WebSphere® software

Build a software infrastructure to support your business strategies.

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As a recent Giga Information Group report points out, no change is without risk. Even avoiding change means taking a risk.[1] As today's marketplace as a whole returns to fundamental business principles, companies are reevaluating their business strategies. It's about getting back to the basics. Lowering costs. Streamlining operations. Increasing employee productivity. Delivering better service to customers. And realizing a solid return on every dollar spent. To succeed in the world of e-business, building a software infrastructure that supports your business strategies is the name of the game. Without a flexible infrastructure, even the most brilliant ideas won't succeed. But with the right infrastructure, you can drive down costs. Make information more accessible to the people who need it most. Streamline your business processes. Get your products and services to market faster. Build long-term customer loyalty. And extend your reach into uncharted territory. All while making sure your e-business infrastructure can easily respond as your business needs change.

The solid principles you built your business on have earned you a successful reputation in the marketplace. With the euphoria of the dot-com revolution faded, you must consider how you can combine those principles with sound e-business strategies. Now, you can use technology to address your business challenges. Technology that helps you create competitive advantage — and further accelerates the success of your business by helping you to:

- *Improve the quality of service you deliver and the business relationships you forge with everyone along your value chain — customers, employees, suppliers and trading partners.*
- *Drive operational efficiency by moving core business processing online.*
- *Cut costs, while increasing profit margins.*
- *Acquire new customers as you venture into new markets.*

Evaluate your options armed with the right information. Information that will allow you to choose an e-business software infrastructure that can support your business priorities today — and in the future.

*REI aims to please
with multichannel
retailing strategy*

Ready to purchase rock-climbing gear? How about a kayak or cycling wear? For many outdoor enthusiasts, Recreational Equipment, Inc. (REI) is synonymous with value. Quality. And respect for the environment. As the nation's largest consumer cooperative, REI provides high-quality climbing and camping gear at reasonable prices. The respected outdoor gear retailer has 59 brick-and-mortar stores in 24 states. Kiosks in every store allow customers to access the REI Web site, where approximately 78,000 SKUs are listed. There's also the value-oriented REI-OUTLET.com, as well as 800-number shopping. With 6,500 employees, REI generates approximately US$700 million in sales annually; US$100 million from its online stores.

REI has long been known for integrating its multiple sales channels to provide its customers with a consistently convenient, pleasant and informative shopping experience. So when it came time to retool its Web site, REI wanted to focus its energies on what it does best — build stronger, more personalized relationships with its customers.

Based on IBM WebSphere Commerce and IBM WebSphere Application Server, REI's multichannel retailing strategy is proving itself beyond a doubt. And REI expects this success to carry over — no matter how customers interact with the company. "While WebSphere Commerce will help us use our Web site as a powerful tool, it will also help us enhance our multichannel integration for the ultimate benefit of our customers," explains Joan Broughton, REI vice president of Direct Sales.

Already, customers can use the REI Web-enabled in-store point-of-sale (POS) terminals to order items that are out of stock at the store. New functionality will allow REI to refer new Web customers to nearby stores that are having sales. Coupons can be e-mailed to customers who visit a brick-and-mortar site. If a customer purchases a bike, the customer can receive coupons offering discounts on helmets and other complementary products. With WebSphere Commerce, REI expects to leverage a variety of meaningful information to improve each customer's Web site experience with the company. In just 18 months, REI anticipates that its multichannel retailing solution will realize a complete return on investment.

Choose a solution to meet your unique needs

Every organization has its own unique e-business needs. With differences in industries, competition, culture and available resources, e-business approaches can vary even within an enterprise. The core of any e-business involves getting your business processes and transactions on the Internet. However, as an IDC report suggests, you can't make e-business infrastructure choices based on a "cookie-cutter" approach.[2] So, when you're ready, you should look for software infrastructure solutions that can be tailored to your specific needs. Solutions that allow you to use applications — like those for customer relationship management, enterprise resource planning and supply chain management — from a variety of vendors. Solutions that allow you to use your existing investments in information technology (IT) resources and skills sets. Or solutions that let you start small until you see concrete results and return on your investment. Then you can grow the solution to other projects, departments or throughout your entire enterprise.

Integrate business-critical information, applications and processes

Have you been hit by a data explosion? Many already have. And with it has come a networked world more complicated than ever before. To keep up, you'll need to add technical capabilities or recruit skilled individuals to deal with spikes in usage, or a multitude of devices, or increasing security requirements and load balancing. So your e-business software infrastructure must be more automatic, more self-managing and based on a greater level of intelligence than ever before. And it must be built into the infrastructure itself.

Without a solid business integration strategy, you confine important information to individual systems. Take this example: A customer submits an order to one of your sales reps. The sales rep keys it into your order-entry system. The order is then passed to your accounting team, who enter it into a second system. A credit check is required — so the data is reentered into a third system. If there's an exception in processing the order, such as exceeding a credit limit, you need to coordinate across all of the departments involved. And keep the customer informed. Each manual step introduces a greater potential for error in handling the information. Not to mention significant delay.

Formula for success:
Goodyear Tire

5,000 dealer-customers

+

2,500, mostly routine, customer-service
calls per day

+

XPLOR, the Goodyear B2B extranet

=

Vastly improved customer service,
up-to-date information and faster order
turn-around

How? A scalable, robust WebSphere
infrastructure solution.

The bottom line: *Order-processing
cycle time reduced from overnight to
realtime. Month-to-month order volume
increased as much as 175 percent, without
diminishing performance. Communication
costs slashed dramatically.*

To use your e-business platform to find new customers, provide new services and streamline supply chains, you'll need to consider what happens to that platform when change occurs. Business strategies evolve. Your system should integrate with those of your customers, suppliers and trading partners. So you can adapt quickly to customer needs and market changes—while you maintain or even improve the quality of existing services. An effective e-business platform offers you flexibility to manage your business processes more efficiently, while reducing costs and time to market.

Your e-business infrastructure should also tie your business-critical applications together, connecting necessary data and functionality to make disparate applications work together within the existing systems of your enterprise. With a single infrastructure software platform, you help to ensure that your e-business applications address your business problems regardless of what they may be. Rather than running in isolation, these applications tap into your existing IT assets to provide the functionality you need to run your business smoothly. Through an integrated infrastructure provided by one vendor, you can simplify and integrate your assets—and get more for your money from the applications you're currently running.

Be ready to respond quickly and efficiently to market changes
Consider flexibility. Unparalleled connectivity. Adapting to changes in the marketplace quickly. All without a huge investment in time, money or resources. An e-business infrastructure solution based on open technologies lets you choose the tools that can easily allow you to pursue your e-business goals and protect your current investments .

Every step of infrastructure development includes making a choice between a proprietary solution or a solution built on open, industry standards. A solution that helps you avoid being locked into using offerings from a single vendor. Open standards give you the flexibility to change or modify your technology as your business strategies evolve. To better integrate your existing or disparate systems, whether inherited or purchased. And to free you from being tied to any one vendor or platform that may—or may not—be compatible with your future business strategies.

With the right e-business infrastructure, you can build a dynamic e-business that provides the flexibility to meet the demands of an ever-changing market-place. A robust foundation that can help address your specific business objectives — including marketing, sales and customer service — so you can compete more effectively. Link back-end systems to front-end Web sites, helping to lower administration costs and increase business efficiency. Make new products and services available more rapidly. And consistently beat the competition to market.

Drive profitability by investing in an integrated user experience

Your e-business infrastructure must not only help meet customer demand but help exceed customer expectation. A sound software infrastructure allows you to streamline processes so that you can enhance your customers' buying experiences more effectively. By developing a customer-oriented approach to e-commerce — anticipating needs, not just reacting to them — you can forge new relationships and grow existing ones. Relationships that can help generate new revenue and increase your profit margins.

E-commerce solutions based on a flexible e-business infrastructure can address the needs of organizations of all sizes. Allow you to conduct business with your customers, suppliers and trading partners smoothly. Everyone along your value chain can see different but complete content depending on individual account balances or past transactions. React to customer prefer-ences and market shifts quickly while helping to increase customer value globally. Improve marketing programs, strengthen customer relationships and drive profitability.

"IBM is now a one-stop shop for designing, creating and delivering dynamic e-business solutions…We have won a number of important new accounts because of our ability to deliver this Web-enabled functionality. In fact, without this e-business solution, we would not be able to compete effectively to grow our business."

—The Bekins Company

You can capture customer buying decisions by conducting business with these customers when, where and how they choose. That means through the explosive growth of mobile commerce. Today, more people own mobile phones than own PCs. In three years, industry analysts predict that personal digital assistants (PDAs) will outnumber PCs. By the same date, they say, 25 percent of the workforce will be mobile. And according to many, the primary source of contact with the Internet will be a mobile device or appliance.

Clearly, the demand for mobile business capabilities is growing. Wireless laptops and handheld devices are supplementing traditional desktop systems. To remain competitive, choose infrastructure software that can provide the wireless capabilities your business needs to accommodate your customers today and in the future, regardless of their geographic locations.

When you create a relevant, personalized, cohesive information infrastructure, you can help individuals and teams perform their jobs more effectively. Maximize your Web site's effectiveness — as well as your return on investment — with dynamically tailored content geared to a particular user or group and delivered to virtually any device, anywhere. By providing everyone along your value chain with the information they need, you can help increase productivity, drive sales and reduce your costs.

Provide secure access to information and applications

Efficiently and effectively managing the security of your IT environment is crucial for the success of your e-business initiatives. Rather than react to technology as a threat, look for an e-business infrastructure that includes reliable security features and contributes to the profitability of your business.

Whirlpool B2B trading portal significantly slices per-order costs

The global major home appliance business is an incredibly competitive, US$70 billion industry. As the world's largest manufacturer and marketer of home appliances, the Whirlpool US$10.5 billion business demands efficient operations and the ability to deliver superior customer service to its resellers—resellers who account for 25 percent of the Whirlpool total trading partner base and 10 percent of its revenue. But doing business with its thousands of middle-tier resellers had become cumbersome, time-consuming and costly.

Collaborating with IBM, Whirlpool created a business-to-business (B2B) trading partner portal that allows resellers to abandon phone and fax orders and place and track those orders on the Web. Building the portal meant integrating with the Whirlpool existing SAP R/3 inventory system and Tivoli® system management tools. With IBM WebSphere software platform technologies working in concert, Whirlpool developed a fast, easy-to-use Web self-service ordering process that cut per-order costs by 80 percent. And in a three-month period, the portal helped Whirlpool generate US$100 million in revenue.

Now Whirlpool has a solid, extendible foundation on which to rapidly develop and deploy future e-business applications. "Like anything in this Internet space, our applications will probably evolve every six months or so," says Jim Haney, Whirlpool vice president of Architecture and Planning. "With the environment we have in place, we'll first look to IBM and its suite of e-business tools to provide the scalability, high availability and capacity needed to support the evolution of our Web applications."

"In our business, the supply chain is as important to our competitive advantage as the quality of our products. Our WebSphere software-based partner trade portal dramatically improved ordering time and cut our costs by more than 80 percent," Haney continued.

With the unique opportunities that accompany e-business comes a myriad of potential security hazards. Protection of your corporate IT assets—information, equipment and personal privacy—is vital to your success. Your security management strategy must help you achieve your business goals to:

- *Rapidly deploy secure e-business applications.*
- *Automate and centralize security administration to more efficiently manage e-business relationships.*
- *Reduce costs while decreasing time to market.*

You must be able to offer access to an increasing number of diverse users—customers, employees, suppliers and trading partners. Manage the growing list of ever-evolving user identities. Protect your critical data and applications. And efficiently deploy secure e-business initiatives. All while gaining a reasonable return on your IT investment.

The bottom line

As budgets across the board are stretched to their limits, you must make business decisions that maximize your return on investment. Reduce the cost of doing business. Help you get to market faster. Increase business efficiency. And as your organization moves critical business functions online, you must pull together information in many different formats from a variety of databases and applications. But you need to be concerned about more than facilitating information. You need to deliver services that connect people to content through integrated applications. You must choose a solution that fits your unique needs. One that allows you to integrate critical business data, applications and processes with those of your customers, suppliers and trading partners. All in a security-rich environment.

Formula for success: Sabre

B2B online reservation system

➕

59,000 travel agents

➕

450 airlines

➕

A multitude of hotels, car rental companies, cruise lines, railroads and tour operators

🟰

More than 10 million messages per day (that exceeds 300 messages per second)

How? A buyer offload analysis system powered by IBM WebSphere MQ.

The bottom line: *Millions of dollars in untapped potential from business operations.*

Yet, even as you take advantage of technology to develop a solid business strategy, your business challenges remain the same. Improving productivity. Developing and applying better cost-management strategies. Finding new markets. Adding value to your existing customer relationships. Maintaining a competitive advantage so you can succeed in today's dynamic marketplace. With the right infrastructure software, you can help ensure that your e-business is accessible when and where you need it — to everyone along your value chain.

IBM can help you make it happen

As it's become more economically sound to consolidate infrastructure software under one source, organizations large and small are coming to IBM for more reasons than its breadth and depth of offerings. With vision and technological innovation, IBM has led the way in defining and shaping e-business. And in an e-business world, IBM can put the right tools in your hands to help keep your e-business up and running. Acquire and retain customers. Cut costs. Help you plan, design and manage your e-business. And show you practically everything you need to do to capitalize on the myriad of e-business opportunities available today.

The right tools in the right hands

The IBM WebSphere® software platform for e-business — a comprehensive set of award-winning, integrated e-business solutions — exploits new technologies, tools and open standards to let you make choices that meet your unique requirements now — and down the road.

The WebSphere software platform allows you to:

- *Create a stable, flexible e-business based on an industry-leading platform.*
- *Build your e-business using the resources and software assets you have now, so it can grow to meet any level of demand.*
- *Connect critical content across a variety of platforms and devices, so employees work more productively. Trading partners interact more efficiently. And customers return to your site again and again.*

IBM helped Patagonia, specializing in outdoor apparel and gear, automate its supply chain and delivered a return on investment of 122 percent the first year alone.

- *Fully integrate applications, information and business processes to offer a virtually seamless view of your business to individual users.*
- *Define and implement security and recovery plans that help ensure uninterrupted business processes and protect customer privacy.*

Proven infrastructure software for your e-business

From creating a dynamic, interactive Web site to conducting large volumes of e-commerce transactions — the IBM WebSphere software platform for e-business can help you build, manage and deploy robust, security-rich, portable e-business applications that can meet your unique business requirements. Get your e-business up and running quickly with new applications that integrate smoothly with those you already have. Enhance customer satisfaction by delivering a meaningful purchasing experience and prompt, personalized service. Reach customers, trading partners and mobile employees wherever they are. Respond rapidly as markets shift and business goals evolve. Combined with more than 6,000 certified IBM Business Partners worldwide, the WebSphere software platform has the award-winning, proven offerings you need to create a total e-business solution — regardless of the business you're in.

For more information

Ready to learn more about how you can build a sound e-business infrastructure? One that meets your unique business needs — without breaking the bank? If so, visit: **ibm.com**/websphere

IBM.®

[1] Adapted from Return on Investment Methodology for
Evaluating e-business Infrastructure (Giga, September
24, 2001)

[2] Adapted from Enterprise Integration Software: Platforms,
Middleware, and Applications for e-business (IDC
#24216, March 2001)

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