

# Enterprise E-Business Driving Higher Revenues and Profits



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### Executive Summary

Enterprise e-business automates and streamlines key customer-facing selling and ordering processes, and few IT investments have the potential to yield greater rewards. From increased customer loyalty to higher sales volumes to reduced risk and costs, enterprise e-business can increase revenues and profits in a number of ways.

However, in addition to compelling rewards, enterprise e-business presents a number of complex challenges. Today's enterprises not only sell a disparate array of products and services, they typically sell them through multiple channels, such as direct to consumers and businesses and through channel partners. In order to be successful, enterprise e-business solutions must support all product types, channel partners, customers, and selling processes seamlessly. And to do that they must address the three key enterprise e-business areas:

- Product information management
- Configuration, pricing, and quoting
- Order management

As businesses turn to enterprise e-business to enhance value for customers and increase operational efficiencies, they must choose the right enterprise e-business solutions and solution partner. Sterling Commerce offers the solutions and services enterprises need to launch and manage successful e-business Implementations. With applications that go beyond simple selling and ordering processes, Sterling Commerce delivers an easy-to-use, flexible, and comprehensive enterprise e-business solution—right out of the box.

### Defining enterprise e-business

Most enterprises have embraced e-commerce to some extent, but that doesn't necessarily mean they have embraced enterprise e-business. E-commerce simply refers to the electronic selling or buying of goods and services, and most enterprises already do that. But all too often, goods, services, and product information are electronically unavailable to customers. And when purchases are made, the order information is often not automatically integrated with the seller's and channel partner's internal systems.

In such a scenario, e-commerce is just another sales channel, one that serves a limited number of customers, supports a few transaction types, and offers a limited number of operational benefits. Enterprise e-business is not just another sales channel or just for Internet customers. It takes e-commerce to a new level by comprehensively and electronically automating all selling and ordering processes—and linking them to internal enterprise applications.

### The benefits of enterprise e-business

Enterprise e-business can only be executed effectively using enterprise e-business solutions. By giving customers and partners frictionless access to the product, pricing, promotion, and order information they need, enterprise e-business solutions simplify even the most complicated transactions. But without a complete application solution, it's virtually impossible to manage all selling and ordering processes for all customers and channel partners electronically.

Enterprise e-business solutions offer the largest number of bottom-line benefits to the seller. Effective enterprise e-business solutions offer more than just making it easier to do business with customers. It can increase revenue and profits by boosting sales volume while simultaneously streamlining internal selling and ordering processes.

Enterprise e-business solutions achieve this by:

- Improving customer loyalty
- Reducing order and product configuration problems
- Increasing efficiencies throughout selling and ordering processes
- Facilitating low risk and low cost entry into new markets
- Automating tedious manual processes
- Boosting average sale price
- Enabling greater process integration with partners and suppliers
- Increasing the productivity of sales and customer service staff

With enterprise e-business offering so many advantages, it's not surprising that companies have found it to be a high-value, high-return investment. In fact, a recent survey found that the return on investment of enterprise e-business solutions met or exceeded expectations in 68% of the companies surveyed.<sup>1</sup>

### Bridging the application gap

Within an IT and business process landscape, enterprise e-business sits between customer relationship management (CRM) and backend, or enterprise resource planning (ERP), functions:

- CRM helps you acquire customers by managing and carrying out interactions with customers
- Enterprise e-business helps those customers spend money with you by automating selling and ordering processes
- ERP accounts for the business those customers do with you on internal enterprise systems

*"Moving our entire order management process to the Web has enabled Seagate to significantly reduce the costs associated with each and every sales transaction, and provided our distributors and OEMs with a greatly expedited sales experience."*

Brian Dexheimer,  
Executive vice president,  
Seagate

<sup>1</sup> Sterling Commerce, "What's Driving E-Business" (Sterling Commerce White Paper: March 2007).

	CRM	Enterprise E-Business	ERP
<b>Business processes automated</b>	Lead-to-customer	Customer-to-order	Order-to-fulfill
<b>Used by</b>	Internal sales and customer service personnel	Customers, channel partners, and sales representatives	Internal operations personnel
<b>Typical applications</b>	SFA Call center Field service	Catalog Configuration Pricing Quoting Order management	Financials Human resources Manufacturing Supply chain

**Sterling Commerce at work:**

**Seagate slashes average order cost**

Seagate Technology, the world leader in hard disk drive technology, turned to enterprise e-business to give its worldwide network of distributors and OEMs a fast, accurate way to conduct business across time zones, languages and currencies. Its Sterling Commerce-powered solution in place, Seagate is delivering product information, real-time pricing and availability, ordering capabilities, and self-service order management to distributors and OEMs—24 hours a day, 7 days a week.

**Using Sterling Commerce e-business solutions, Seagate has:**

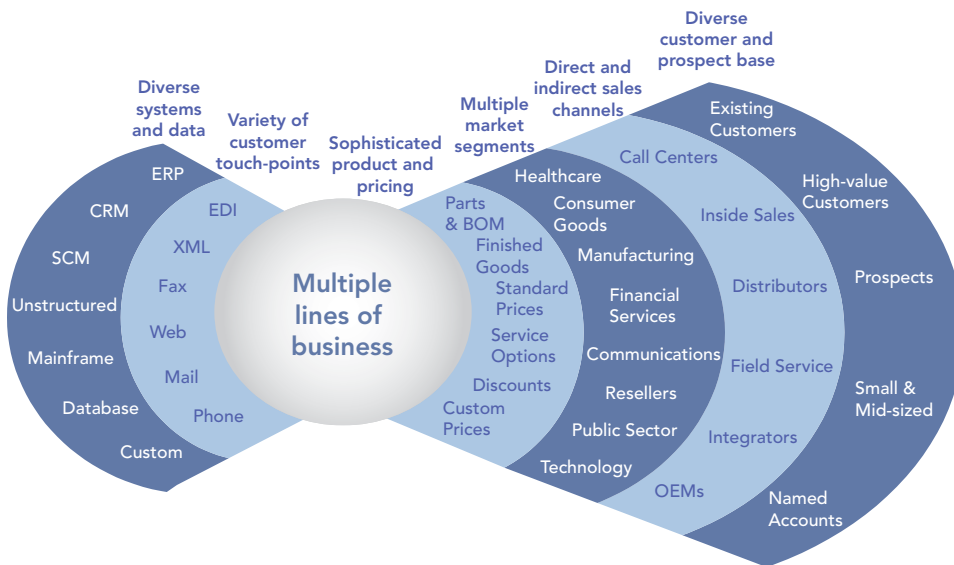
- Cut average order costs by 60%
- Improved distributor and OEM satisfaction and loyalty
- Reduced order errors
- Increased visibility into sales and order processes
- Processed over \$5 billion in orders in just 18 months

Looking at the entire lead-to-fulfillment business process cycle, CRM applications streamline lead-to-customer processes and ERP applications manage the order-to-fulfillment processes. For instance, CRM applications help sales representatives turn leads into accounts populated with customer information relevant to the enterprise, and ERP systems are used in order fulfillment and customer-related accounting. This leaves the customer, often with manual help from sales representatives, customer service agents, and channel partners to piece together the customer-to-order portion of the process themselves. Without enterprise e-business solutions, customers must search through hard-to-navigate or incomplete online information, flip through catalogs, and wait for sales staff to respond to requests for quotes. Or they conduct their business with manufacturers who offer a comprehensive enterprise e-commerce experience, which, considering how much organizations invest in attracting customers, represents a significant loss.

By allowing customers to interact more directly with internal CRM and ERP systems while shielding them from their complexity, enterprise e-business solutions bridge a functional gap between the two systems. When a sales person adds a new account through CRM, enterprise e-business ensures that the new customer can easily conduct business with the enterprise no matter what, when, or how the customer chooses to buy from the company. Enterprise e-business solutions also simultaneously integrate order information with backend systems, giving greater visibility into transactions, accelerating fulfillment processes, and providing real-time insight into demand.

**The complexities of enterprise e-business**

At first glance, enterprise e-business processes may appear relatively straightforward, and that is exactly how they should appear to customers. But look more closely at the way business processes are carried out within most enterprises, and a surprising array of business variables emerge. Most enterprises sell a wide variety of products ranging from finished goods, to parts and services, to excess inventory. When a customer wants to purchase related items together, such as a finished good, a warranty, and spare parts, a simple purchase becomes increasingly complex. And when the finished good is purchased directly from the manufacturer and the warranty and spare parts are purchased through a channel partner, the transaction becomes even more complex.



**The Complexity of Enterprise E-Business**

Enterprise e-business complexity is not confined to products. Products are usually sold through a wide variety of channel partners including distributors, resellers, dealers, and retailers, each specializing in different markets such as industrial, financial, and government. The end customers who purchase products and services could be consumers, businesses, or in the public sector. These end customers and channel partners may also want to interact with the enterprise in a number of ways, such as EDI, phone, fax, and online through user interfaces, or automatically system-to-system using XML.

Without the right enterprise e-business solutions to facilitate all types of selling and ordering processes, the risk of costly problems and customer frustration is high. For instance, customers and channel partners are likely to abandon an electronic transaction if they find it difficult to place an order. In addition, if they are confronted with an inconsistent interface and inaccurate or incomplete information, they are more likely to place incorrect orders and return items, increasing order processing costs and customer concessions. Those types of issues then lead to inquiries to customer service and sales staff, especially when customers and partners lack self-service access to all order information.<sup>2</sup>

### **Tackling the complexities of enterprise e-business**

In order to overcome the challenging complexities of enterprise e-business, enterprises need to implement the right set of enterprise e-business solutions. Depending on what and how an enterprise sells its products, the type of e-business solution necessary will vary. There is no one-size-fits-all solution. However, most of the dozens of available enterprise e-business solutions can be grouped into three key functional areas:

<sup>2</sup> For additional information about product information management, configuration, pricing, and quoting, and order management, please visit the Comergent Resource Center at [www.comergent.com/corporate/resource\\_center.cfm](http://www.comergent.com/corporate/resource_center.cfm) and read the relevant white paper.

**Sterling Commerce at work:****Haworth helps customers configure, price, and order faster**

Founded in 1948, Haworth designs, manufactures, and markets quality contract furniture. Selling over 33 million products and services through a variety of sales channels, Haworth is using Sterling Commerce to make it easier for corporate accounts, which account for 40% of sales, to configure, price, and order products.

**From days to minutes**

Deploying its Sterling Commerce e-business solution in 90 days, Haworth has made it easier and faster for corporate accounts to select, price and purchase the furniture they need. Orders that once took days to process, schedule, and acknowledge, can now be completed in minutes, saving customers' time while cutting order processing costs for Haworth.

With Sterling Commerce e-business solutions, Haworth is:

- Producing customer-specific catalogs 80% faster
- Reducing order processing time from days to minutes
- Providing customers with a faster, more efficient product selection experience
- Cutting order processing costs
- Extending its enterprise e-business solution to its dealer network

- **Product Information Management** – Enterprises need to create, manage, and present rich product data. By using enterprise e-business to deliver a single source of product information, enterprises ensure that customers, channel partners, and employees have easy access to consistent, comprehensive, and compelling product and service information.
- **Configuration, Pricing, and Quoting** – Enterprises need to guide customers, partners and employees through the entire product selection, configuration, and quoting process. Using enterprise e-business solutions, enterprises can deliver a guided product selection and configuration process and real-time customer-specific pricing and availability information while maximizing cross- and up-sell opportunities through targeted promotions.
- **Order Management** – Enterprises must ensure that customers can purchase products and services easily, keep customers informed about order status, and fulfill orders. With the appropriate e-business solutions, enterprises can provide a frictionless ordering experience that seamlessly integrates self-service order management with internal or partner back-end systems for processing and fulfillment. Customers have a single point of entry to easily check order and shipping status, review order history, and process returns throughout the lifecycle of the transaction.

Enterprises seeking a complete enterprise e-business solution should implement applications that are capable of performing processes in each of these areas within the context of their distinctive business needs.

**Why Sterling Commerce for enterprise e-business**

As with any IT investment, enterprises must choose their technology partners wisely. When it comes to enterprise e-business solutions, Sterling Commerce is the leader. With extremely high levels of customer satisfaction, Sterling Commerce has completed 98% of all its implementations on-time and on-budget. And over 70% of Sterling Commerce e-commerce customers chose to expand their enterprise e-business solutions with additional Sterling Multi-Channel Selling™ products, which has helped to fuel five consecutive years of strong customer and revenue growth.

Sterling Commerce designs e-business solutions that deliver all five of the elements that a successful enterprise e-business solution must provide, including:

**One: A complete set of applications for automating selling and ordering processes**

From gathering product information to product configuration and selection to order management, there are a wide variety of processes customers carry out in the course of doing business with an enterprise. Sterling Multi-Channel Selling supports each of them while also streamlining product information management and back-end order management.

**Elements of a Complete Enterprise E-Business Solution**

<b>Complete set of applications</b>	<ul style="list-style-type: none"> <li>• Facilitate selling and ordering processes</li> <li>• Automates “quote-to-cash” process</li> <li>• “Out-of-the-box” yet very flexible</li> </ul>
<b>Support for all ways enterprises sell</b>	<ul style="list-style-type: none"> <li>• Supports both B2B and B2C</li> <li>• Facilitates direct and indirect models</li> <li>• Seamless multi-party collaboration</li> </ul>
<b>Intuitive to use and easy to modify</b>	<ul style="list-style-type: none"> <li>• Easy for customers to use</li> <li>• Business people can configure</li> <li>• Can rapidly modify system as needed</li> </ul>
<b>Service-oriented architecture</b>	<ul style="list-style-type: none"> <li>• Completely open and standards-based</li> <li>• Web services-based applications</li> <li>• SOA-enabled platform</li> </ul>
<b>E-commerce visibility across all channels</b>	<ul style="list-style-type: none"> <li>• Integrated analytics for e-commerce</li> <li>• Insight into all selling processes</li> <li>• Role-based access to reporting</li> </ul>

**Two: Support for all the ways enterprises sell**

Sterling Commerce e-commerce solutions automate all selling and ordering processes no matter how an organization sells. Whether enterprises sell directly to consumers and/or businesses, and/or indirectly through partners, Sterling Multi-Channel Selling adapts to virtually all types of products, sales channels, and business processes—even collaborative processes—out of the box.

**Three: Intuitive to use and easy to modify**

Sterling Multi-Channel Selling is designed for fast deployment and instant use by customers and partners. This is in contrast to many e-commerce application strategies, which expose customers to portions of applications that were originally meant for internal use. With its intuitive, customer-centric interface, Sterling Multi-Channel Selling requires virtually no training and makes it easier to do business with an enterprise by automating common processes for the customer. The solution can also be easily managed by internal personnel and modified to keep pace with changing customer needs. As the solution is updated, Sterling Commerce development methodology maintains extensions and modifications, contributing to a positive total ownership experience.

**Four: Service-oriented architecture**

In order to truly automate the selling and ordering processes, enterprise e-business solutions must be able to provide customers with all relevant product and order information no matter where the information resides. Sterling Commerce service-oriented e-business architecture for Sterling Multi-Channel Selling, which is completely



open and standards-based, readily facilitates this by capturing, either batch or in real time, the information customers need. This is true whether information resides inside or outside an enterprise's firewall, meaning there is no limit on the information that can be gathered for and displayed to customers and partners. For example, if an order is being fulfilled by a channel partner, pricing can come from the manufacturer's backend system and order and shipping status from the external channel partner's system. In addition, Sterling Commerce service-oriented e-business architecture ensures that Sterling Commerce e-business solutions can fit into any existing IT infrastructure and can leverage a variety of data sources.

**Five: e-business visibility across all channels**

Because Sterling Commerce e-business solutions encompass all of an enterprise's selling and ordering processes, they deliver unprecedented visibility into all e-business activities. Sterling Commerce leverages this visibility with rich analytical capabilities and role-based access to reporting. Giving organizations a new window into sales and ordering processes, Sterling Commerce e-business analysis tools help enterprises gain insight into customer needs, product sales and demand, channel partner performance, and other key metrics.

**Delivering value to customers and higher profits to enterprises**

Historically, businesses that have been successful over the long-term have driven revenue and profits by consistently delivering value to customers. Sterling Commerce knows that and has built the enterprise e-business solutions that companies need to continually meet—and exceed—customer and partner e-business expectations. By automating selling and ordering processes for customers, Sterling Commerce e-business solutions make it easier for customers to do business with an enterprise while reducing the cost of serving these customers.

Complete, easy-to-use, and powerful, Sterling Commerce enterprise e-business solutions offer enterprises and their customers a better, faster, less costly way to do business right out of the box. Sterling Commerce e-business solutions help enterprises to:

- Deliver value to customers
- Control and lower costs
- Drive higher revenues
- Increase profitability

Enterprise e-business is a win for customers and a win for enterprises, and few IT investments provide a greater or more immediate return on investment.

### **About Sterling Commerce**

Sterling Commerce helps 80% of the FORTUNE® 500 thrive in a global economy.

We provide innovative solutions to process integration challenges between companies and their customers, partners, and suppliers to help them achieve higher levels of performance—and business without borders. With over 30,000 customers worldwide, we have unparalleled experience in the retail, manufacturing, financial services, wholesale distribution, logistics, and communications industries. Sterling Commerce is an AT&T (NYSE:T) company. Learn more at [www.sterlingcommerce.com](http://www.sterlingcommerce.com)



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