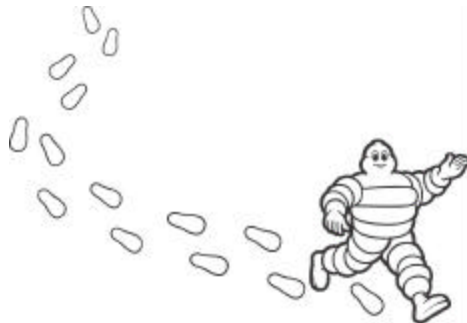IBM Software Group

2005 B2B Customer Conference
Pioneering New Horizons – Solutions that Evolve

Blazing a New Trail: B2B at Michelin

Steve Willis

MICHELIN
A better way forward

WebSphere. software

ON DEMAND BUSINESS

Agenda

- **Trail Markers - Getting to Know Michelin**
- Blazing a New Trail – Michelin's Approach to B2B
- Life on the Frontier – Challenges and Opportunities
- Frontier Settlements – Michelin Projects
- Success on the Frontier – Futures & Recommendations

Michelin Overview

Trail Markers

Michelin Market Sectors...

- **Tires - Passenger, Truck, & Specialty**

- **Mobility Assistance Systems**

- **Travel Assistance Services**

Michelin means...

- **75 manufacturing locations**
- **1 Technology Center on 3 continents**
- **6 rubber plantations in 2 countries**
- **Close to 127, 000 employees**
- **2004 consolidated sales of 15.7 billion Euros**

Michelin yearly production...

- **194 million tires**
- **19 million maps and guides**

Michelin Innovations

Trail Markers

- 1891: First removable bicycle tire
- 1895: L'Eclair: the first motor car on pneumatic tires
- 1900: The Red Guide
- 1905: The steel studded sole
- 1906: The removable rim
- 1910: Road maps
- 1912 : The petition for road numbering
- 1913: The steel spare wheel
- 1931: Road signs
- 1936: Le Métalic: the first tire with a steel casing

- 1946: Patent lodged for the radial tire
- 1955: Majority of European manufacturers adopt radial technology
- 1952-84: Radial technology adapted to all types of tires
- 1994: Energy
- 1995: Space shuttle tires
- 1998: Pax system
- 2001: NZG radial on the Concorde

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World Wide Approach to Integration
Blazing a New Trail

- **Established a Global Integration Service Center**
  - ➤ Consolidated worldwide integration architecture and development in our NA headquarters
  - ➤ Established front-office operations in each zone
- **Established a standard technology footprint**
  - ➤ Standardized on the WBI stack
  - ➤ Implemented a decision tree based on standard patterns
  - ➤ Working on conversion efforts to get to the standard stack
  - ➤ Working on creating a global standard infrastructure to meet the needed SLA's

World Wide Approach to Integration

Blazing a New Trail

- **Created Foundation Projects to...**
  - ➤ Understand the technology and its capabilities and limitations
  - ➤ Establish the technology infrastructure
  - ➤ Establish the organization and processes
- **Established a Relationship with Software Provider to...**
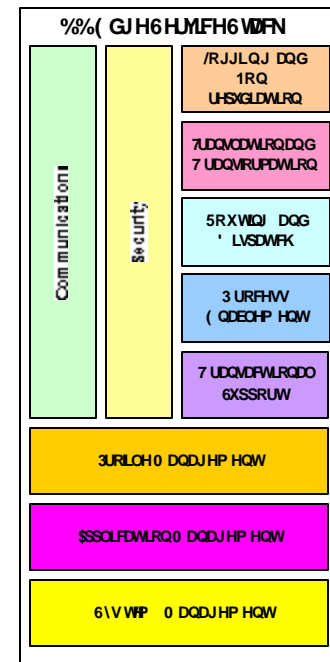 - ➤ Get support
  - ➤ Provide feedback
  - ➤ Evolve the product

World Wide Approach to Integration
Blazing a New Trail

Documented our Vision for Integration Services

- **Communications -** Ability to handle various styles of communication and B2B protocols
- **Security -** Ability to handle authentication, authorization, audit, and administration
- **Profile Management -** Provide a vehicle for storing critical information about trading partners and the established exchanges
- **Application Management -** Provide a vehicle for managing the B2B applications environment and its interactions with partners
- **System Management -** Ability to monitor the status of the systems environment and to stop and start components gracefully

World Wide Approach to Integration
Blazing a New Trail

Documented our Vision for Integration Services

- **Logging and Non-Repudiation -** Ability to persist detail and summary information about the message in its original format from the partner

- **Translation and Transformation -** Ability to handle accept various document formats (X12, xCBL, BODs, PIPs, csv, COBOL, ...) and provide complex syntactical and semantical transformations

- **Routing and Dispatch -** Ability to launch the appropriate application service(s) upon receipt of a message

- **Process Enablement -** Ability to launch the appropriate business process upon receipt of a message

- **Transactional Support -** Ability to maintain state of a long or short running transaction with a business partner and to compensate for failed transactions
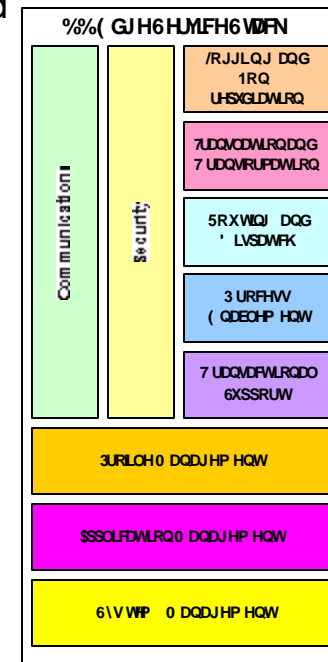
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Challenges and Opportunities

Life on the Frontier

- **B2B is difficult stuff, no matter how easy some try to make it sound.**
  - ➤ Interoperability (format, semantics, connectivity)
  - ➤ Security
  - ➤ Quality of Service Guarantees
  - ➤ Operations
  - ➤ Management

- **Managing client expectations**
  - ➤ Secure, non-repudiated, once-only guaranteed delivery with notification but they want to use native FTP?

- **Turf issues with applications development teams**

Challenges and Opportunities

Life on the Frontier

- **Level of partner B2B maturity**
  - ➤ Ability or willingness of partner to play well with you
  - ➤ Special demands of key partners
- **Maturity of the product as compared to our needs and requirements**
- **Back-end systems ability (or lack there of) to integrate**
- **Operational visibility of transactions end to end**
- **Testing with partners is challenging and time consuming**
- **Lack of interoperability with partner's tooling (nuances)**
- **Standards are a moving target**

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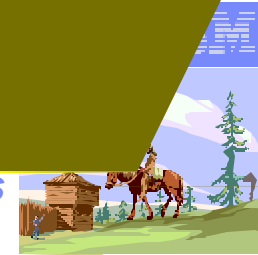
Business Objectives:

- Install and test Michelin's integration infrastructure
- Provide a set of reusable integration services

Key Characteristics:

- A2A & B2B interaction
- Synchronous Request Reply Messaging
- Key Technologies: IDMS on the mainframe, Ariba cXML & CommerceOne XCBL, mainframe web services, XML transformation

Transactions:

- Inventory Inquiry
- Catalog Punch Out
- Purchase Order
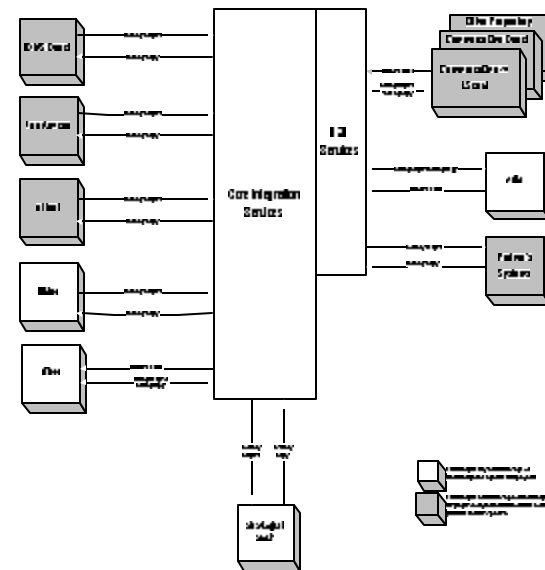
Michelin Projects – Delta

Frontier Settlements
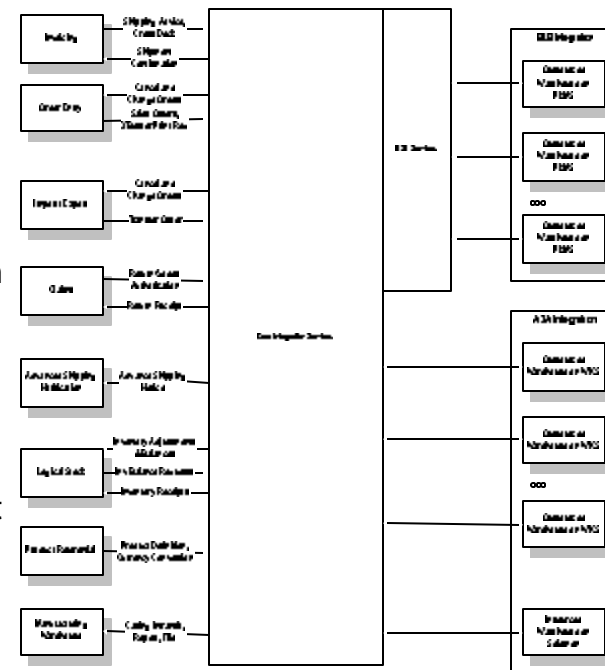
Business Objectives:

- Provide a real-time EAI/B2B framework to enable outsourcing Michelin's distribution network and allow the outsourcer to use their own system.

Key Characteristics:

- A2A & B2B interaction
- Publish and Subscribe with significant transformation
- Near-real time asynchronous messaging
- Key Technologies: IDMS on the mainframe, MPE on HP3000, web services, Tibco on the partner side
- 8 mainframe applications and 20 distributed warehouses with 3 different warehouse management systems

Transactions:

- 44 transactions grouped into 4 major categories related to the management of a distribution center

Michelin Projects – Point of Sale

Frontier Settlements

Business Objectives:

- Stimulate e-business between Michelin and our dealers
- Eliminate double keying of key transactional data thus improve the quality of the data and reduce billing errors

Key Characteristics:

- B2B interactions
- Synchronous Request Reply Messaging & Reference Information Propagation
- Key Technologies: IDMS on the mainframe, web services with an outside provider, AS2

Transactions:

- 8 Reference Files (Customer, Notes, Pricing, ...)
- Credit Card Authorization Request and Reply
- Claims & Credits
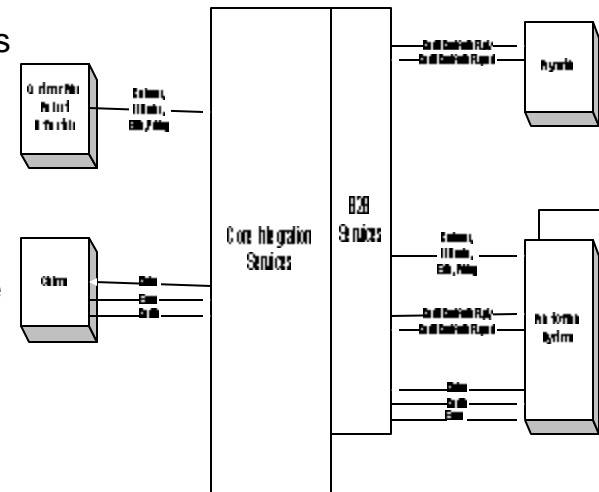
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Futures For Michelin

Success on the Frontier

- WebSphere Partner Gateway 6.0 upgrade
- Study EDI using WPG
- Execute and Deliver in 2H 2005 through 2006
  - ➢ Finish Environment Standardization Project
  - ➢ 34 Major Business Projects
  - ➢ 3 Enabling Projects
  - ➢ 11 Significant Enhancement Projects

Key Recommendations
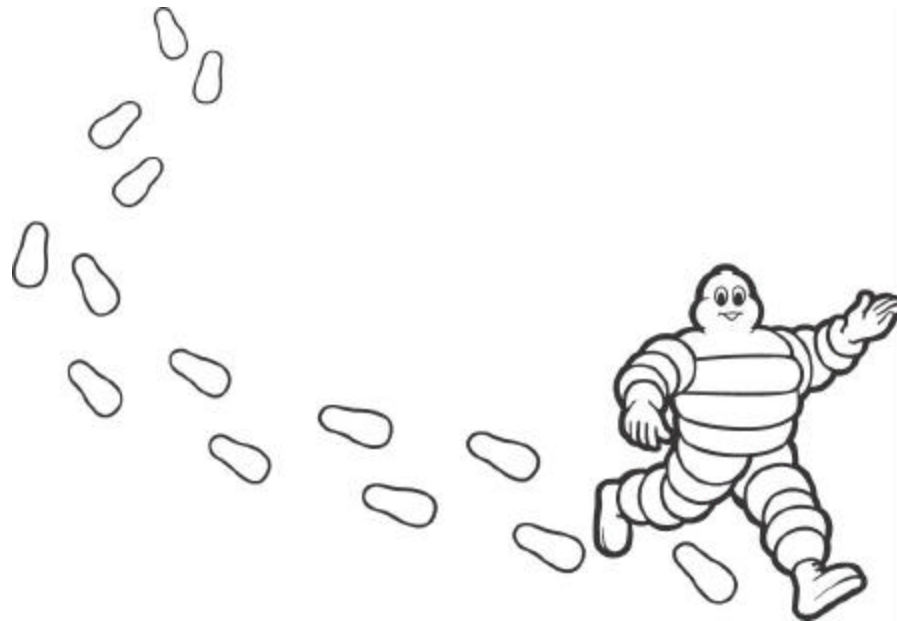
Success on the Frontier

- **Develop a B2B strategy which...**
  - ➤ includes a consistent approach for doing B2B integration instead of project by project
  - ➤ leverages a B2B gateway to enforce your business policies
  - ➤ considers the organizational implications and outlines the necessary processes for success – including your business clients

- **From the start,**
  - ➤ plan for B2B to become core to your business operation and make the environment reliable and fault tolerant
  - ➤ protect your environment with appropriate security measures
  - ➤ limit highly coupled solutions as a B2B network isn't as reliable as your internal network
  - ➤ Don't underestimate the skills and operational tools required to manage complex B2B integrations

Questions and Answers

Success on the Frontier

*Thanks for
your attention!*