

E-Commerce 2000 e-seminar Script

Slide 1: Title Page - Introduction.

Good morning/afternoon, I am _____ with _____ BP company. Thank you for taking an hour out of your busy schedule to join us today. I hope you will find that it was worth your time.

Talk about your company and what you specialize in.....

Slide 2: Agenda

During our time together, I'd like to share with you how traditional industries have become successful selling over the web, the e-commerce opportunity in both b2c and b2b markets, and finally an overview of IBM's e-commerce solution; Websphere Commerce Suite.

Slide 3: It's about business, not just technology

First, I'd like to talk to you a little about e-business. E-business is where you must start to transform your company before doing transactions over the Web.

e-business means:

Web-enabling your core business processes ... to improve customer service, reduce cycle time, get more results from your resources, and sell goods and services. It means transforming the way you do business ... so that you can more effectively collaborate with partners, manage content by connecting to back-end data systems, and transact commerce. And it's done by combining Web technology with your existing enterprise applications and data — the best of both worlds.

Each day businesses are moving to e-business.

When you get right down to it, e-business is a simple concept--an e-business is an organization that connects critical business systems directly to key constituencies (customers, employees, suppliers and distributors) via intranets, extranets and the Web. But this simple concept becomes powerful quickly. As customers, employees, suppliers and distributors are all connected to the business systems and information they need, it becomes clear that e-business is about business transformation..

Slide 4: Electronic Commerce is.....

Quite simply, e-Commerce is the exchange and payment of goods and services for financial value using an electronic medium. Sounds simple enough, but it's a term that means different things to different people, and it's important to understand the nuances.

Many people use the terms e-business and e-Commerce synonymously, and when your customer talks about e-Commerce, it's important to know if they mean e-business or e-Commerce.

e-Commerce is a subset of e-business, along with Supply Chain Management, Business Intelligence, Customer Relationship Management, and many other business processes that can be improved through the use of Internet-based technologies. These areas overlap, of course, and companies need to understand the broader view of e-business in order to achieve competitive advantage. Even when people agree that e-Commerce are the buying and selling aspects of e-business, too often e-Commerce is perceived as simply taking orders from an electronic catalog. In reality, a successful e-Commerce implementation addresses all aspects of the selling

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process, from generating awareness and interest, to demand generation, the actual sale, and customer service and support.

Of course, e-Commerce is not new, and IBM has been a leader in Electronic Data Interchange for years. The electronic presentation and payment of bills is a rapidly growing area of e-Commerce, along with home banking.

e-Commerce is not a standalone activity and needs to be an integral aspect of how a company does business.

Slide 5: Polling Questions

Now, before getting into the e-commerce opportunity - we'd like to ask you a few questions.....

1. Do you currently have a web-presence?

yes

no

2. If so, what phase are you in?

homepage

brochureware

look-up/database access

customer service

taking orders on-line

web self-service

supply chain integration

other

Slide 6: What is the e-Commerce Opportunity? - Title page

Slide 7: Selling via the Web is Transforming Industries

e-commerce is not a prediction waiting to become reality.

Customers of all sizes are implementing e-commerce solutions.

This chart shows how the web is transforming industries and while banking & manufacturing were early leaders, note the tremendous growth in Retail which is a key focus segment for e-commerce.

Slide 8: Examples of High ROI Processes

As they examine the relationships they have with employees, customers, suppliers and distributors, successful e-businesses begin to redefine core business processes. We all have lots of processes that make up the way we do business. So we have the question; which processes are best transformed by e-business? IBM contracted the McKenna Group to do research to look at companies in six early adopter industries. They did in-depth interviews to find out which processes were giving them the highest return on investment. And this is what they found out:

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Depending on the industry, there are different business processes that are considered most critical and tend to yield the highest ROI in the transition from traditional to e-business. In banking, for example, customer support systems are important, as are efficient payment and billing cycles. In retail distribution, on the other hand, efficiency improvements in customer acquisition, procurement and inventory management systems provide the best return on investment.

But virtually all industries face a set of common challenges. And although the terms may be different from industry to industry, there are really three key processes that are on average yielding the highest ROI on investment in e-business.

One is customer relationship management -- making sure your customers are happy, giving them what they want, when they want it. Transforming single-transaction customers into lifetime customers.

Another is supply chain management -- working with your suppliers to make sure there's enough of your product to sell. Allowing suppliers to view your internal enterprise resource planning applications -- in order to help them better anticipate your needs. This is about reducing costs while continuing to improve customer satisfaction, because they can get what they want, when they want it.

The third process is electronic commerce -- allowing customers to purchase your products over the Web. Enabling them to process their own requests, like claims processing in the insurance industry or making payments in banking and finance. This is a huge potential change to the way everyone does business.

Slide 9: Maximize Your ROI

The Meta Group did a study on companies return-on-investment in different business processes. Although publishing applications were the most wide-spread, the closer the application came to mission-critical line-of-business applications, the greater the return.

Slide 10: What to Expect from e-Commerce

Increasing Sales

e-Commerce means taking your business model online ... and achieving better business value. Increasing your revenue by cross-selling (based on selection you select additional products) and up-selling (based on selection you suggest a better alternative) to new and existing customers and by expanding your reach to a worldwide audience, you've got a new universe of potential buyers.

Decreasing your expenses

reduced cost of sales by lower overhead --

because this new sales channel is built without bricks or mortar.

And carrying costs are minimized with just-in-time inventory and the ability to spot trends and adjust immediately

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Improved customer service

since your business can be open 24 hours a day, 7 days a week, 365 days a year. And you can offer your customers personalized catalogs or customized views which enables true one-to-one marketing.

Slide 11: Business-to-Consumer

Enjoy revenue growth through:

- Expansion geographically, reaching new markets
- Reaching new customers
- Exploiting the web to provide new value added products & services

Increase customer loyalty through:

- Enhanced customer service
- Personalized service and product offerings
- Shopping convenience (7x24 - self service, targeted marketing)

Improve operational efficiencies through:

- Reducing selling cost
- Streamlining order processing
- Providing efficient stock control

These are IBM references. Please feel free to insert your own references if you have them.

What You Need for B to C

For Business to Consumer e-commerce, it is important that your site is designed in a way that looks good graphically, and is easy for consumers to navigate around in your store. You will typically only need a credit card buying model. E-mail and fax capabilities will be needed for order notifications. Your e-commerce systems will need link to your inventory and accounting systems.

Slide 12: Business to Consumer - What the Experts Say

The Meta Group is predicting \$100 billion in the year 2000, IDC predicts a twentyfold increase by the year 2001. More and more consumers are shopping on-line!

Slide 13: B to B - What's my Opportunity?

Strengthen business relationships through:

Extending core business processes to customers and suppliers

Establishing communities of interest

Increasing hours of operations

Providing customer self-service and support

Improve operational efficiencies by:

Streamlining supply chain integration

Gaining efficiency in stock control, ordering, and fulfillment processes

Improving efficiencies by automating manual, paper intensive processes

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Achieve revenue growth by:

Reaching new customers & channels

Improving the support and marketing provided by the direct sales force

Increasing contracts and volumes

Today, the world is excited by Amazon.com, ebay.com, rei.com and others. But the largest segment of e-commerce is the buying and selling of goods and services by business to other businesses.

What You Need for B to B

B-to-B requirements

Objective: Complete solution

The key to business-to-business e-commerce is the support and customization of internal and external business processes--particularly the transaction process. Your goal, streamline the transaction process between the buyer and seller so that you can:

w Minimize data entry

w Make it easier to order

w Improve order efficiency

Corporate customers don't want to browse catalogs. They want to order quickly and get back to work. This means building customer specific catalogs that present frequently ordered shopping templates.

Within your supply chain, you need to be able to support the multiple forms of payment that already exist like EDI, purchasing cards, and purchase orders.

You know taxes and shipping are complicated when it comes to business-to-business commerce.

Bottom line. Your systems and processes must be compatible with those of your trading partners.

Finally, you can't ignore the established legacy business systems and processes that you use internally like general ledger, workflow systems, inventory, and customer service.

Slide 14: B to B - New Estimates for e-Commerce

North America, 1999 - \$145 billion, 2004 - \$2.8 trillion

Europe, 1999 - \$32 billion, 2004 - \$2.3 trillion

Asia, 1999 - \$ 9.2 billion, 2004 - \$ 900 billion

Latin America, 1999 - \$ 1 billion, 2004 - \$124 billion

IDC predicts by the year 2002, more than three-quarters of all commerce facilitated with the Internet will be business-to-business commerce. And at over \$425 billion, that is a much bigger marketplace than the \$93 billion in the business-to-consumer category.

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Slide 15: Polling Questions

Ok, lets take another break and get some more feedback from you.....

1. What industry is your business in?

retail
manufacturing
banking
healthcare
telecom
other

2. Do you see e-commerce playing a key role in growing your business?

Yes
No

3. What size is your business?

0 - \$20M	\$20M - \$50M
\$50M - \$100M	\$100M +

Slide 16: What is the Solution? Title Page

Slide 17: IBM Websphere Commerce Suite

WCS is an industry leading, integrated e-commerce solution, as acknowledged by Forrester.

Providing a scalable, end to end, reliable solution with global reach and capability.

It offers rich and extensible business functionality for complete end to end e-commerce solution, that can be tailored for your unique needs.

Back end and application to appl integration is a key strength of IBM's product offering & services capability

IBM offers the most flexible and powerful development tools in the industry - out of the box (VA Java, Studio, Hot Media, etc.... all bundled & integrated)

Based on industry stds (Java, Java Script, JSPs, XML, SSL)

Broad Industry acceptance - 100+ ISVs, 1000+ Bps

Slide 18: Websphere Commerce Suite V4.1

WCS product features

Slide 19: Lessons Learned

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Everyone wants to know how to be successful in e-commerce, here are some lessons learned.

Anticipate where you're going - what are the business drivers...what applications do you want to provide? Answer these before picking technology. Alice came to a fork in the road. 'Which road do I take?' she asked. 'Where do you want to go?', responded the Cheshire cat. 'I don't know.' Alice answered. 'Then,' said the cat, 'it doesn't matter.'

Team consists of cross-functional executives (sales, marketing, advertising, legal, business development, etc), a solution provider (that would be IBM...), potentially business partners, advertising/PR company....

Embrace standards.

Plan for change - expect the unexpected.

Slide 20: How do I get Started? - Title Page

Slide 21: Getting Started

Executives describe their top ten e-business learnings to date:

1. Clearly identify your business objectives before starting.
2. There is a need for senior business champions that are committed to the project.
3. A skilled project team is essential -- one that combines both business and IT.
4. E- Business must be a business- driven (not an IT) initiative.
5. Business units must feel ownership -- but central leadership, coordination and development is important.
6. Plan thoroughly how to integrate E- Business into your existing business system.
7. Understand the Legal and Security requirements that E- Business brings.
8. Culture and change are more complex than technology to institute.
9. Include key business partners in your initiative.
10. Don't treat E- Business as just a "front- end" -- it changes the way you operate.

From Electronic Business Outlook, July 98, The Conference Board and PriceWaterhouseCoopers

Slide 22: e-Commerce Executive Assessment

End with an offer, we suggest you use the e-Commerce Executive Assessment. It is a fee-based assessment service you can offer your customers. We suggest you charge between \$1500 - \$3,000 depending on the size of the company. The entire process takes about 2 - 3 weeks. You will provide the customer a prototype commerce site using their data, do an analysis on their business (we will provide you with assessment questions to determine) a proposal based on the analysis, and competitive website information.

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To learn more about the e-Commerce Executive Assessment, and to download the materials that take you step-by-step through the entire process; go to: www.ibm.com/websphere/partners select "Marketing and Sales Tools".