WebSphere® software

IBM

Accelerate your implementation of e-commerce and sell-side solutions with best of breed business integration practices.

Leverage WebSphere Commerce software to give your customers a personalized experience that builds loyalty.

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Introduction

As companies begin to extend processes across their value chains, business integration becomes key. Your ability to respond on demand to customer needs, leverage existing investments and align IT expenditures with key business objectives depends on a comprehensive business integration solution.

An essential part of the path to On Demand Business™ is the ability to implement intelligent, customizable and extendable business processes, connections and ways to reach customers, suppliers and trading partners. Building temporary fixes is not the answer; however, the faster you can implement your strategy, the faster you increase the potential to realize your return on investment. Business integration software from IBM spans a range of capabilities to help you model, transform, integrate, interact, manage and accelerate your on demand business strategies. These capabilities, when combined with a simplified, integrated development environment, a highly secure and stable deployment, industry-leading standards and proven experience, provide the necessary building blocks of a highly efficient, service-oriented architecture (SOA). The SOA, a critical factor in business integration, provides the foundation that allows quick combination of new and existing applications to address changing business needs and to help improve operational effectiveness. Reusing services and capabilities can help you respond to customer demands faster, and help streamline your processes and lower your total cost of ownership at the same time.

This white paper describes the business integration challenges faced today, and how WebSphere Commerce, Version 5.6, powered by the business context engine, can help accelerate your implementation of fully integrated e-commerce and sell-side solutions. At the same time, WebSphere Commerce can help accelerate your company's evolution to On Demand Business, specifically as it moves through the advanced stages of vertical and horizontal integration.

Accelerate your evolution to On Demand Business

The more fully you integrate and leverage your work environment, the more you can embrace On Demand Business principles. On Demand Business is all about business integration. An On Demand Business is an enterprise where business processes, integrated end to end across the company and with key partners, suppliers and customers, can respond with speed to almost any customer demand, market opportunity or external threat. More than operational efficiency, On Demand Business is about building a dynamic infrastructure that allows you to create new business processes and leverage existing ones cost-effectively. It enables you to uncover hidden value in your company's operations, while speeding your potential return on investment (ROI).

IBM provides six essential capabilities to help propel your strategic business initiatives. These include:

- **Model** *and simulate business functions and processes from an as-is and a to-be state.*
- **Transform** *key applications, processes and data.*
- **Integrate** *islands of applications, processes and information.*
- **Interact** *with resources virtually anytime, anywhere.*
- **Manage** *business effectiveness using key performance indicators to help you meet your business objectives.*
- **Accelerate** *integration by deploying prebuilt intelligent processes, customizing extendable business processes and leveraging industry best practices.*

The commerce capabilities contained within the accelerate category, the focus of this white paper, offer time to value, risk mitigation, cost savings and the ability to focus on core capabilities to differentiate and respond to competition. These functions can deliver:

- *A speedy implementation, through prebuilt intelligent processes, technology-mainframe-application connectivity, and domain and industry expertise.*
- *The ability to maximize sales and marketing.*
- *The power to streamline operations, reduce costs and adapt or grow based on dynamic market conditions.*
- *The agility to evolve and to respond to competitive pressures, while reducing development time, effort and costs.*

Maximize customer loyalty and lifetime value

The tough challenges businesses face today must be met with new imperatives. In many cases, the customer is the driving force behind these innovations. To respond to these challenges, businesses need to:

- *Improve customer satisfaction and loyalty.*
- *Meet the demands of customers who want to do business through multiple touchpoints.*
- *Provide a consistent customer experience across multiple sales channels.*
- *Manage the need to change Web sites frequently to offer a compelling customer experience.*

Solutions to these challenges cannot reside in a silo. You want to address these requirements on a single platform for multiple business models, business-to-consumer (B2C), as well as business-to-business (B2B). These solutions must vertically integrate across the enterprise to integrate all departments and support the way customers currently do business. You can add business efficiencies by externalizing these processes and horizontally integrating with your value chain to:

- *Know and serve customers better.*
- *Empower line-of-business users.*
- *Enhance customer experience.*

Meeting these infrastructure demands can help you focus on your core competencies and differentiate from your competition. The result is the ability to maximize the lifetime value of your most profitable customers.

Technology as an enabler

Today, it's about doing more with less. It's about driving costs down and using the savings to help transform your business to meet CEO and CFO expectations. With ever-increasing consolidation requirements across the industry and unpredictable regulatory impacts, companies also require infrastructures that can react to changing standards quickly.

These technical challenges are shared across industries. To support lines of business, you want to:

- *Extend and externalize mainframe systems.*
- *Streamline the entire customer purchasing life cycle.*
- *Provide more user-friendly tools to increase employee productivity.*
- *Transform infrastructures without disturbing existing business processes.*

Technology can no longer be an inhibitor; it must become the enabler. It must accelerate development and deployment with a scalable e-business platform. Integrate vertically and horizontally, with enterprise resource planning (ERP), supply chain management, customer relationship management (CRM), and back-end custom applications and legacy systems. Technology must also be the bridge between IT and business processes, and provide the ability to extend key processes to customers, suppliers, distributors and partners. Meeting these requirements can help you shorten the development life cycle, reduce development and system maintenance costs and provide a security-rich architecture for on demand business.

E-commerce and the requirements of on demand business

The need for flexibility, agility, process orientation and horizontal integration makes it difficult for traditional applications to deliver the new imperatives required to meet today's business challenges. Rather, businesses are looking for solutions that are most rooted in the enabling technology (e.g., the Internet and open standards) and that can accelerate the implementation of core business processes. E-commerce solutions meet that requirement, and are increasingly being leveraged to accomplish or enable these types of initiatives. Just as e-commerce has been a key enabler of the transformation to e-business, it can be a key enabler of the evolution to On Demand Business.

For example, consider the benefits of multichannel integration. Rather than implementing yet another siloed application for this purpose, you can leverage existing applications, channels or sets of processes best suited to the task, most likely an online channel. The e-commerce solution not only provides and manages a sales channel (the online storefront), but it can also act as the

presentation layer for customer service across all channels (in-store, kiosk, telesales, etc.) and can provide the composite processes that enable coordination across functions, channel and organizations (e.g. order online, in-store pickup, distributed order fulfillment, etc.).

One by one, business processes are being moved to the Internet. Some of the first processes moved were related to demand generation and order capture, the realm of traditional e-commerce. These e-commerce solutions laid the groundwork for process automation and integration through the Internet. As traditional application categories, for example, CRM and ERP, race to catch up and break out of their behind-the-firewall silos, e-commerce solutions are maturing and the scope is growing, encompassing more and more processes. It is a natural place to look to solve many demand-chain problems.

The net: e-commerce is not just about selling things online. It is about bringing the power of the Internet to all aspects of doing business. The best e-commerce solutions and technologies can be brought to bear on the strategies of an on demand business.

WebSphere Commerce single-platform architecture

WebSphere Commerce can help you accelerate the implementation of e-commerce and sell-side solutions in your enterprise. Designed as an extension of existing business processes, WebSphere Commerce extends applications online to deliver enhanced self-service through out-of-the-box business processes that accelerate time to value.

WebSphere Commerce, Version 5.6 lets you deploy a wide variety of value-chain solutions, from a consumer-centric, online sales channel to a completely integrated, multitier demand chain, all on a single platform. A recognized industry-leading solution, WebSphere Commerce offers various deployment options that are easily extended to respond to customers' growing and changing needs. Whether you're a small or midmarket firm, or a large multinational corporation, WebSphere Commerce solutions can provide the extensibility and flexibility you need to adapt in today's shifting market environment.

Powered by the *business context engine*, WebSphere Commerce, Version 5.6 furthers the IBM strategy of supporting an enterprise's evolution to becoming an On Demand Business, especially in the advanced stages of vertical and horizontal integration. This release specifically focuses on capabilities designed to integrate people, processes and information with enhanced solutions that help enable:

- *Retailers to integrate multiple channels along the entire consumer purchasing life cycle.*
- *Businesses to horizontally integrate with channel partners along the extended demand chain.*
- *Integrated support for multiple business models (business-to-consumer (B2C), business-to-business (B2B) and channel management) architected from a single platform.*

These enhancements, and other improvements delivered through WebSphere Commerce, Version 5.6, address today's business pressures to accelerate implementation and return on investment (ROI), while simplifying daily maintenance and operations by utilizing an open, scalable architecture. The solution architecture supports virtually any or all commerce initiatives on a single, unified platform. Although completely integrated, the components are unique.

The business context engine is a key capability in WebSphere Commerce and bringing together many individual capabilities to manage the end-user experience. Rather than forcing you to conform your processes to the design of the software, the business context engine leverages and enhances the processes and policies that differentiate your business. In this way, it helps preserve and sustain your competitive advantage. The business context engine allows enterprises to interact with customers and end users in the context of the tasks they're engaged in and allows you to:
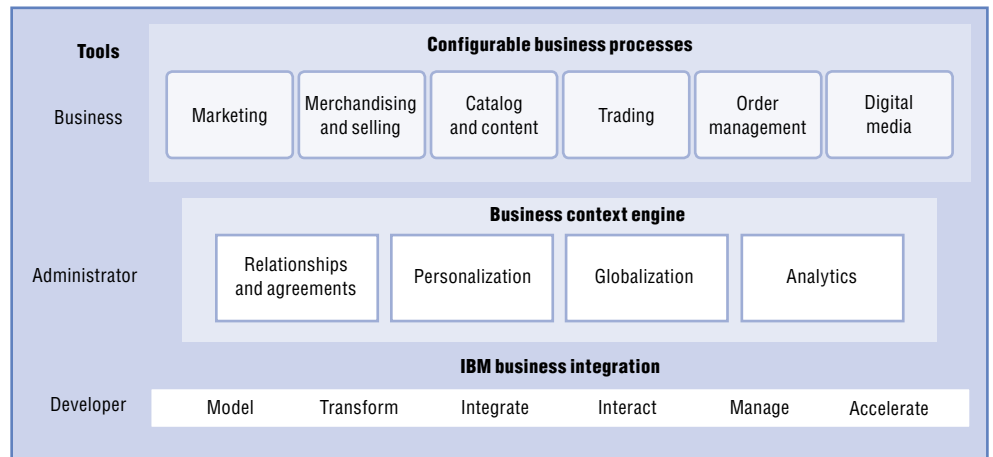
- *Enable unique relationships with customers, employees, partners.*
- *Ensure every business interaction is fully context-aware.*
- *Extend existing best practices and policies.*
- *Learn from every interaction.*

On top of the business context engine is a collection of configurable business processes, developed as the essential subsystems for On Demand Business. Specifically, marketing, merchandising and selling, catalog, trading, order management and digital media business processes reflect:

- *Built-in, intelligent end-to-end processes based on best practices.*
- *Easy configuration, tailored or extended to meet your needs.*
- *The ability to replace or integrate with your own best processes.*
- *Natural extensiveness to leverage capabilities from independent software vendor (ISV) partners.*

Both the configurable business processes and the business context engine are based on the industry-leading platform for business integration, and each leverages and extends wherever possible the six essential underlying capabilities of model, transform, integrate, interact, manage and accelerate.

An in-depth look at the commerce tooling family (Figure 1) demonstrates the ability to leverage the underlying IBM Business Integration platform. The line-of-business (LOB) tools, administration tools and developer tools are all built as extensions to the six essential capabilities. This architecture and tight integration with the underlying platform for business integration can help you gain a significant competitive advantage.

Tools	Configurable business processes					
Business	Marketing	Merchandising and selling	Catalog and content	Trading	Order management	Digital media
	Business context engine					
Administrator	Relationships and agreements	Personalization	Globalization	Analytics		
	IBM business integration					
Developer	Model	Transform	Integrate	Interact	Manage	Accelerate

WebSphere Commerce software is built on a scalable platform designed for business integration.

WebSphere Commerce is helping to accelerate the transformation to on demand for a variety of businesses spanning multiple industries.

REI

Recreational Equipment, Inc. (REI), one of the largest consumer cooperatives in the U.S., wanted to provide a personalized, multichannel experience to increase customer loyalty; drive customers into brick-and-mortar stores to increase customer wallet share; and integrate multiple sales channels to create consistent, seamless online transactions for customers.

The solution included integrating sales channels to provide customers with a seamless shopping experience; creating product associations to perform personalized cross-sells and up-sells; and offering incentives or free shipping for in-store pickups.

The benefit? Two-channel shoppers outspend single-channel shoppers by 114 percent; triple-channel by 168 percent more. The number of customers that purchased online but picked up the item in the store exceeded expectations by 17x, totaling US$26 million in revenue, and led to incremental sales — one of three customers that choose in-store pickup purchases additional items worth approximately US$90 million. All sales channels are integrated through advanced e-business capabilities with robust links to legacy systems.

Built on a foundation of experience

In many respects, IBM's experiences over the past decade are similar to the experiences of countless other enterprises around the world. IBM set out to use network technology to transform the entire business. Its e-business transformation, with WebSphere Commerce powered by the business context engine serving as the foundation, has enabled IBM to improve productivity; strengthen relationships with customers, suppliers, partners and employees; and respond faster to changes in the marketplace. With approximately US$26.8 billion in annual e-commerce revenue and support for 1,540 customized B2B sites in 39 different languages across 51 countries, the foundation is set. IBM is now tackling the next challenge: building an on demand enterprise that operates at the speed of the market's demands.

Summary

WebSphere Commerce provides solutions to integrate people, processes and information, and to proactively orchestrate the customer experience across all touchpoints and many business models from a single platform. Packaged application functionality helps accelerate implementations through hundreds of prebuilt, extendable processes based on industry best practices.

WebSphere Commerce, powered by the business context engine, accelerates the IBM strategy of supporting an enterprise's evolution to On Demand Business, especially in the advanced stages of vertical and horizontal integration. The new WebSphere Commerce, Version 5.6 offering furthers the IBM strategy focusing on capabilities designed to integrate people, processes, and information with enhanced solutions that help enable:

- *Retailers to integrate multiple channels along the entire consumer purchasing life cycle.*
- *Businesses to horizontally integrate with channel partners along the extended demand chain.*
- *Integrated support for multiple business models (B2C, B2B and channel management) architected from a single platform.*

Goodyear

Goodyear, the world's largest tire manufacturer, wanted to deliver a faster order turnaround to its dealers, company-owned outlets and various other channel partners, while reducing operational costs.

The solution included integrating back-end systems and disparate systems-management tools to develop a fast, easy-to-use, Web self-service ordering process. The new process reduced the order processing cycle time from overnight to virtually instantaneous, resulting in better customer service and lower operational cost.

The benefit? A solid, extensible foundation to rapidly develop and deploy future e-business applications and process automation, allowing customer service representatives to focus on more complex, value-added tasks.

These enhancements, and other improvements delivered through WebSphere Commerce, Version 5.6, recognize that today's business climate breeds pressure to accelerate implementation and ROI, while simplifying daily maintenance and operations by utilizing an open, scalable architecture. With a solution architecture supporting virtually any or all commerce initiatives on a single, unified platform, WebSphere Commerce helps provide the answer for today's on demand requirements, while also setting a foundation for the future.

For more information

To learn more about WebSphere Commerce, visit:

ibm.com/software/websphere/commerce

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ON DEMAND BUSINESS