

How to Make Money With Electronic Commerce

Agenda

- Introduction
- e-commerce Overview
- What is the e-commerce opportunity?
- What is the solution?
- How do I get started?

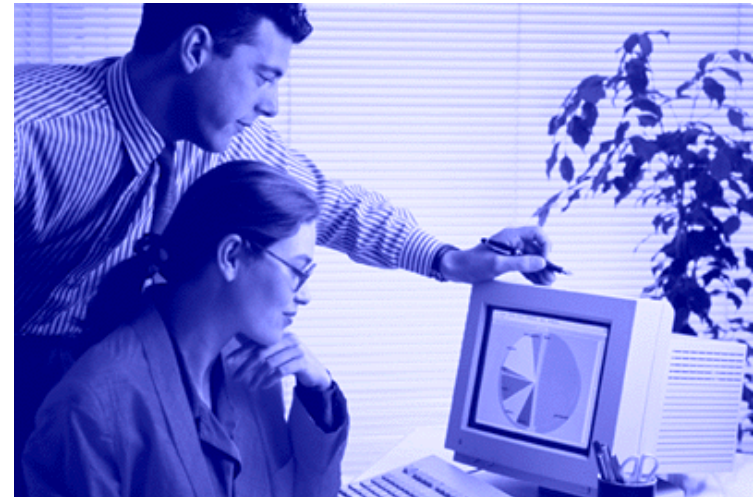




It's about **BUSINESS**, not just technology

- **Conduct business on the web**
- **Transform the way you do business**
- **Use what you already have:**
 - ▶ **Sales Collateral**
 - ▶ **Applications**
 - ▶ **Data**

So: Businesses like yours move to the web everyday.



Electronic Commerce is...

- Buying and selling across the supply chain
- ...and other ways of doing business electronically
- Tightly linked to:
 - ▶ Supply Chain Management
 - ▶ Customer Relationship Management
 - ▶ Business Intelligence
- ...and integrated with back-end systems, applications and processes



Polling Questions

1. Do you currently have a web presence?

Yes _____

No _____

2. If so, what phase?

home page

brochureware

look-up/database access

customer service

taking orders on-line

web self-service

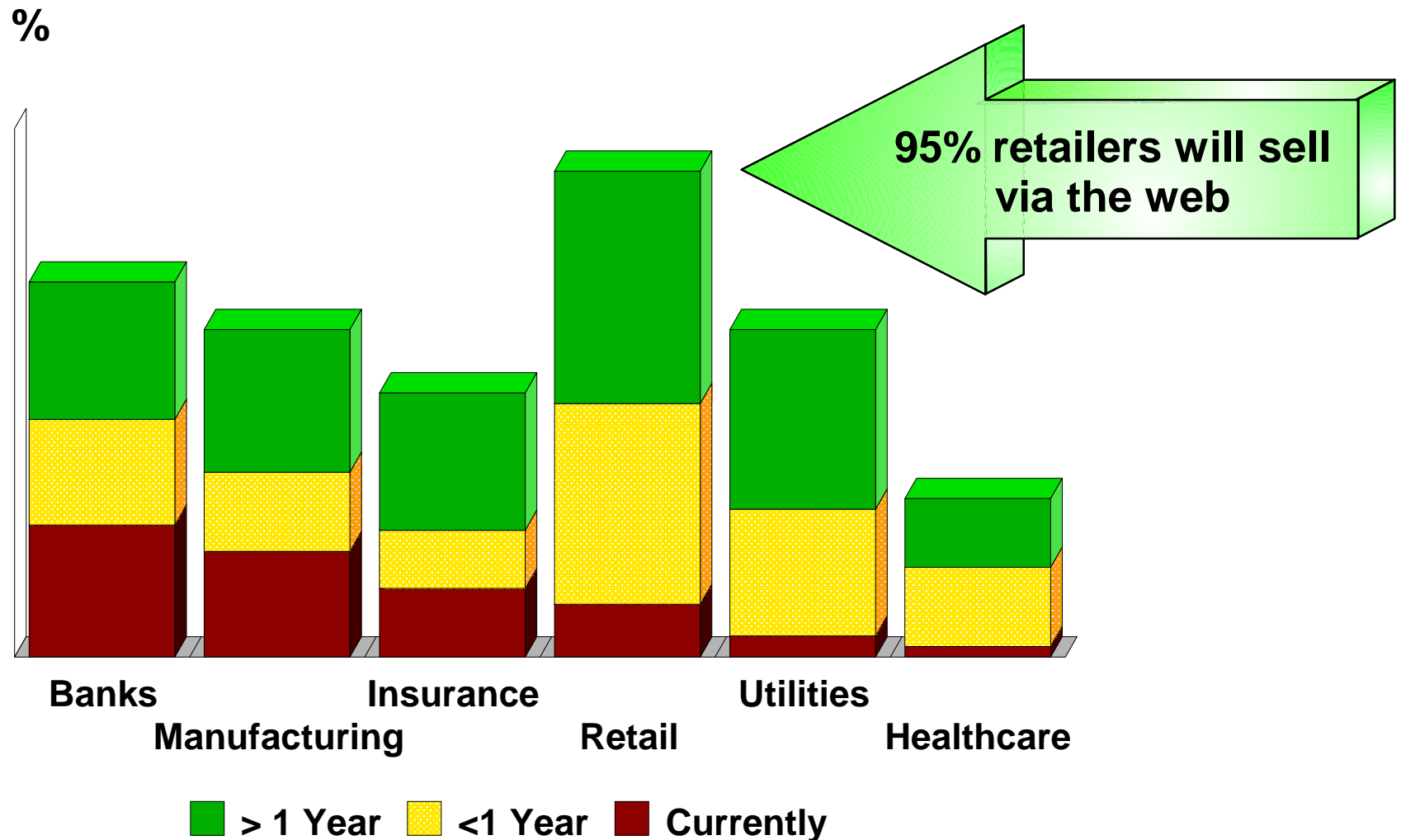
supply chain integration



What is the e-Commerce Opportunity?

Selling via the Web is Transforming Industries

% of Companies Selling on the Internet



Examples of High ROI Processes

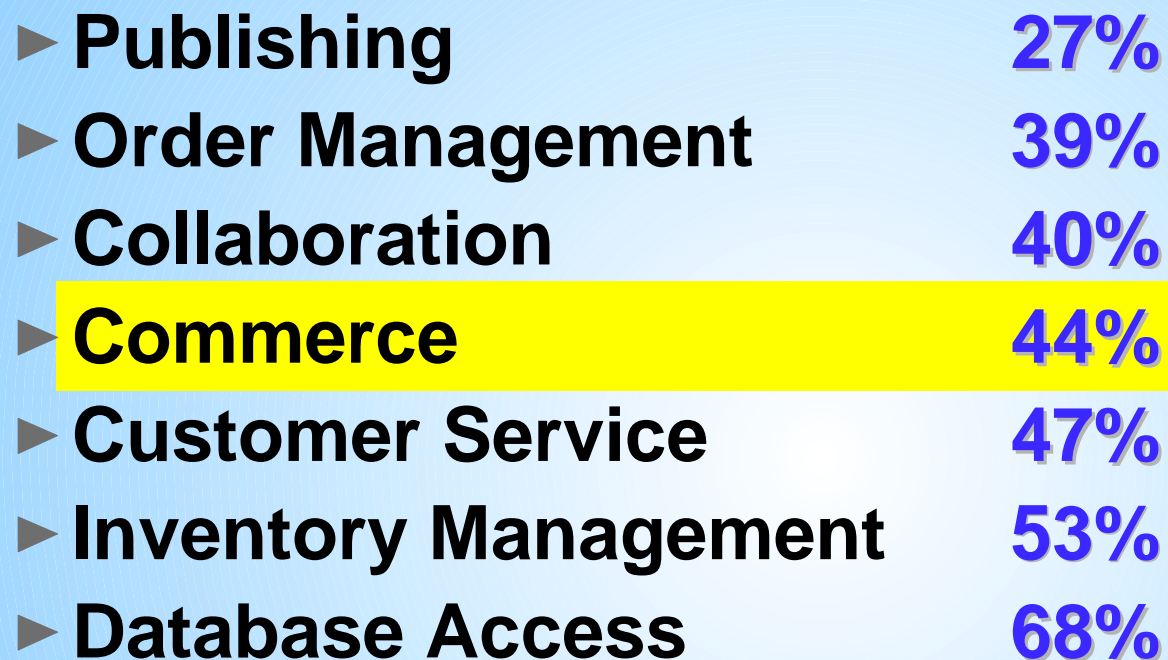
Industry

Process

Banking and Finance	<ul style="list-style-type: none">• Customer support and development• Customer acquisition• Payment and billing
Manufacturing	<ul style="list-style-type: none">• Procurement• Inventory management
Retail Distribution	<ul style="list-style-type: none">• Customer acquisition• Procurement and inventory management
Insurance	<ul style="list-style-type: none">• Customer acquisition• Customer/channel support & dev.• Claims processing (P&C only)
Telecommunications	<ul style="list-style-type: none">• Customer support and development• Invoicing
Travel	<ul style="list-style-type: none">• Customer acquisition• Customer support and development

Source: McKenna Group and IBM, 1998.

Maximizing Your ROI



▶ Publishing	27%
▶ Order Management	39%
▶ Collaboration	40%
▶ Commerce	44%
▶ Customer Service	47%
▶ Inventory Management	53%
▶ Database Access	68%

Source: Meta Group Consulting

What to Expect from e-Commerce

■ Increasing Sales

- ▶ Cross-sell and up-sell
- ▶ Expand geographical reach

■ Decreasing Expenses

- ▶ Reduce cost of sales
- ▶ Decrease carrying costs

■ Improving Customer Service

- ▶ Available 24 x 7
- ▶ Personalized catalogs
- ▶ More than just brochures



Business-to-Consumer

- Revenue growth
- Increased customer loyalty
- Improved operational efficiencies



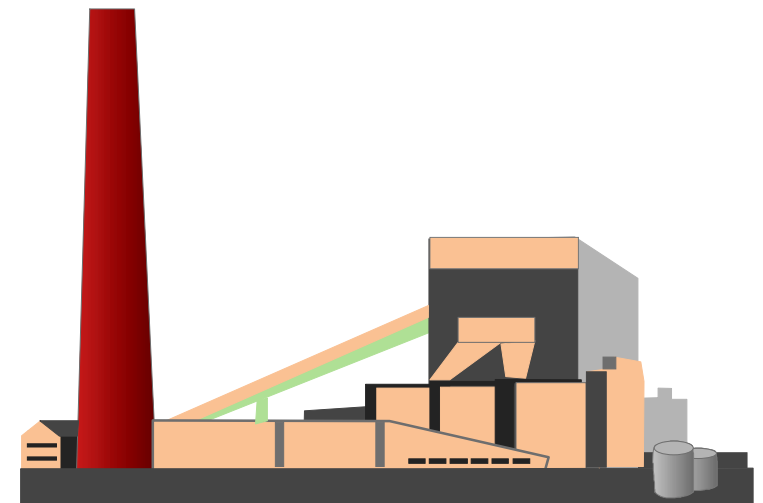
Business to Consumer

What the Experts Say.....

\$100 billion in 2000	META Group
\$51 billion in 2000	Input
Twentyfold increase by 2001	IDC/Link

Business-to-Business

- **Strengthen business relationships**
- **Improve operational efficiencies**
- **Revenue Growth**





New Estimates for B2B e-commerce

The business-to-business e-commerce marketplace will exceed \$7 trillion in 2004

Gartner Group - 2/17/00

	1999	2004
North America	\$145 billion	\$2.8 trillion
Europe	\$32 billion	\$2.3 trillion
Asia	\$9.2 billion	\$900 billion
Latin America	\$1 billion	\$124 billion



Polling Questions

1. What industry are you 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

\$20 - \$50m

\$50 - \$100m

\$100+



What is the Solution?





IBM WebSphere Commerce Suite

- **Industry leading, integrated e-Commerce Solution**
- **Rich features, tailorable & extensible in B2C & B2B environments**
- **Business & application integration capabilities**
- **Flexible & powerful application development & management workbench**
- **Embraces open industry standards**
- **Broad industry acceptance**
- **Family of offerings - START, PRO, Service Provider editions**





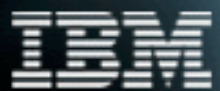
WebSphere Commerce Suite V4.1

- **Rich e-commerce Functionality for B2B, B2C and eMP's**
- **Application and Business Integration**
- **Rich Application Development and Management Workbench**
- **Component-Based Architecture**



Lessons learned

- Senior management drives e-business.
- It's about business. Not just technology.
- Start simple. Grow fast.
- Build on what you have.
- Set ambitious goals.
- e-business affects everyone.
- Focus on the audience and on what you do best.
- It takes a team. Experience helps!
- Anticipate where you're going, iterate, and plan for success.
- Deploy a standards-based, scalable architecture



How do I get Started?

Getting started

- Develop a corporate-wide, customer-driven strategy
- Define requirements
- Leverage your current assets and skills
- Develop new competencies...



e-Commerce Executive Assessment

- e-Commerce assessment on your business
- approximately 2 - 3 week process
- What you get:
 - ▶ Prototype e-commerce website (your data)
 - ▶ e-commerce business assessment
 - ▶ e-commerce strategical and tactical proposal
 - ▶ Competitive Website analysis

