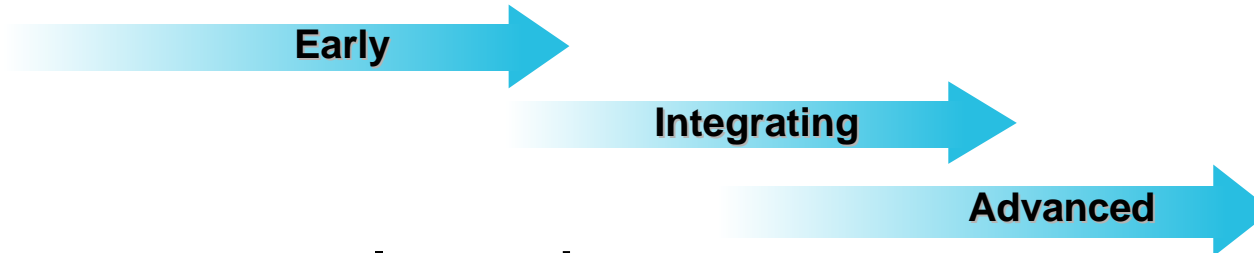
### Whirlpool: Business Value

- 100% ROI in eight months for B2B trading portal
- 100% ROI in five months for B2C site that draws 3.8 million visitors per month
- Saved more than 80% in order processing costs



## Where we are now

### *States of e-business Adoption*



% of Adoption by States

## Speed & Depth of Integration

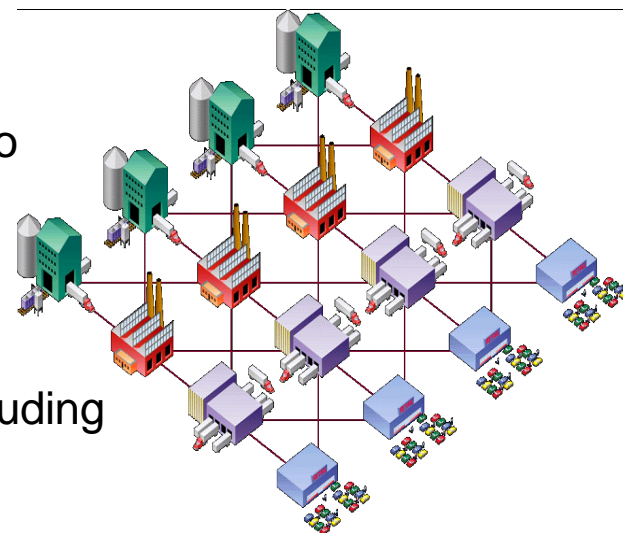
*Only one platform, Websphere, can offer the Speed and Depth of integration capabilities companies need to maximize efficiencies in the value chain*

### ■ SPEED

- Leverage common tool-set of Websphere Business Integrator
- Support for open standards: JAVA, XML, WML, HTTP, WAP
- Future: Support of Web Services

### ■ DEPTH

- Automate complete Customer Lifecycle from Need to Fulfillment & Management
- Widest Range of ISV support including SAP, i2, Peoplesoft, Siebel, JDE
- Externalization of business interactions through Websphere Partner Agreement Manager (PAM) including support for SAP, mySAP, Ariba and CommerceOne.





## Speed & Depth of Integration

### Orica Ltd.

- Australia's leading supplier of industrial and specialty chemicals
- Based in Melbourne; 9,000 employees
- Needed a Web presence to improve customer service, reduce processing costs and strengthen customer relationships



## Speed & Depth of Integration

### Orica: Business Value

- Developed B2B e-commerce site that is fully integrated with SAP and business systems
- Increased customer satisfaction by offering 24x7 access to catalogues and order status
- Reduced processing costs by more than 50%



## Global Dynamic Business Infrastructure

- Expanding infrastructure to support dynamic business needs
  - ▶ Pricing - Negotiations, RFQ
  - ▶ Communication - Selling, support
  - ▶ Collaboration - Virtual Teaming, Project Management
- Extending globalization platform across new capabilities
  - ▶ Business relationship management, contracts, and orders will leverage the early investments multi-lingual and currency support
  - ▶ Policy management on international basis





# Global Dynamic Business Infrastructure

## Lands' End

- #1 apparel seller online with a worldwide Web presence
- Based in Wisconsin, USA
- Needed online catalog that would reach new markets



## Global Dynamic Business Infrastructure

### Lands' End: Business Value

- Hosted 38 million visits on B2C site
- Increased B2B sales by 10%
- Generated US\$138M in 2000, doubling 1999 revenues



## Cost Savings and Accelerated ROI

### ROI through automation of business processes

WebSphere price and performance leadership mean customers get the most for their money

- WebSphere gives developers what they want in a product: Higher performance and scalability for any level of demand
  - Providing consistent assured access to the customer's e-business via higher performance and scalability for any level of demand - apps can grow with the business

### Achieved ROI in under 180 days !!

- Hockaday Donatelli, Wine Country, Wolfermann's, Cheryl's Herbs, Whirlpool, Cedlerts Fisk, New Wine, GE Express, ICON Health and Fitness





## Cost Savings and Accelerated ROI

### Acer Inc.

- One of the world's largest computer manufacturers
- Based in Taiwan; 23,000 employees worldwide
- Needed e-procurement solution



## Cost Savings and Accelerated ROI

### Acer: Business Value

- Developed fully integrated B2B e-procurement extranet in five months
- Reduced costs by 2%-3% - an annual savings of \$US65-\$100M - by transforming current phone- and fax-based procurement solution; 100% ROI in two years
- Reduced staff by 19% and inventory storage time by 50%



# Announcing WebSphere Commerce Business Edition! 4th Quarter 2001

- **Widening the e-commerce Gap**
  - *Delivers cost effective solutions to business problems*
  - *Leadership choice for enterprises looking for a long-term business partner*
- **Extending our Reach in B2B**
  - *Builds on our world-class e-commerce process expertise*
  - *Optimizes & automates relationships and processes across the value chain*
- **Serious commitment to extending the Platform**
  - *Integration with the fastest growing Brand in IBM - WebSphere Family*
  - *Investment of WebSphere Commerce Platform is strategic and high value to our Customers*





# IBM WebSphere Commerce Overview

## Two Strategic Business Solutions on One Common Platform



# Introducing WebSphere Commerce Business Edition Serious B2B e-Commerce

## Business Relationship Management

- Business Manager Interface
- Contracts Infrastructure
- Customized Business Policy
- Collaborative B2B Commerce
- Advanced Business Intelligence

## Advanced Order Management

- ATP, Inventory Management
- Backorder Processing, Split Orders
- Returns & Refund Processing
- Inventory Management

## B2B Member Management

- Hierarchical Organizational Structure
- Granular Access Control by Role for both administrative roles and buyer roles

## New B2B Function

- Single Seller RFQ, Contract Pricing
- Requisition Lists
- Purchase Order as Payment
- B2B Store Model

New B2B function provides ability to implement business policies quickly and the flexibility to adapt those policies

## Business Relationship Manager

Streamline  
Processes

- Easy to use configuration tool to manage customized business policy for each unique buying organization in the underlying contracts infrastructure

Improve  
Customer  
Intimacy

- ▶ Create and Manage:
  - Price list
  - Shipping policies
  - Contracts approvals
  - Catalog views per buyer organization
  - Purchase commitment tracking
  - Billing as per designated policy
  - Contract based by Item , Group or Organization
  - Chained discounts



Execute existing business policies on-line,  
adapt business policies quickly and easily



## Business Relationship Management: Collaborative B2B Commerce



### Enhanced Services

- WebSphere Commerce Business Edition is the clear leader in collaborative commerce
- Quickplace technology enables virtual teaming with electronic meeting places, discussion forums, and document sharing



### Relationship Facilitation

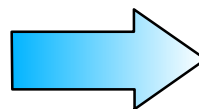
- Sametime technology provides instant messaging capability for real-time customer service, negotiations, and decision-making
- Agent has capability to control buyer's URL page and to instantaneously drive user to page under discussion

Increase revenues, strengthen business relationships with collaboration

# WebSphere Commerce Analyzer Integrated Business Intelligence

## WebSphere Commerce Analyzer, Entry with V5:

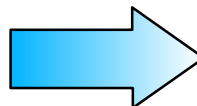
- Hundreds of HTML Reports Out-of-the-Box
- Easy to Use, Browser-based Interface
- Integrated Within Commerce Accelerator



**Provides FAST answers  
about your business  
performance**

## \*WebSphere Commerce Report Designer:

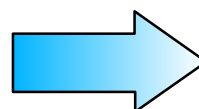
- Ability to add new Production Reports
- Leverages Entry Datamart
- Low-cost Customized Reports



**Customized,  
production reporting  
capability to monitor  
your business**

## WebSphere Commerce Analyzer, Advanced:

- Advanced, Customized Reporting
- Enhanced, Extensible Datamart
- ROLAP Reporting Capabilities
- Data Mining
- Drill-Down Capability



**Analyzes your business  
performance to optimize  
business performance**

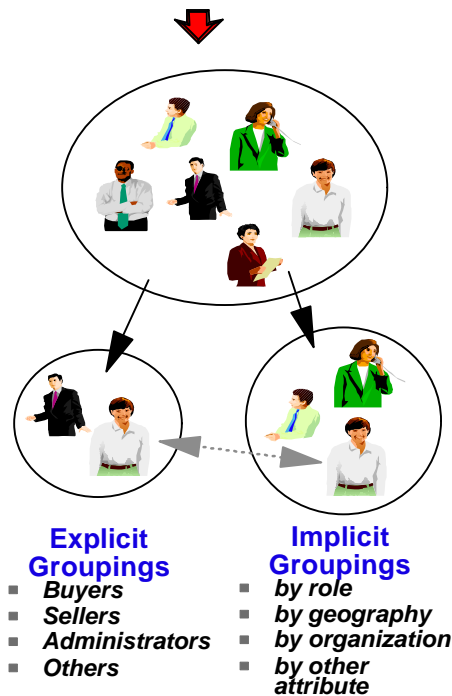
\*soon to be released

## B2B Member Subsystem

Flexible  
Granular  
Access Control

- Ability to setup users by role and position in a hierarchical organization
- Granular access control both on the administrative side and on the buyer side

"What users can take what actions against what resources?"

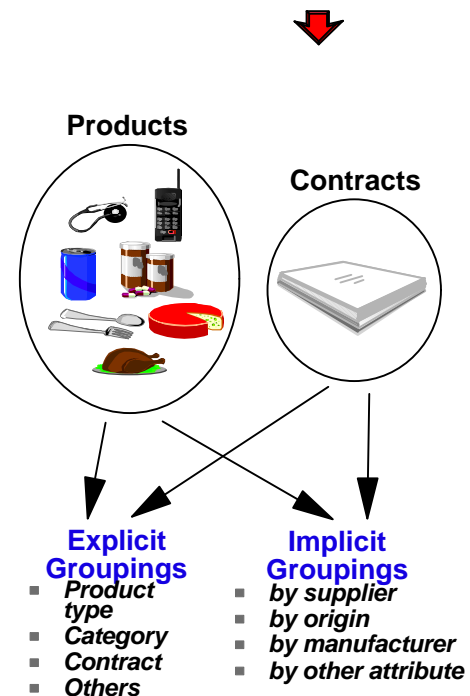


### Basic Actions

- View
- Modify
- Create
- Delete

### Market-Level Actions

- Quote
- Buy
- Request quote
- Others





# Advanced Order Management Infrastructure

Minimizes  
errors and  
capture  
backorders

## ■ Order Management

- Backorder creation with expected availability date
- Split order management
- Additional messages for connectivity

Increased  
Supply Chain  
Visibility

## ■ Inventory Management

- Ability to enter and manage inventory by distribution center
- Ability to enter and manage future incoming inventory
- Real-time allocation of inventory as orders are placed
- Real-time Available-to-promise

Minimizes  
inventory cost

## ■ Returns & Refunds

- Refunds for one or all items purchased
- Refunds not associated with a SKU
- Payment Reversal

Streamline the supply chain with real-time order management processes on the web

## Business Edition B2B Functionality: Request For Quote

Shorten the  
RFQ process  
time

Let your  
customers  
provide you with  
they want

- Business Edition provides a customer facing, easy-to-deploy request for quote process, **dramatically reducing the time it takes to respond to a customer's submission.**
- Solicit quotes for a specific set of goods and services
  - ▶ From interest List
  - ▶ Add free form text on the RFQ level and on the item level
  - ▶ Add additional attributes on the item level
  - ▶ Include attachment
  - ▶ Choice for end result - Create Contract or Create Order
- Create RFQ response
  - ▶ Modify RFQ response
  - ▶ Cancel RFQ response (any state)
  - ▶ Submit RFQ response - make RFQ response active
  - ▶ Approve RFQ response

## Business Edition B2B Functionality

- Automated, Customized Business Policy
- Contract Pricing
- Advanced Order Management
- Requisition Lists
- Request for Quote
- Purchase Order as a Payment Method
- Catalog Management
- Collaboration
- Advanced Business Intelligence
- B2B Member Management

New B2B Store Model will Showcase New  
B2B Functionality



## Integration Enablement

**Support for  
Open  
Standards**

- B2B and B2C segments expect and demand more in-depth customer service, including shipment tracking, online support, and sharing of customer information from other sources such as phone support. This is driving the implementation of integrated commerce solutions.

**Integration of  
Internal and  
External  
Systems,  
Partners and  
Channels**

- ▶ Business Edition supports integration with external / ERP systems through the MQSeries Adapter using XML messages
- ▶ Business Edition includes additional message extensions to facilitate connectivity
- ▶ Strategic connectivity to e-marketplaces will be via WBI/PAM. WBI/PAM is currently developing connectivity for Ariba, CommerceOne, and MySAP.

**65% Market  
Share**

# WebSphere Commerce Business Edition V5.1 Packaging

## Editions and Platforms

- ▶ **Development Editions:** Windows 2000/NT
- ▶ **Production:** Windows 2000 / NT, AIX, Solaris, iSeries (future zSeries/zOS, Linux/Intel, Linux/zSeries)

## Bundled Products Include:

- WebSphere Application Server, Advanced Edition
- WebSphere Catalog Manager including client (soft bundled)
- DB2 Database (Oracle also supported but not bundled)
- IBM HTTP Web Server (Domino, iPlanet, and IIS also supported)
- IBM Secureway LDAP
- Blaze (HNC software) Rules Engine
- WCA, Entry Reports (BRIO Broadcast Server)
- Commerce Studio/VisualAge for Java (developer editions only)
- LikeMinds Macromedia, Limited License
- Lotus Sametime and Lotus Quickplace, Limited License

## Supported Languages

- 10 language translations out-of-the-box for Windows, AIX, iSeries, and Solaris - including Japanese, Chinese, & Korean (double-byte character enabled)

## Business Edition Announcement

- **Update Analyst - week of Sept. 27**
- **WW Internal Announcement Sept. 11**
- **Update Business Partners - Sept. 13**
- **WW announce on Sept. 18**



## WebSphere Commerce Business Edition V5.1 Pricing

### ■ List Pricing

- WebSphere Commerce Business Edition - **\$125K** per processor
  - 1 Store minimum - **\$15K** per store
- WebSphere Commerce Studio Business Developer Edition - **\$25K** per user

### ■ List upgrade Pricing - Customers with Active Subscription

- Processor Trade-up from Pro V5.1: **\$73K**
  - Store Trade-up from Pro V5.1: **\$6K**
- Developer Edition Trade-up from Studio Pro V5.1: **\$15K**

### ■ Typical Configuration

- 4 production processors + 1 store + 2 developers
- **\$367K** with 35% PPA discount

## WebSphere Commerce Business Edition Promotions

- WCBE 5.1 Processor Trade-up price of **\$45K** (list) - a savings of **\$28K** over announced Trade-up price
- A **50% discount** in addition to PPA discounts on any competitive commerce software winbacks
  - Example: if WCBE 5.1 per processor price is \$80K with PPA pricing, this promotion would lower price to **\$40K**
- Both promotions expire 12/15/01

## WebSphere Commerce Value Pricing

- **Additional Value - Product Features**
  - Business Relationship Manager
  - Advanced Order Management
  - B2B Membership Management
  - B2B Function - RFQ, Contracts, B2B Store
  - Collaborative Commerce (Quickplace & Sametime)
- **Additional ROI**
  - Recapture missed revenues
  - Reduce operational costs
- **Product Packaging**
  - Catalog Manager Included - \$25K List for Server
    - Savings range - **\$25K to \$50K**
    - Quickplace & Sametime - estimated **\$50K** savings



## WebSphere Commerce Business Edition Availability

- **Development Edition - GA - 5.1**
  - Windows 2000 / NT
  - English - 11/30/01
  - NLV - targeting concurrent availability
- **Production Version - Limited Availability - 5.1**
  - Windows 2000 / NT, AIX, Solaris, iSeries
  - English - 12/15/01
  - NLV - targeting concurrent availability
- **Production Version - GA - 5.4**
  - Windows 2000 / NT, AIX, Solaris, iSeries
  - WAS 4.0 based
  - English - first quarter 2002
  - NLV - targeting concurrent availability

# WebSphere Commerce

## Business Edition Limited Availability Program

### ■ Objectives

- Leverage WCS 5.1 Pro for upsell
- Realize revenue for 4th Quarter

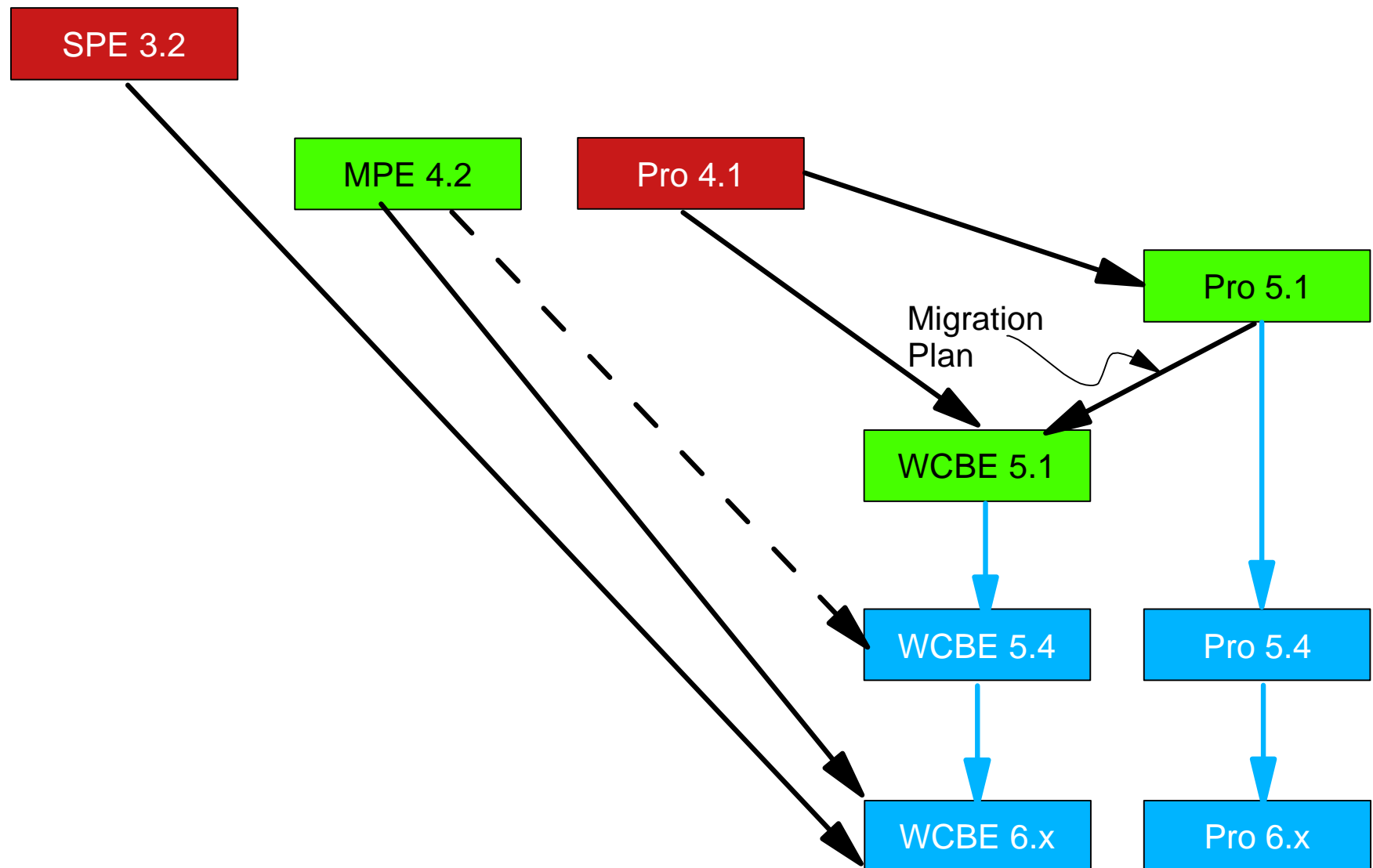
### ■ Criteria for Acceptance

- Customer signs contract agreeing to accept Production version
- Target: 20 customers

### ■ Sales Process

- Nomination Forms can be requested from Larry Salerno (lsalerno@us.ibm.com)
- Limited Availability code will begin shipping on 12/15/01
- GA of WebSphere Commerce Business Edition currently scheduled for 1st quarter 2002

# WebSphere Commerce Offerings Directions





## Sales Collateral / URLs

- **Looking for information on Business Edition updates . . . go to <http://www.ibm.com/websphere/partners> (available September 17)**

**September 18 Announcement Sales Guide content includes:**

- ▶ Features/Benefits!!!
- ▶ FAQs
- ▶ Links to latest Business Edition features
- ▶ Key ISVs/partners
- ▶ Link to WCS Community Site & Education's
- ▶ B2B Sales Presentation
- ▶ B2B Brochure
- ▶ Business Edition Product Sheet
- ▶ Catalog Manager Product Sheet
- ▶ Business Edition white paper

- **Related URLs:**

- ▶ **WCS Community:**  
<http://www.ibm.com/software/websphere/commerce/community>
- ▶ **WebSphere Commerce:**  
<http://www.ibm.com/websphere/ecommerce>

## Sales Strategy Summary: WebSphere Commerce Business Edition

- **High volume sales offering continues to be WCS Pro 5.1 along with Catalog Manager**
  - ▶ Have upsell opportunity to WebSphere Commerce Business Edition 5.1
- **Focus on Sell Side solutions**
  - ▶ IBM's offering is rated #1 B2B Sell Side solution
  - ▶ Primary Target Industries - Industrial, Distribution, and Communications
  - ▶ Secondary Target Industries - Finance, Government, Healthcare, Services

## Sales Strategy Summary: WebSphere Commerce Business Edition (*continued*)

- WebSphere Commerce Business Edition is preferred offering **for Sell Side Direct and Private Exchanges**
  - ▶ Leverage Limited Availability Program
- Sell MPE for Private Exchange **out of the box implementations**, and RFIs, long sell cycles
- **Use promotions to add value to current sales opportunities** - impending event that ends 12/15/01



## Partner Quotes: WebSphere Commerce Business Edition:

- **CommercialWare**

- **"CommercialWare is excited to further develop our partnership with IBM through enhanced product offerings. The integration of retail.dot.commerce and WebSphere Commerce Suite enables us to better serve our customers and increase our efficiencies as we continue to expand new sales channels. IBM's Business Edition will allow our customers to take advantage of the business to business features and functionality on the Web and incorporate these advantages to better meet their business to business retail needs."**

- **- Donny Askin, CEO, CommercialWare**

- **Cybersource**

- **"We are pleased to support IBM WebSphere Commerce Suite v5 Business Edition. The open Java architecture allows easy implementation of CyberSource payment solutions, enabling IBM customers to efficiently process credit cards, private label cards, electronic checks and other payment types. Additionally, IBM WebSphere Commerce Suite v5 provides the order management capabilities needed for today's multi-channel businesses."**

- **- Doug Isom, Alliance Manager, Cybersource**

## Partner Quotes: (Continued)

### WebSphere Commerce Business Edition:

- KANA
  - "With IBM's WebSphere Commerce Business Edition, businesses can design personalized programs and promotions, turn customer information into a competitive advantage, and build loyal customer relationships that generate a very high return on investment".
  - - Meg Shea-Chiles, Vice President of Strategic Alliances, KANA
- Open Market
  - "IBM and Open Market recognize that the buyer experience is critical to building customer loyalty. WebSphere Commerce Suite already works seamlessly with Open Market's Content Server Enterprise Edition to enable companies to deploy B2C and B2B commerce sites that deliver compelling customer experiences. The new WCS Business Edition provides even greater capabilities for companies to strengthen relationships with their customers and partners, while improving operational efficiencies."
  - - Joe Alwan, Senior Vice President of Marketing, Open Market

## Partner Quotes: (Continued)

### WebSphere Commerce Business Edition:

- **Selectica**
- **"Selectica is very excited to add WCS Business Edition 5.1 to its portfolio of supported IBM platforms. Jointly, WCS and Selectica can positively impact productivity across all sales channels by improving every step of the sales process - from needs analysis and product configuration to order capture and renewals. Selectica's ISS is a comprehensive application suite that accelerates the process of selecting, configuring, pricing, and purchasing complex products and services with great efficiency and accuracy."**
- **-Raj Jaswa, CEO, Selectica**
- **Tacton Systems (2 quotes)**
- **"Integration is easy because of WebSphere Commerce Business Edition's use of industry standards such as Java, J2EE and JSP. This makes extending WSC Business Edition across all lines of business much quicker and more seamless."**
- **- Klas Orsvärn, Executive Vice President of Business Development, Tacton Systems**
- **"WebSphere Commerce Business Edition defines true global commerce, enabling multiple products lines, multi-tier supply chains and multiple divisions within an organization. This kind of support reflects the business needs of our customers operating in today's international business climate."**
- **- Christer Wallberg, CEO, Tacton Systems**



## GTM Plan Summary: WebSphere Commerce Business Edition

### ■ *B2B Roadshow*

- ▶ **September through November**
- ▶ **Americas(11 cities), EMEA(7 cities), AP(5 cities)**
- ▶ **Target Audience**
  - CMO, CFO, CIO, VP/Director/Sr Mgmt in LOB and IT
  - Manufacturing, Distribution, Retail, Telecommunications
  - Size of Customer >500 employees
- ▶ **Topics**
  - The Evolution of e-Commerce
  - The B2B Sell-Side of e-Commerce
  - Delivering to the Bottom Line
  - Transactions on the Go
  - Product Demonstrations
- ▶ **Enroll**
  - 1-800-IBM-7777(Priority Code 100BY171)

## WebSphere Commerce Business Edition Superior Global Support for Alliance/Business Partners and Developers

### Advanced Tech Sales Support available:

- ▶ **Worldwide Pre-Sale Tech Sales** (Americas, Europe, AP)
  - Support of Complex Solutions (multiple products, MQ, WAS, WCS)
- ▶ **Product Introduction Centers**
  - Provides early customer enablement
- ▶ Provides **Proof of Concept, early product introduction support** for customers
- ▶ Customer-specific **Performance Testing and Benchmarking**
- ▶ Support in Critical Situations in **pre-sales and implementation** cycle
- ▶ **Available to provide Skills Transfer**
  - Technical Teleconference in October
  - Self-Study electronic modules available at announce
  - Monthly update to Business Partners through newsletter.
  - Follow-on technical teleconferences to be scheduled 1Q02 featuring guest speakers covering key topics.

# WebSphere Commerce Business Edition

## Superior Global Support for Alliance/Business Partners and Developers

### WebSphere Innovation Connection

- ▶ **8 InnovationCenters located worldwide**
- ▶ **Continuous Communication to BP's via WebSites:**
  - Partner world (IBM sw)
  - Partnerworld for developers (ISV)
  - Innovation Connection (AIM sw)
  - Collateral, teleconferences archived, access to demo code & evaluation
  - Ready 9/18/01
- ▶ **Support over 2400 BP's**
- ▶ **Mentoring** for Business Partners on e-commerce software and solutions
- ▶ **RFQ/RFP assistance** during sales cycle
- ▶ **Pre-sales and Post-sales implementation assistance**
  - Use facilities for briefings and POC, No charge to key Business Partners
  - Customized education for specific topics



# WebSphere Commerce Business Edition

## Superior Global Support for Alliance/Business Partners and Developers

### Education Programs

- ▶ **Professionally created and delivered** by IBM Learning Services
- ▶ **Courses available world wide**
  - Training classes with hands-on lab exercises - Jan 2002
  - Web books for training any time, anywhere
- ▶ **Certification Testing Available 1Q2002**

# WebSphere Commerce Business Edition

## Where to go for Information

### Web Sites

#### ► PartnerWorld for Software

- <http://www.ibm.com/partnerworld/software/zone>
- Select>Events>Teleconferences

#### ► Partner World for Developers

- <http://www.developer.ibm.com/sdp/wcs/index.html>

#### ► WebSphere Innovation Connection

- <http://www.ibm.com/websphere/partners>

#### ► WebSphere Commerce

- <http://www.ibm.com/websphere/ecommerce>

#### ► WebSphere Commerce Community Online

- <http://www.ibm.com/software/webservers/commerce/community>





**WebSphere Commerce  
Business Edition**

**WebSphere**

**| The Fastest Way to e-business |**