

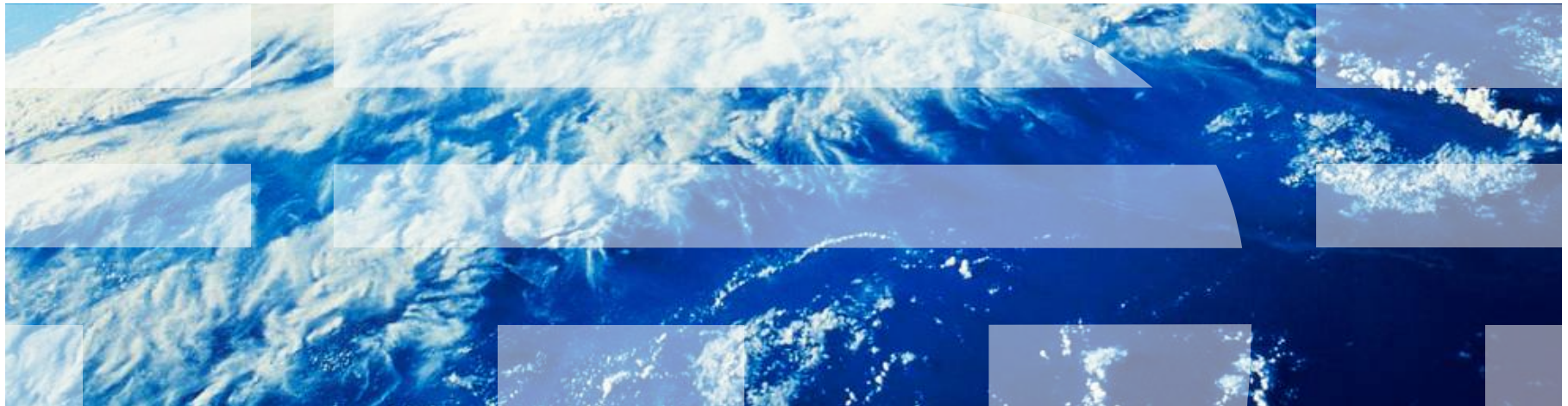
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October 25, 2011



Gain Deeper Insight into Your B2B Network with Supply Chain Visibility and Compliance



Agenda

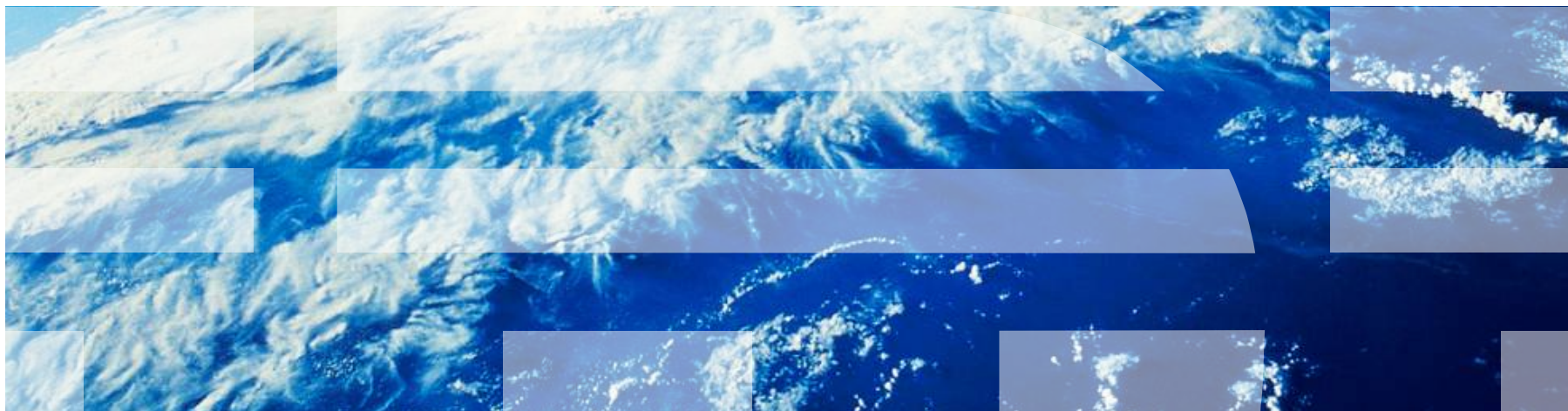
- **What's New in IBM® Sterling B2B Cloud Services**
- **IBM Sterling Supply Chain Visibility**
- **IBM Sterling Vendor Compliance**
- **Supply Chain Visibility / Vendor Compliance Use Case Example**

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What's New in IBM Sterling B2B Cloud Services



Web Services – Expanding the reach of B2B

- Provides B2B document exchange and document enrichment via Web services
- Available with IBM Sterling B2B Integration Services (Managed Service)
- Benefits:
 - Trade electronically with larger partner base
 - Improve customer service and satisfaction
 - Leverage existing investment in Sterling B2B Integration Services to expand reach to Web services

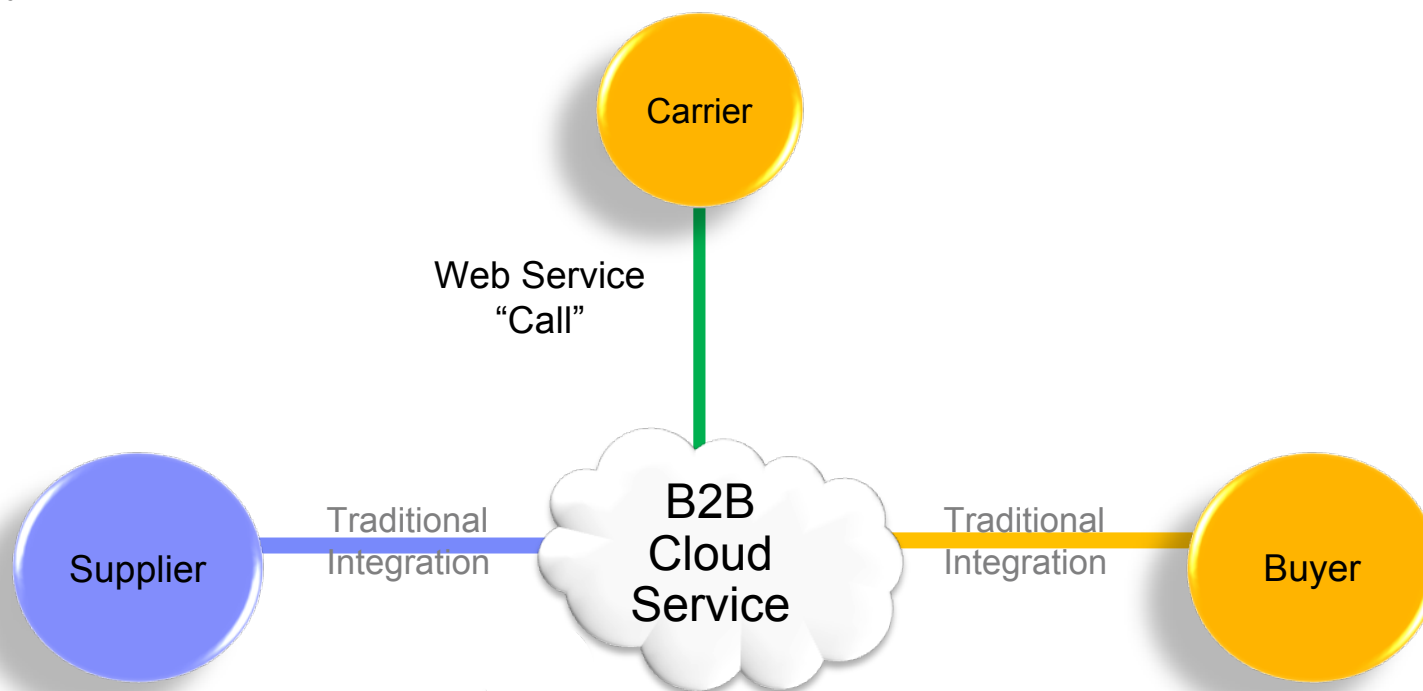
IBM Sterling Process Enrichment Service

- Provides the ability to take a standard B2B document flow and connect out to a Web service source:
 - Validate information within the business document
 - Obtain additional information to enrich the business document

IBM Sterling B2B Process Enrichment Service

Scenario

A supplier wants to include information only available in the Carrier's back office systems in the ASN to improve customer satisfaction

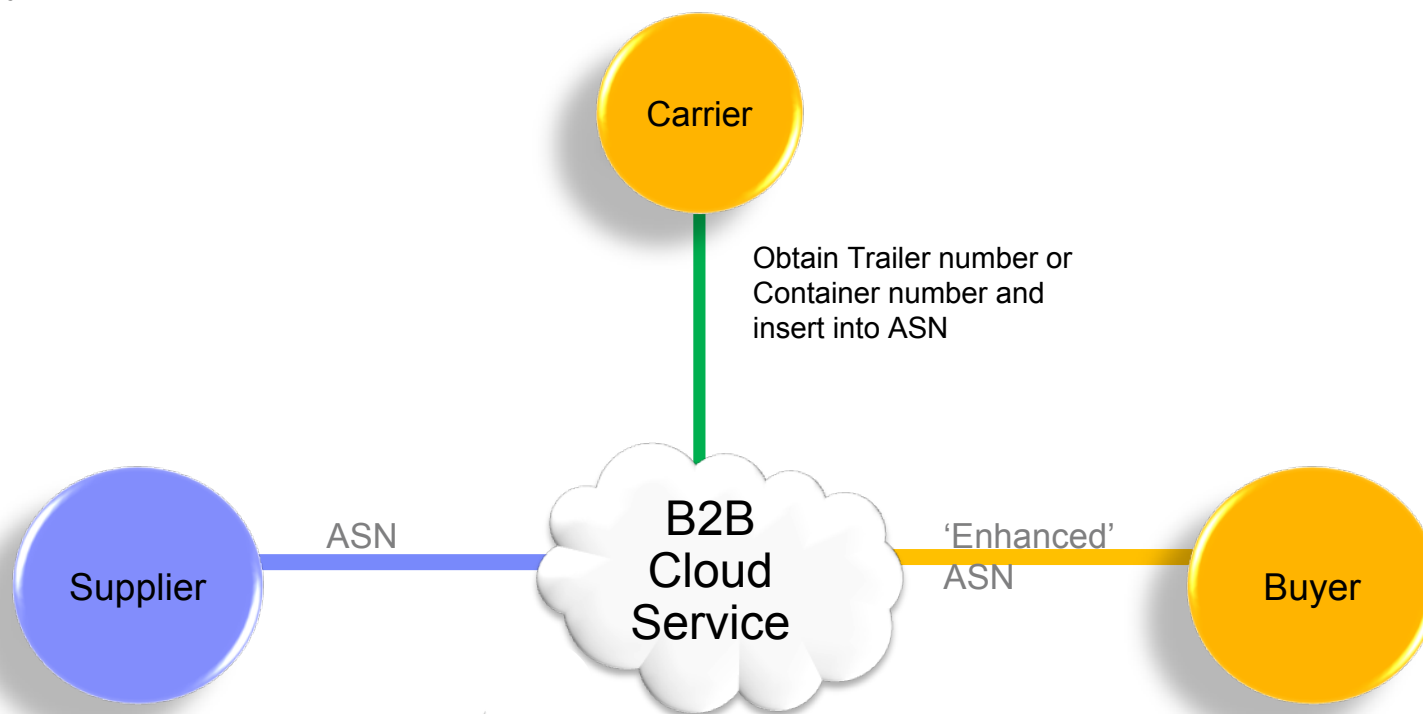


- Leverages the existing B2B Structure and “Network Effect”
- Provides dynamic data Integration For Real-Time Processes
- Enable Web services based real-time data update / interaction

IBM Sterling B2B Process Enrichment Service

Scenario

A supplier wants to include information only available in the Carrier's back office systems in the ASN to improve customer satisfaction



PROCESS INTEGRATION:

- ASN is sent by supplier
- Supplier profile (in the Cloud) indicates ASN needs additional information
- IBM constructs a Web service call to the external data source
- IBM obtains Trailer or Container number from the carrier
- IBM updates ASN with Trailer or Container number and sends to Buyer

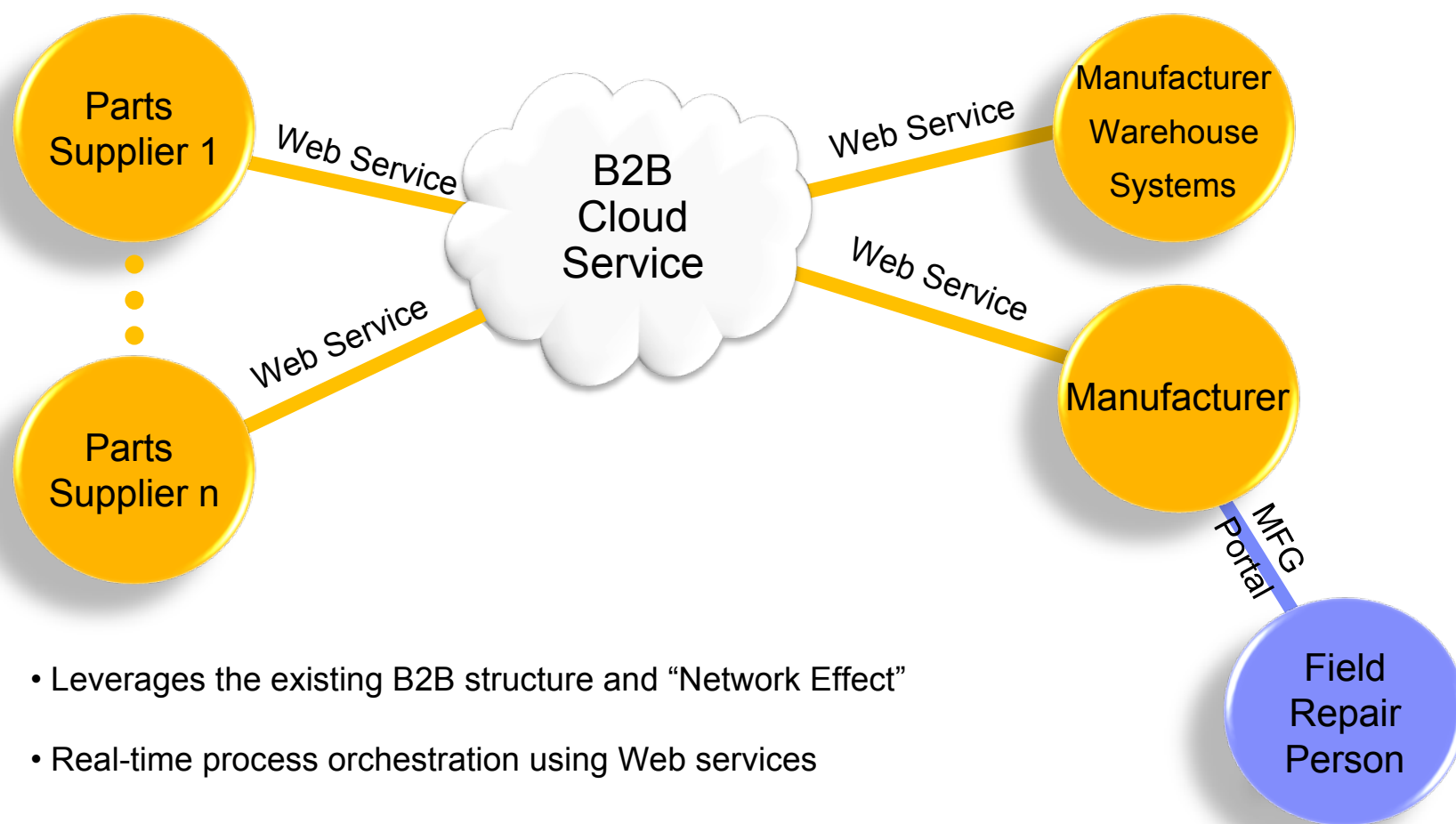
IBM Sterling Synchronous B2B Process Service

- Provide partners with real-time Web site inquiry and response processing
- Synchronously exchange supply chain documents and messages regardless of differing Web services interfaces

IBM Sterling Synchronous B2B Process Service

Scenario

Repair person needs to quickly identify and procure repair part to service client repair from a local warehouse or preferred vendor

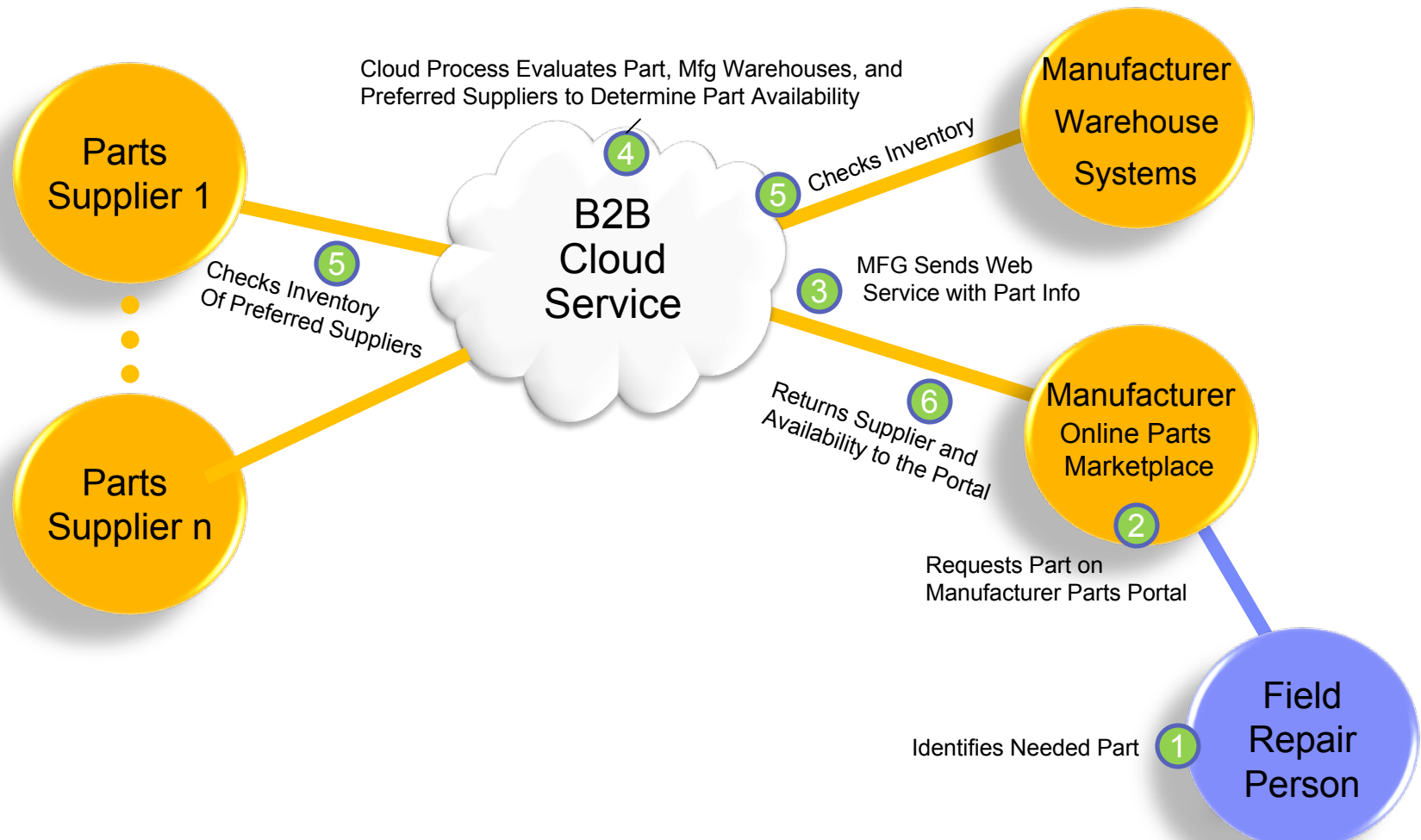


- Leverages the existing B2B structure and “Network Effect”
- Real-time process orchestration using Web services
- Enables real-time inventory checks, product identification, and sourcing

IBM Sterling Synchronous B2B Process Service

Scenario

Repair person needs to quickly identify and procure repair part to service client repair from a local warehouse or preferred vendor

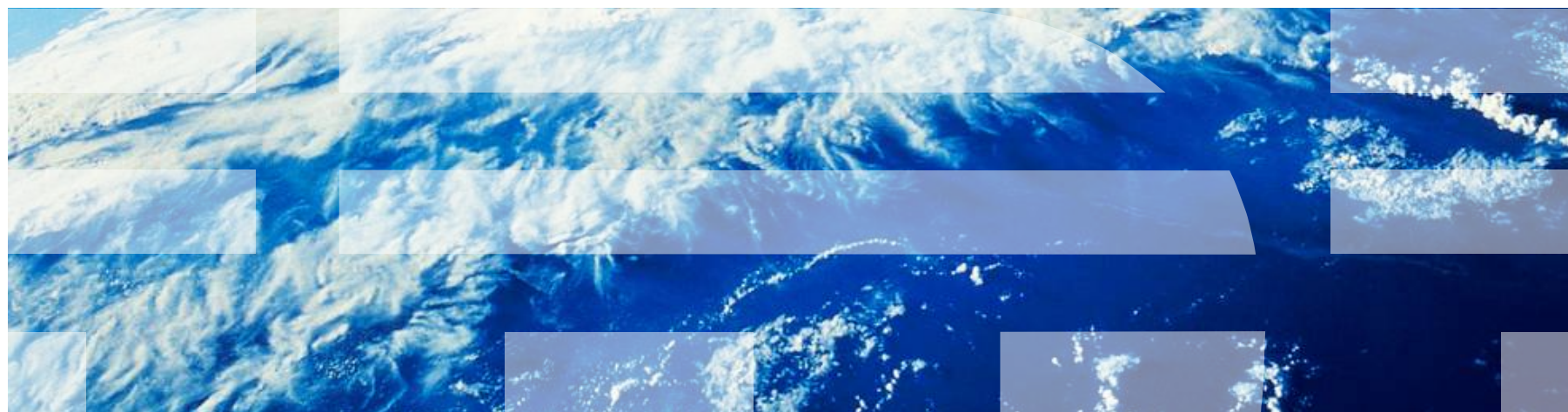


IBM Sterling B2B Collaboration Network & IBM Sterling B2B Integration Services Updates

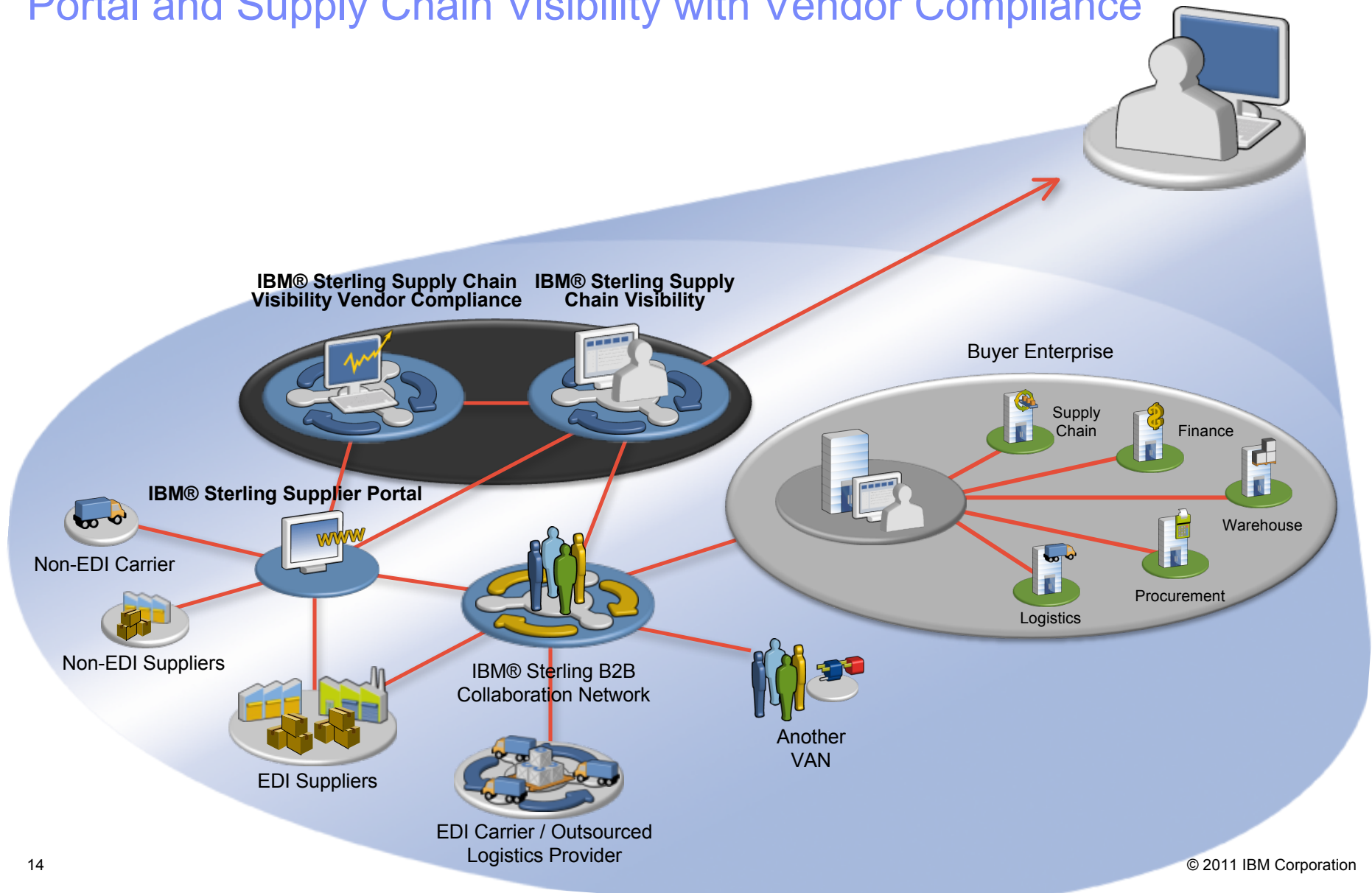
- Double byte character processing support:
 - Provides double byte character and CII character processing including:
 - Protocol routing
 - Conversion and transformation for current asynchronous and synchronous data flows

- New user interface language support:
 - IBM Sterling InFlight Document Management:
 - Italian
 - Portuguese
 - Spanish
 - IBM Sterling Document Tracking:
 - German
 - Italian
 - IBM Sterling Webforms
 - Italian

IBM Sterling Supply Chain Visibility

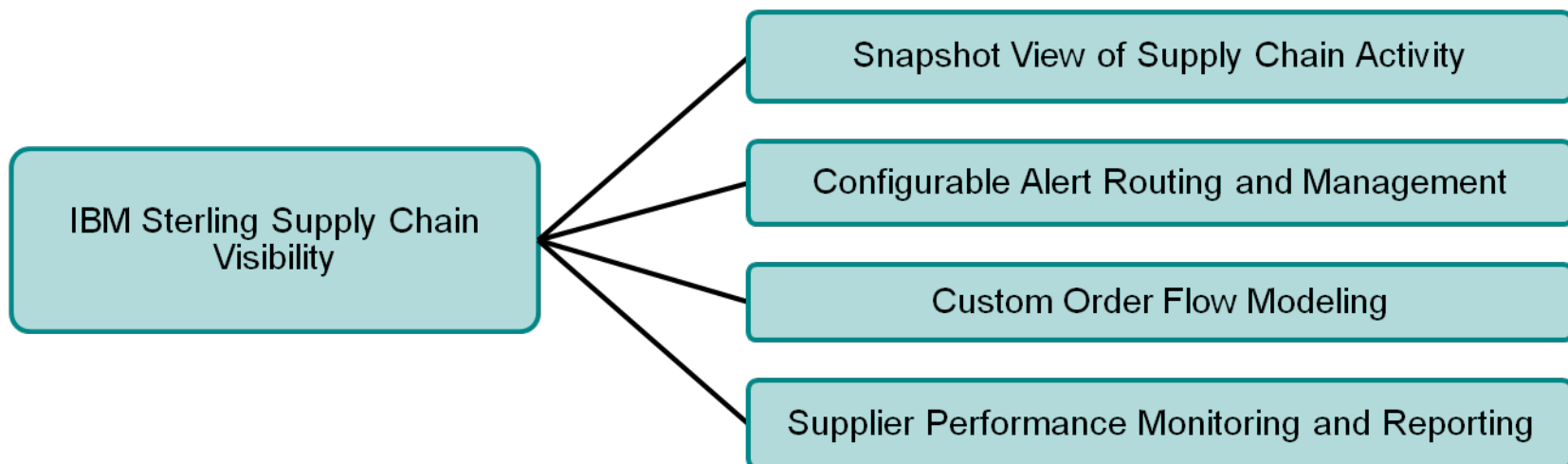


Enable supplier communication and collaboration using Supplier Portal and Supply Chain Visibility with Vendor Compliance



What is IBM Sterling Supply Chain Visibility?

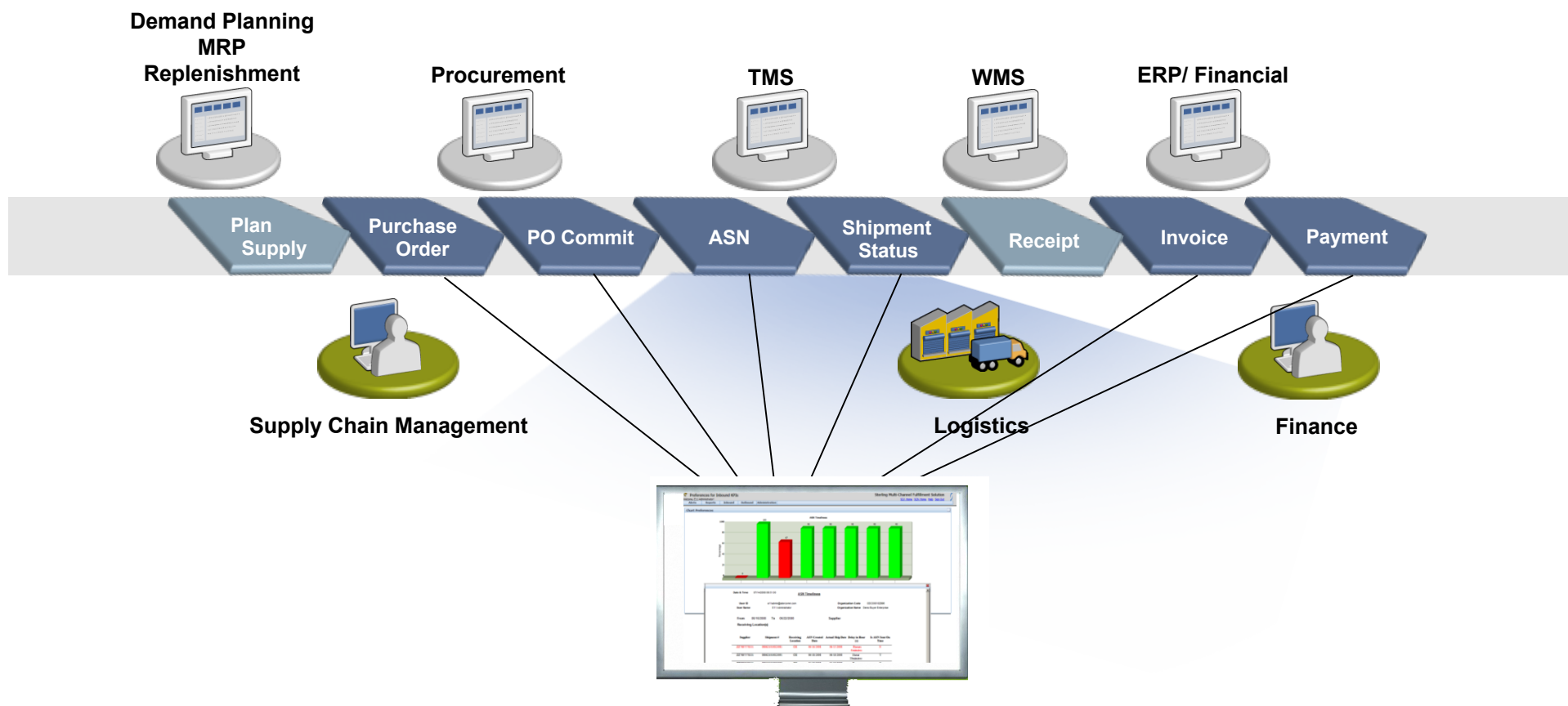
- IBM Sterling Supply Chain Visibility enables companies to optimize their inbound supply and outbound shipment processes through complete end-to-end visibility across global trading partner networks to minimize supply chain disruptions and improve supplier performance.



How do you execute on a customer value strategy of fulfilling the right product and service at the right place and time?

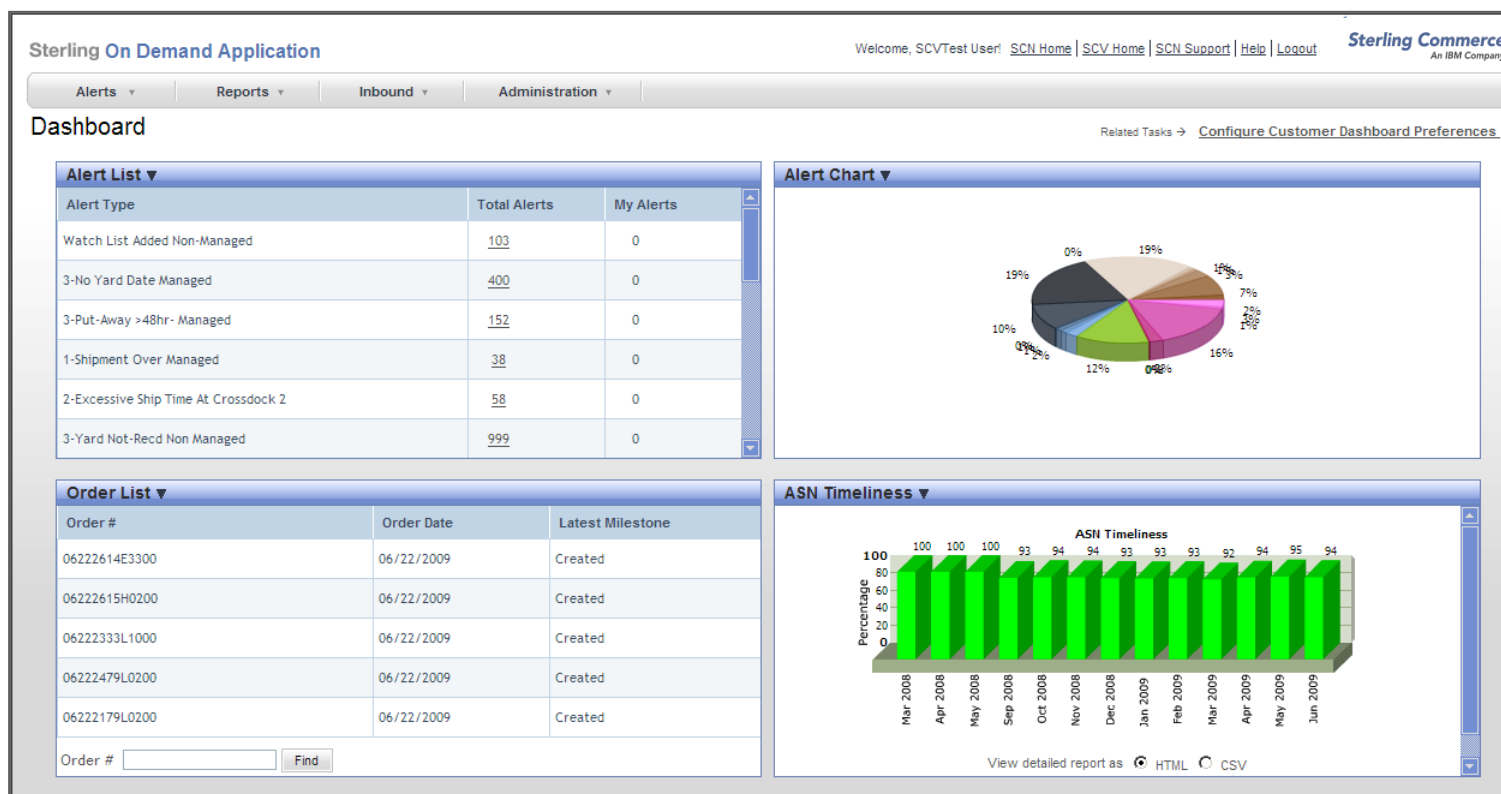
- **Scenario:** To execute on a customer value strategy of fulfilling the right product and service at the right place and time, a vendor has been asked to ship an existing order within a specified time period. These shipment dates are driven by sales and promotional activity which requires that merchandise be on hand for targeted sales events. The merchandise arrived later than anticipated because it was not shipped by the specified compliance latest ship date.

Consolidate real-time event data from different departments and trading partners into a shared view of performance



Strive for transparency in all your supply chain activities

- Personalized graphical dashboard provides a complete view of your inbound order and shipment activity



Streamline compliance event tracking, reporting performance, and applying chargebacks

- Simplify compliance event tracking by configuring order flows to monitor order progress against customer defined milestones and alert on potential exceptions

Configure Event

Step 1: Primary Info

Event Name:

Order Flow Description:

Event Actions:

<input checked="" type="checkbox"/> Send alert to dashboard	<input type="checkbox"/> Notify alert via XML
<input checked="" type="checkbox"/> Notify alert via E-mail	<input checked="" type="checkbox"/> Notify alert via E-mail to Supplier
<input checked="" type="checkbox"/> Chargeback Supplier	

with Billing Type of and flat fee amount of \$

Configure Event

Step 3: Detailed Criteria for Raising Alert

Raise alert for order when

Order comes to milestone
This alert is auto-resolvable; does not pick past orders/shipments; is raised at header level and if closed, this alert will not occur again

Order has been in milestone for day(s) hour(s)
This alert is auto-resolvable; does not pick past orders/shipments; is raised at header level and if closed, this alert will not occur again

Order has not reached milestone for day(s) hour(s) beyond expected date
This alert is auto-resolvable; does not pick past orders/shipments; is raised at header level and if closed, this alert will not occur again

Order has not reached milestone for day(s) hour(s) after order entered milestone
This alert is auto-resolvable; does not pick past orders/shipments; is raised at header level and if closed, this alert will not occur again

- ▶ Event Name is PO Shipped Late (NC02)
- ▶ Order Flow is Default Order Flow
- ▶ Event Actions Are
 - Send alert to dashboard
 - Notify alert via E-mail
 - Notify alert via E-mail to Supplier
 - Chargeback \$ 250.00 per Order
- ▶ Raise alert for order when order has not reached Shipped milestone for 0 day(s) and 8 hour(s) beyond max expected ship date

Track orders throughout the order lifecycle through a complete view of supply chain activity in real-time

- Minimize supply chain disruptions through customized order-flow modeling
- Identify and adjust to supply exceptions faster, more efficiently, and at a lower cost by tracking the complete procure-to-pay process
- Proactively notify business users of supply disruptions as soon as they occur

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Alerts Reports Inbound Outbound Administration

Purchase Order Detail Related Tasks → [View Shipments](#) | [View Invoices](#) | [View Payments](#)

Primary Info [Add To Watchlist](#)

Order # 08092101080125	Order Date 09/16/2008	Order Flow Type Default
Receiving Location SD	Buying Dept Procurement	EDI ID ZZ2E11_1
Order Amount \$ 626.50	Amount Invoiced \$ 845.50	Amount Paid \$ 0.00
Created By Tom Smith	Latest Milestone Invoiced	Supplier Norton Foods (NORT)
Freight Terms PAID BY BUYER	Drop Ship	

Ordered
 Acknowledged
 Committed
 Shipped
 Delivered
 Invoiced
 Paid
 Rejected

Dates

Req Delivery Date 09/20/2008	Req Ship Date 09/18/2008
Committed Delivery Date 09/20/2008	Committed Ship Date 09/18/2008
Expected Delivery Date 09/20/2008	Expected Ship Date 09/18/2008
Actual Delivery Date 09/20/2008	Actual Ship Date 09/18/2008

Open Alerts [Close All](#) | [Add Notes](#)

Order Lines

Line #	Item Desc	Req Delivery Date	Req Ship Date	Receipt Date	Putaway Date	Ordered Qty	Comm Qty	Shipped Qty	Delivered Qty	Receipt Qty	Putaway Qty	Latest Mile
1	93% Lean Ground Beef (593,5417)	09/20/2008	09/18/2008			175.00	175.00	175.00	175.00			Invoiced

Event Log

- ▶ 09/16/2008 00:00:00: Order Created
- ▶ 09/16/2008 01:24:00: Order Acknowledged by Supplier
- ▶ 09/16/2008 01:24:00: Supplier Commitment Received
- ▶ 09/18/2008 00:00:01: Advance Ship Notice received for Shipment 080921010801251
- ▶ 09/20/2008 00:00:00: Invoice 080921010801251

Minimize supply risk exposure to reduce potential blind spots and disruptions

- Reduce blind spots in the supply chain by tracking critical steps with custom order flows and expanding the number of events being tracked:
 - Configurable order flows allow the user to setup milestones and alert/report on missed or late milestones
 - Event log tracks events as they occur at both the order and shipment level
 - Audit key events to determine when delays were caused and by whom

The screenshot displays a software interface for managing supply chain milestones and events. It is divided into three main sections:

- Modify Milestones:** A table at the top allows users to configure milestones. It includes columns for 'Add', 'Delete', 'Milestone Name', 'Description', 'Sequence No', 'Order', and 'Shipment'. A row is visible for 'POCreated' with a description of 'Created' and a sequence number of 100.
- Order Flow Status Legend:** A horizontal bar below the table shows eight colored circles representing different stages: Ordered (green), Acknowledged (blue), Committed (purple), Shipped (yellow), Delivered (orange), Invoiced (red), Paid (grey), and Rejected (light grey).
- Event Log:** A pop-up window on the right shows a list of events. Each entry includes a timestamp and a description of the event, such as 'Order Created' on 09/16/2008 at 00:00:00, 'Order Acknowledged by Supplier' at 01:24:00, 'Supplier Commitment Received' at 01:24:00, 'Advance Ship Notice received for Shipment' on 09/18/2008 at 00:00:01, and 'Invoice' on 09/20/2008 at 00:00:00. A shipment ID '080921010801251' is highlighted in the invoice entry.

Improve supplier compliance through real-time feedback with compliance violations details

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Alerts ▾ | Reports ▾ | Inbound ▾ | Administration ▾

Charge Back Detail Related Tasks → [View Non-Compliance Summary](#)

<p>Charge Back Amount ▾</p> <p style="font-size: 24pt; font-weight: bold; text-align: center;">\$ 250.00</p> <p>PO Shipped Late (NC02) Pending Charge on 05/23/2010</p> <p style="text-align: center;"><input type="button" value="Modify"/> <input type="button" value="Cancel"/></p>	<p>Primary Information ▾</p> <table style="width: 100%;"> <tr> <td>Transaction ID</td> <td>CB00012</td> <td>Notification Date</td> <td>04/22/2010 10:32:21 AM</td> </tr> <tr> <td>Order #</td> <td>OMP100021123</td> <td>Supplier</td> <td>Computer Tech Inc (COMP TECH)</td> </tr> <tr> <td>Shipment #</td> <td>SHP100002101</td> <td>Invoice #</td> <td></td> </tr> </table> <p style="text-align: center;">Detail Order OMP100021123 has not been shipped on expected ship date</p>	Transaction ID	CB00012	Notification Date	04/22/2010 10:32:21 AM	Order #	OMP100021123	Supplier	Computer Tech Inc (COMP TECH)	Shipment #	SHP100002101	Invoice #		<p>Supplier Group (s) ▾</p> <ul style="list-style-type: none"> Laptop Suppliers Desktop Suppliers Flash Drive Suppliers Memory Stick Suppliers Portable Audio Suppliers
Transaction ID	CB00012	Notification Date	04/22/2010 10:32:21 AM											
Order #	OMP100021123	Supplier	Computer Tech Inc (COMP TECH)											
Shipment #	SHP100002101	Invoice #												

Private Notes ▾ [Add Private Notes](#)

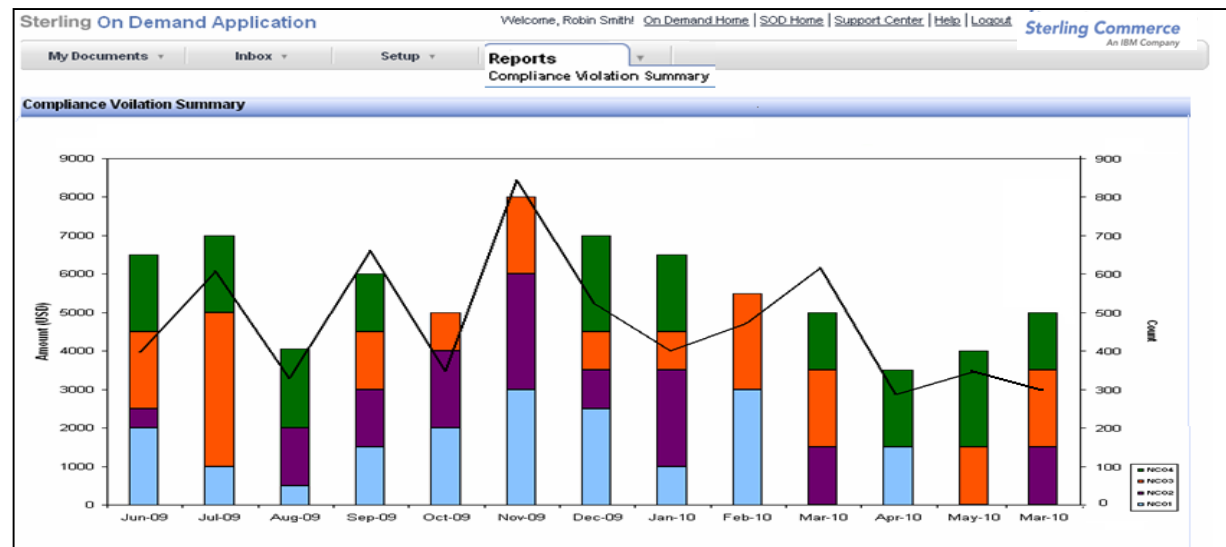
04/24/2010 07:24:55 – richard_brown@asd.com : Robin from Jn food called today and disputed on applied charge backs. After discussion we found that order has been modified around original shipment date and supplier didn't commit to ship with changes on original ship date. Charge Back need to be updated

04/24/2010 17:47:55 – richard_brown@asd.com : Updating Charge Back amount based on previous comments

Audit ▾					
Modified On	Old Amount	New Amount	Reason Code	Reason Text	Modified By
04/28/2010 10:33:20	\$ 260.00	\$ 250.00	Incorrect Update	Charge amount was updated incorrectly in previous update	Richard Brown
04/26/2010 15:33:45	\$ 280.00	\$ 260.00	Incorrect Update	Charge amount was updated incorrectly in previous update	Tom Turner
04/24/2010 17:42:14	\$ 300.00	\$ 280.00	System Error	Charge Back rule was incorrectly configured in the system	Richard Brown

Provide a shared view of performance across the supply chain

- Report supplier performance against pre-configured key performance indicators
- Manage and report compliance issues to suppliers in real-time



Compliance Violation - Data			
Month	Compliance Rule	Amount	Count
MAY 2010	PO Shipped Early (IIC 04)	\$ 1500.00	250
MAY 2010	PO Shipped Late (IIC 05)	\$ 1000.00	100
MAY 2010	Shipment Qty Overage (IIC 01)	\$ 3000.00	50
APR 2010	PO Shipped Late (IIC 05)	\$ 2000.00	200
APR 2010	PO Shipped Early (IIC 04)	\$ 1500.00	50
APR 2010	Shipment Qty Overage (IIC 01)	\$ 1800.00	100
		Total = \$ 1,50,000.00	Total = 5050

Manage compliance in real-time from a single solution

- Supplier relations/compliance can automate the tracking of violations and supplier performance reporting
- Procurement/merchandising can monitor compliance and provide suppliers with the tools to adhere to order processing and shipping guidelines
- Logistics can enforce route guide compliance and monitor carriers to ensure they follow delivery guidelines
- Warehouse receiving can track inbound shipments and log violations detected after inspected
- Accounts payable can perform a three-way match and track pending chargebacks
- Suppliers can access a shared view of their performance and automate order processing

Improve efficiency and reduce costs throughout the inbound supply chain

- Improve supplier performance through real-time non-compliance detection, notification, and chargeback calculation
- Reduce costs by enabling non-EDI suppliers to comply with buyer configured compliance guidelines
- Improve efficiency in supply chain operations by automating the inbound receiving and compliance resolution process

IBM Sterling Supply Chain Visibility delivers continuous improvement through real-time supplier collaboration

- Buyers and merchandisers can now share supplier performance results with their partners immediately
- Business users can track supplier's non-compliance, provide suppliers with real-time feedback on compliance infractions with their own view of the violation, and supporting details
- Suppliers can correct non-compliant behavior as it happens, delivering continuous improvement to the inbound supply chain process, resulting in improved efficiency and reduced costs

IBM Sterling Supply Chain Visibility enables True Value to deliver the perfect order



▪ Customer Overview

- True Value is one of the world's largest retailer-owned hardware cooperatives, serving 54 countries with more than 5,000 stores and 12 regional distribution centers

▪ Customer Challenges:

- Fragmented visibility into the physical movement of shipments
- Too much data to proactively resolve supply exceptions
- Inefficient use of inventory

“The better data you have, the better decisions you can make. Having end-to-end visibility allows us to pick and choose the high priority alerts and then drill down into the cause of the alert.”

Greg Linder
Director of Supply Chain Operations
True Value

▪ Business Benefits

- Reduce lead-time by 57% by proactively managing and reducing response times to potential order delays
- Increase fill rates by 10% by identifying potential order delays and shortages
- Reduce backorders by 85% by optimizing inventory in their stores to reduce out-of-stock items

Questions?

