

Dec 2012

# Smarter Commerce

## Commerce Portfolio



Fatih Kayadelen

B2B & Commerce Brand Manager

# IBM's integrated portfolio for Smarter Commerce

## VALUE CHAIN STRATEGY AND SERVICES

### Innovation and business value

Innovating and aligning business models to drive value to the customer

### Market and customer mgmt

Aligning sales, marketing and operations to engage with customers

### Operating and organization models

Designing operations, supply chain and the organization model to deliver customer value

## CORE BUSINESS SOLUTIONS

### Core Business Processes

#### Buy

- Sourcing
- Supplier Life Cycle Management
- Supplier Integration & Management
- Supply Chain Optimization
- Logistics Management
- Payments and Settlements

#### Market

- Customer Awareness & Analytics
- Social Media Marketing
- Brand Experience
- Cross-channel Campaign Mgmt
- Digital Marketing Optimization
- Marketing Resource Mgmt

#### Sell

- Cross-channel Selling
- Distributed Order Management
- Customer Integration & Collaboration
- Fulfillment
- Store Solutions
- Payments & Settlements
- Contract Management

#### Service

- Delivery, Service, & Support
- Customer Self-Service
- Reverse Logistics
- Case Management

### Advanced Analytics

Store analytics | Purchase analytics | Consumer loyalty | Predictive and prescriptive | Social Analytics | Master data management

### Workload Optimized Systems

(Z-Enterprise, Power, X, Storage and Systems Software)

focused on agility, integration and automation to drive relevant business outcomes

## CUSTOMER VALUE STRATEGY

### CORE BUSINESS SOLUTIONS

#### Buy



##### Emptoris

- Spend Analysis
- Sourcing
- Contract Management
- Supplier Lifecycle Management
- Category Compliance Management



##### Sterling Commerce

- Transportation Management
- Supply Chain Visibility
- B2B Integration
- Supplier Portal Vendor Compliance



##### ILOG Supply Chain

- Product Optimization
- Inventory Optimization

#### Market



##### Unica

- Resource Mgmt
- Campaign Mgmt
- Marketing execution
- Performance Analysis



##### Coremetrics

- Analytics & Reporting
- Segmentation
- Search Optimization



##### DemandTec

- Price, Promotion, Merchandising
- Marketing Analytics



##### WebSphere Commerce

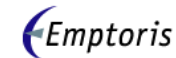
- Cross-Channel Selling
- Customer-centric Shopping Experience
- B2C/B2B Storefronts
- Precision Marketing



##### Retail Store Solutions

- Retail POS Solutions
- Self-Service Portal/Kiosk
- POS Applications

#### Sell



##### Emptoris

- Contract Management



##### Sterling Commerce

- Order Management
- Configuration, Pricing, Quoting
- Multi-vendor catalog
- Warehouse Management
- Transportation Management
- Supply Chain Visibility
- B2B Integration



##### ILOG Supply Chain

- Network Optimization
- Transportation Optimization

#### Service



##### Sterling Commerce

- Delivery & service Scheduling
- Reverse Logistics



##### IBM Case Manager

- Case Design, Run-time, Analytics
- Collaboration
- Rules & Events



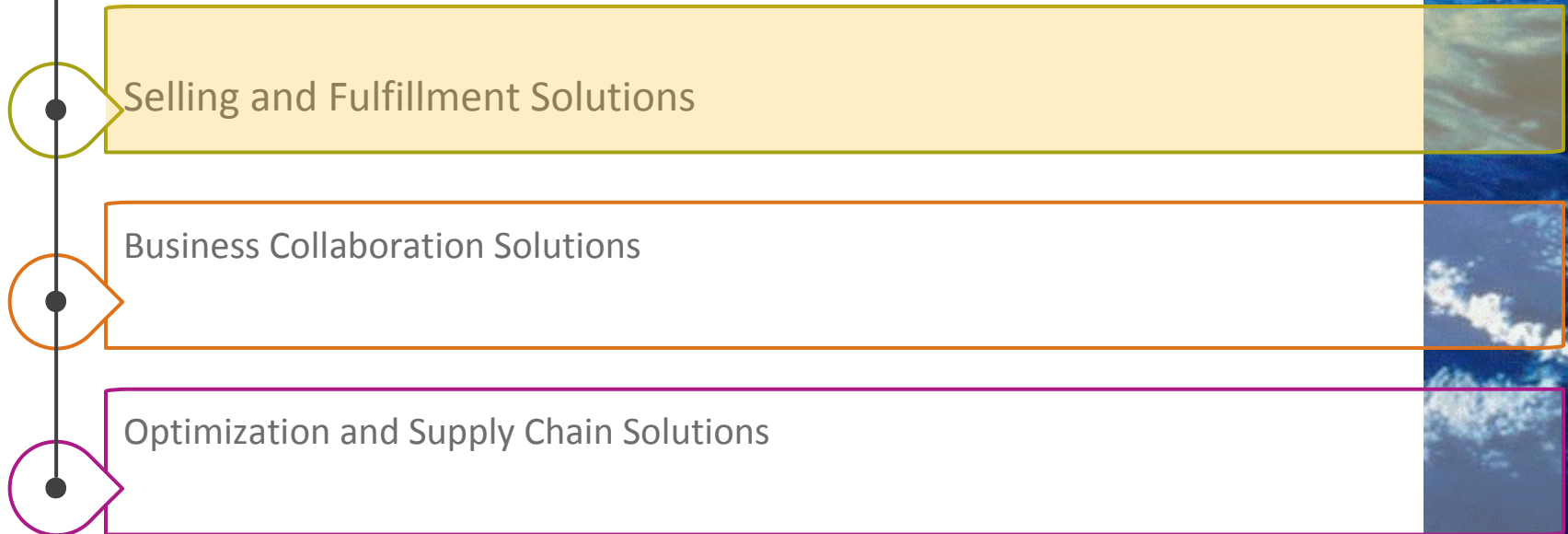
##### Unica

- Service messaging
- Notifications

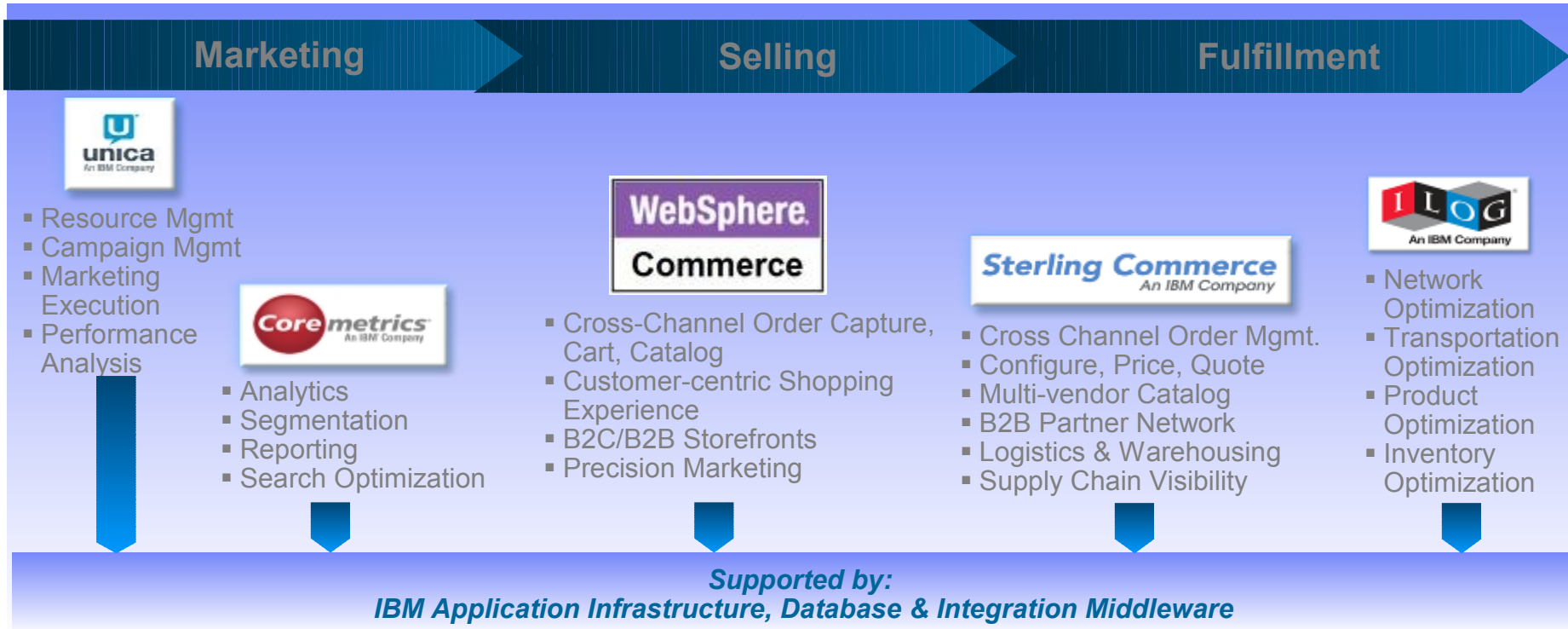
### CUSTOMER INSIGHT SOLUTIONS



# Commerce Portfolio Overview



## IBM's Strategy: Address Our Customer's Needs Across the Complete Marketing-to-Fulfillment Lifecycle



# Delivering Smarter Commerce

## *IBM WebSphere Commerce*

Customer-centric Experience

Cross Channel Optimization

Foundational Leadership



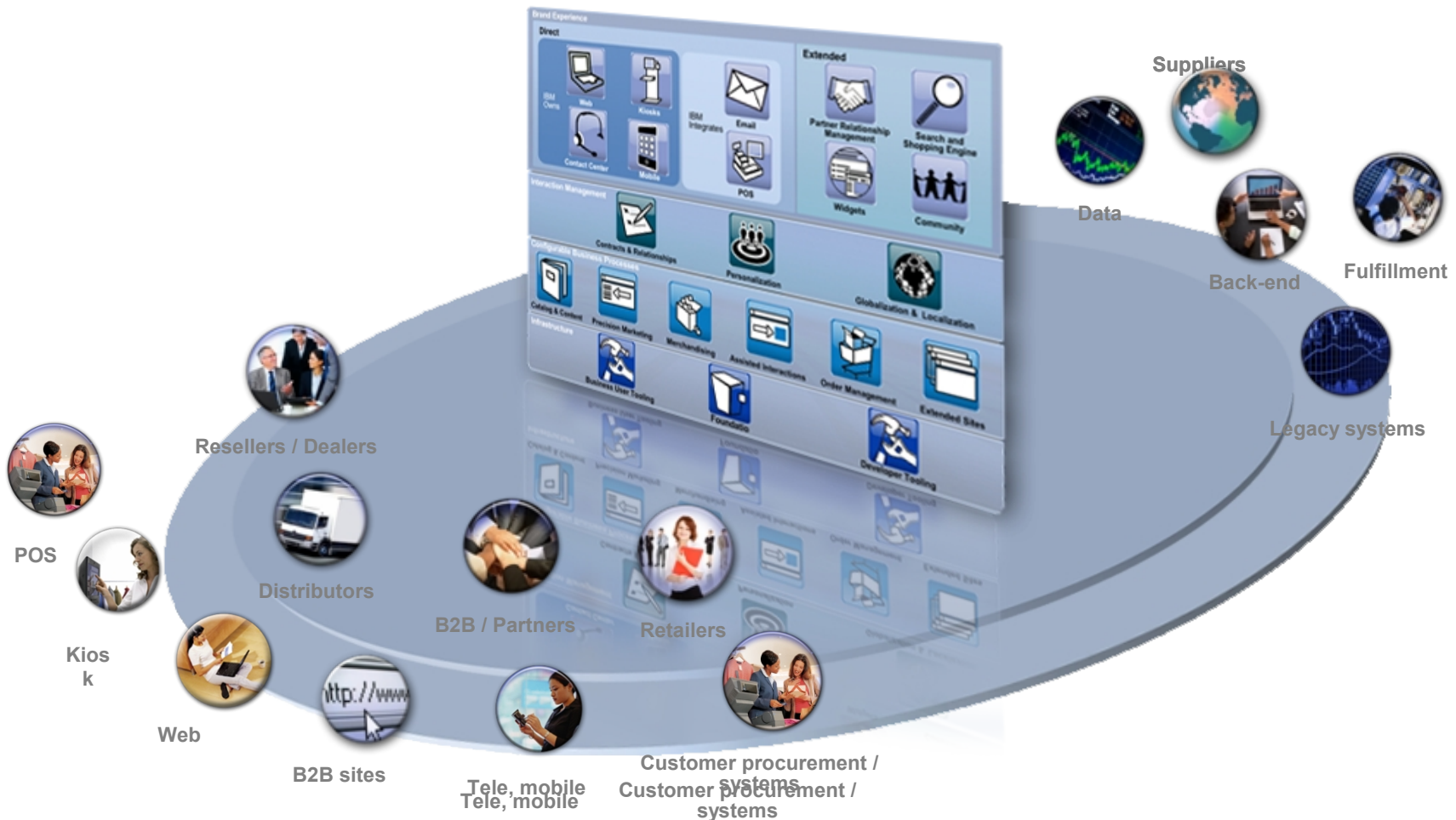


# Selling to Today's Demanding Customers

- Accommodate different buying styles, motivations, and criteria
- Target information and recommendations at key decision points throughout the purchase process
- Build consistent brand experience beyond online



# IBM WebSphere Commerce

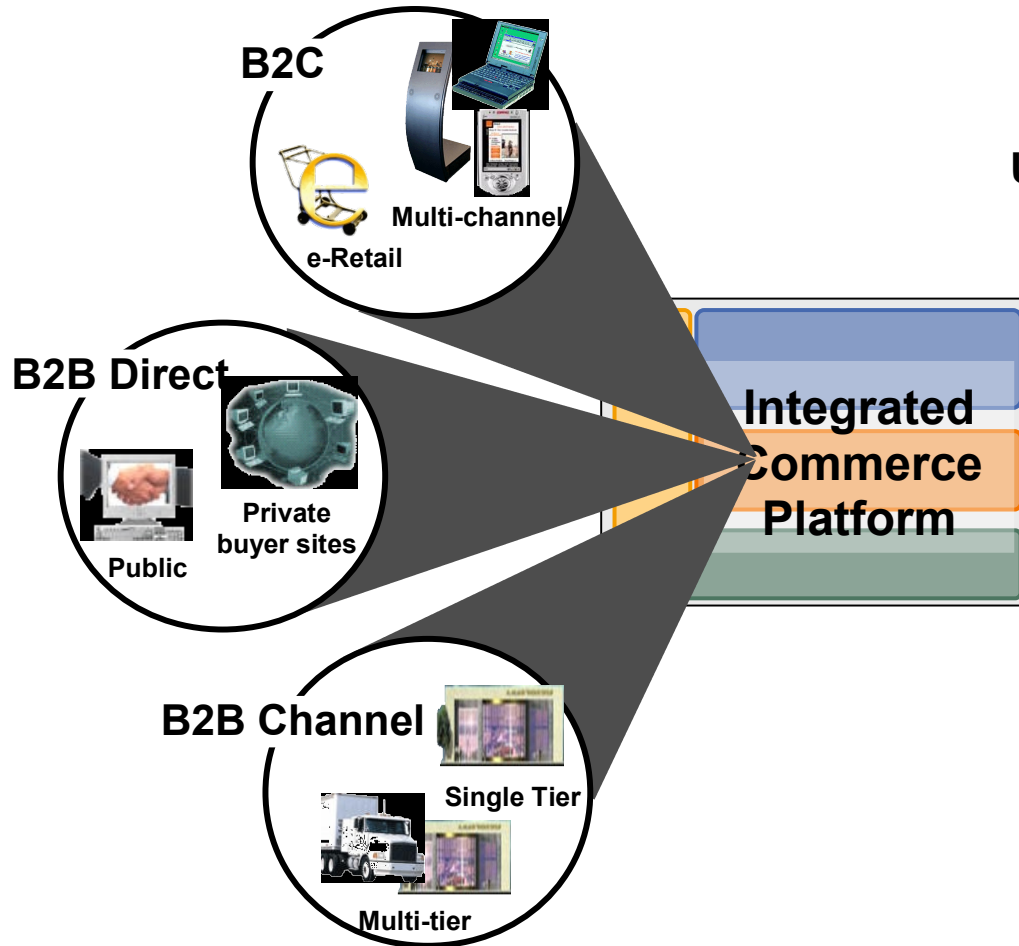


**WebSphere Commerce “Customer Interaction Platform” enables companies to deliver a consistent, customer-centric experiences across multiple channels & touch points**

IBM Internal



# All Business Models on a Single Platform



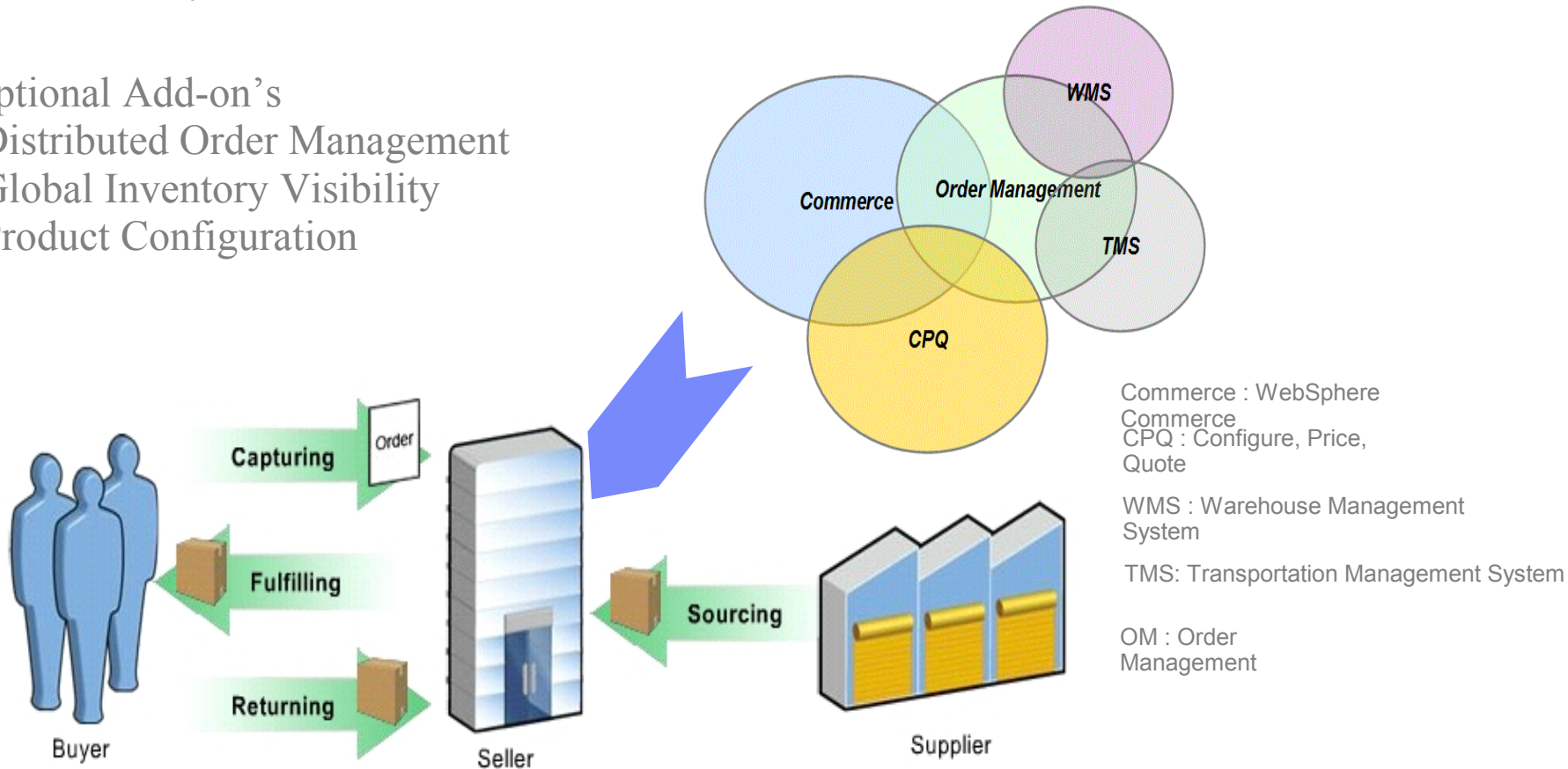
## Unique architecture supports:

- The broadest range of out-of-the-box business models B2B, B2C, Mixed
- Unmatched flexibility to configure or customize models to fit needs
- Multiple business models on a single platform
- Multiple catalogs, stores, brands, channels and touchpoints in a single installation

# WebSphere Commerce as a customer interaction platform is complemented by selling and fulfillment solutions from our Sterling Commerce portfolio

## Optional Add-on's

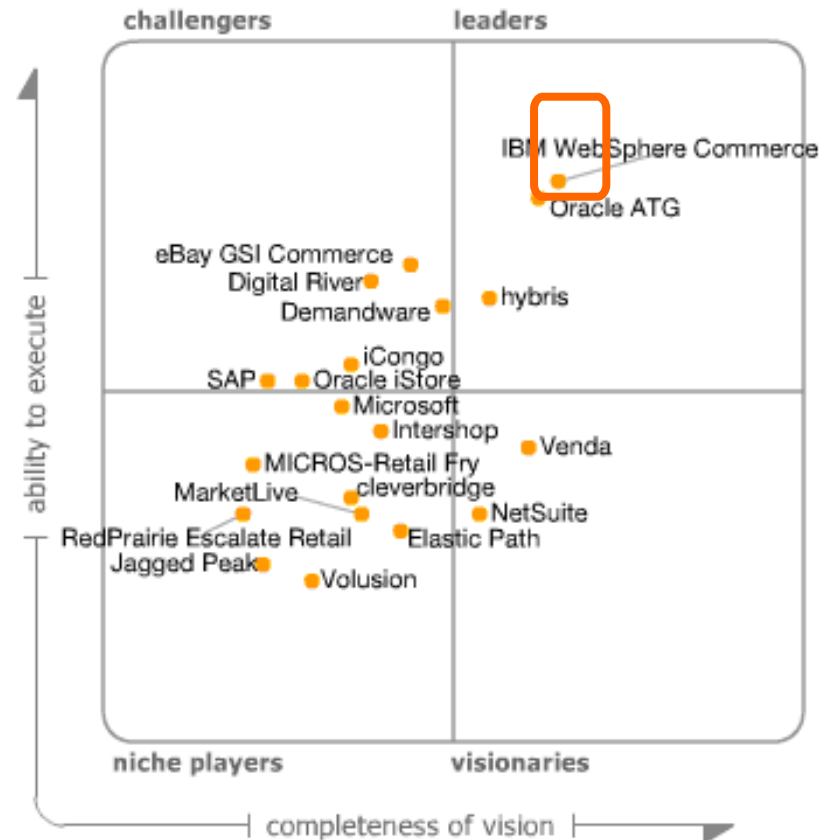
- Distributed Order Management
- Global Inventory Visibility
- Product Configuration



# IBM WebSphere Commerce – recognized leading solution

- Recognised by leading analysts<sup>1</sup> as a **leading platform to drive increased sales**, enhanced customer service and promote loyalty
  - Placed in the **leaders quadrant** in the Magic Quadrant for e-Commerce (Gartner)
  - In B2B rated *“Best of Breed”*, *“Highly flexible and scalable enterprise B2C eCommerce solution”* (Forrester)
  - *“The front runner in our vendor landscape”* (AMR)
- Industry’s most widely deployed and integrated eCommerce platform (1500+ live deployments).
- IBM have over 300 dedicated developers in our WebSphere Commerce development Labs.
- IBM is continuing to invest heavily in eCommerce to offer the most complete end to end solution in the market across B2C and B2B. Including the recent acquisitions of Coremetrics, Sterling Commerce and Unica. IBM Internal

October 2010 “The Forrester Wave™: B2C eCommerce Forrester Wave™: B2C eCommerce Platforms, Q4 2010”



As of November 2011

# How do you position?

## Interaction Platform for Customer Centric Multi Channel eCommerce

1. Leverages the power of the underlying IBM platform for optimal performance, **scalability, reliability and high availability**
2. Drives **improved customer loyalty and increased shopping cart** sizes by delivering rich, personalized and contextually relevant content at each stage of the shopping experience

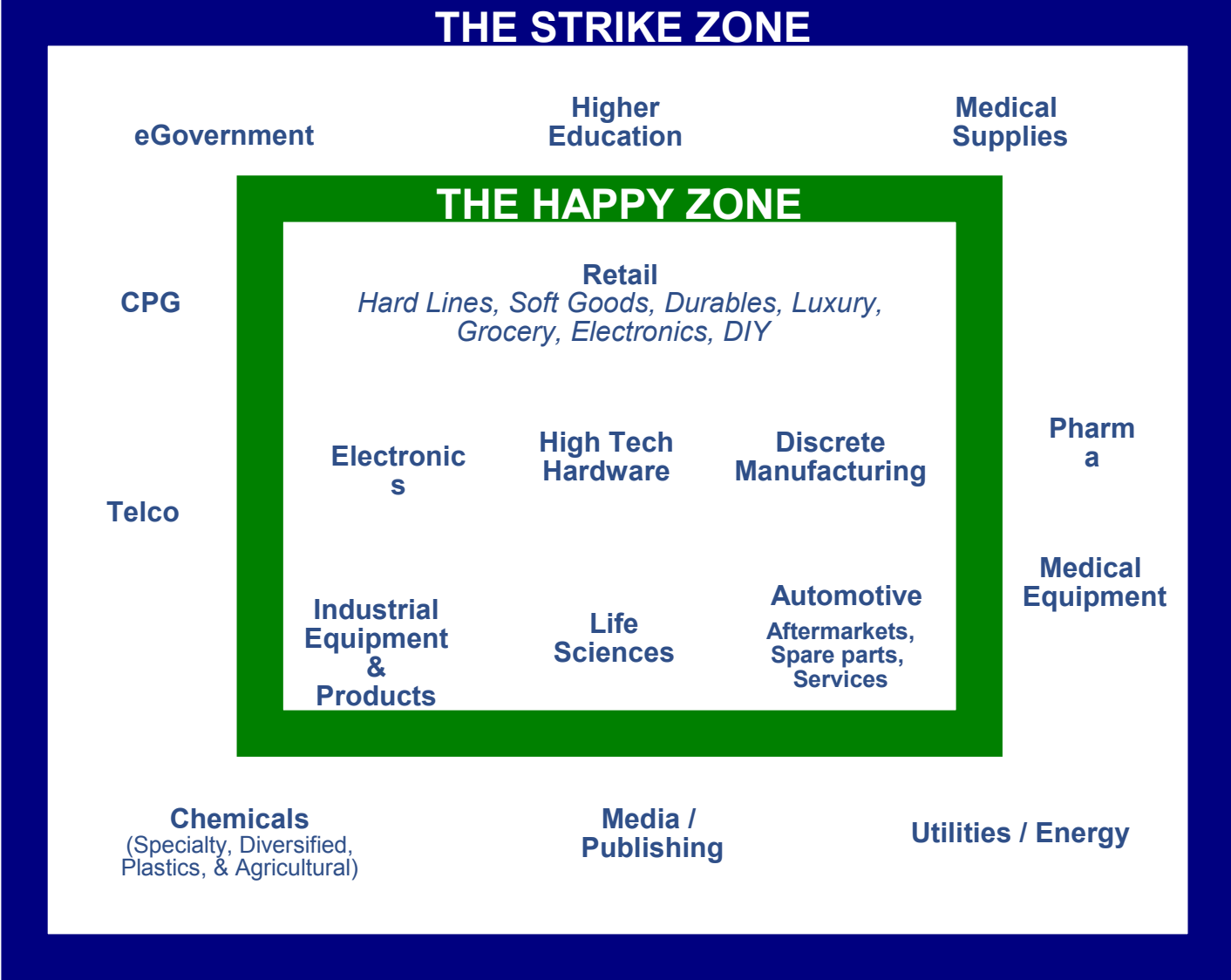


5. Provides **powerful business user tools** for Merchandising, Catalog Management, and Cross-channel Precision Marketing campaigns and promotions

3. Supports **all company selling business models**, including B2C and B2B on a single customer interaction platform

4. Delivers a **seamless, branded shopping experience** across all channels, including digital and physical touch points within each channel

# Product Strike Zone – Target Industries and Segments / Sectors



# What to look for? What's the fit?

---



- **Target Prospects: customers that want to accomplish one or more of the following:**

- Replace an outdated or failing e-commerce site
- Consolidate customer-facing sites and e-commerce initiatives on a single platform
- e-commerce to reach new customers / markets / better customer experience
- Establish an e-commerce platform as the foundation for a multi-channel strategy
- Automate unique, complex B2B contractual agreements & business relationships online

- **Target Customer Size**

- Primary: companies 750+ employees / revenues over \$250M (IA)
- Secondary: companies 100-999 employees / revenue of \$200-250M (GB)

- **Target Decision Makers**

- Focus on the business stakeholders; IT engagement should always bridge to LOB
- Typical Decision Makers
  - COO / CEO / Board of Directors
  - Vice President or Director of e-Business or e-Commerce
  - Vice President or Director of Sales / Multi-Channel Sales / Direct Sales
  - Vice President or Director of Marketing / Online Marketing / Interactive Marketing
  - Vice President or Director of Online Systems or Internet
  - Director of Channel Marketing
  - Manager of Partner / Dealer / Affiliate Relations

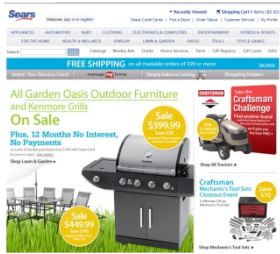


# Some WebSphere Commerce Customers



# Reference - Sears

## Isolated channels



In Store



Catalog / Call Center



## Integrated cross channel shopping experience



# Staples B2B Supports Diverse Contractual Relationships

## Challenge

- Supporting multiple customers buying under multiple contracts
- Individual buyers have differing levels of purchase authority
- Track site usage and online sales rates

## Solution

- 10,000+ buying organizations each see contract-specific pricing and policies
- Built-in approval workflow facilitates purchase authorization across multiple users at different organizational levels



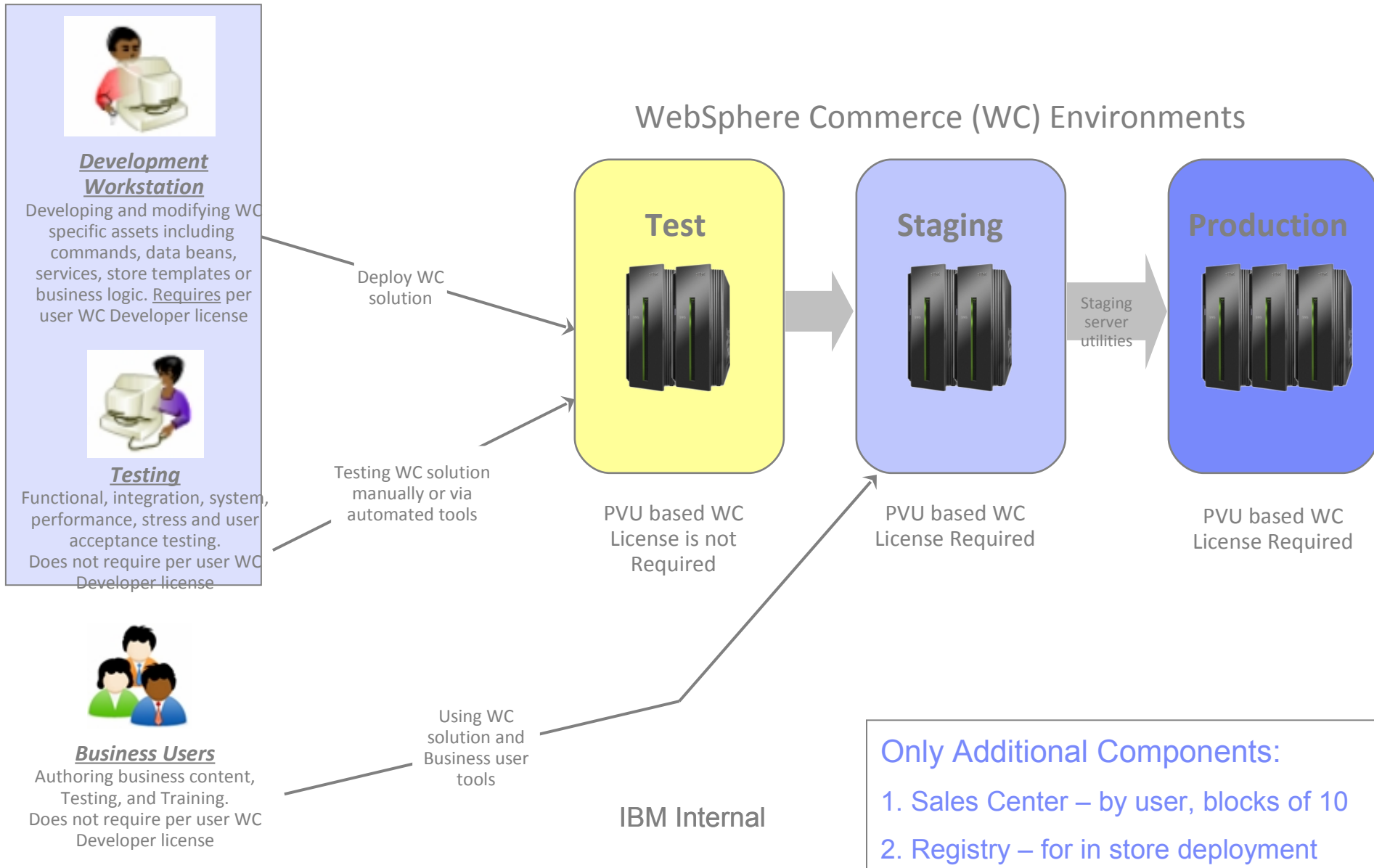
## Benefits

- Over \$1 Billion (70%) of total B2B sales driven through site
- Site usage analysis enables Staples to continually enhance search engine performance
- Automated support for diverse policies, contracts, buyer roles on a single platform

*"This past year alone, 86 percent of the new customers we acquired use StaplesLink for doing business with us" - Lisa Hamblet, VP, B2B e-commerce, Staples*

# Pricing – How do we price this thing?

## V7 Licensing: Development + On Premise CPU (IBM PVU metric)



# Delivering Smarter Commerce

## IBM Sterling Selling and Fulfillment Solutions

### Distributed Order Fulfillment

- *End-to-end order visibility and execution across disparate systems, suppliers and partners*
- *Complex sourcing and scheduling*

### Supply Chain Visibility across partners, suppliers, in-house DC's

- *Accurate Inventory and Service Capacity Promising*

### Configure, Price, Quote

- *Maintain product and service ordering information and configuration and pricing rules*
- *Allows end-users to configure complex products and services*
- *Create quotes and distribute them for approval*

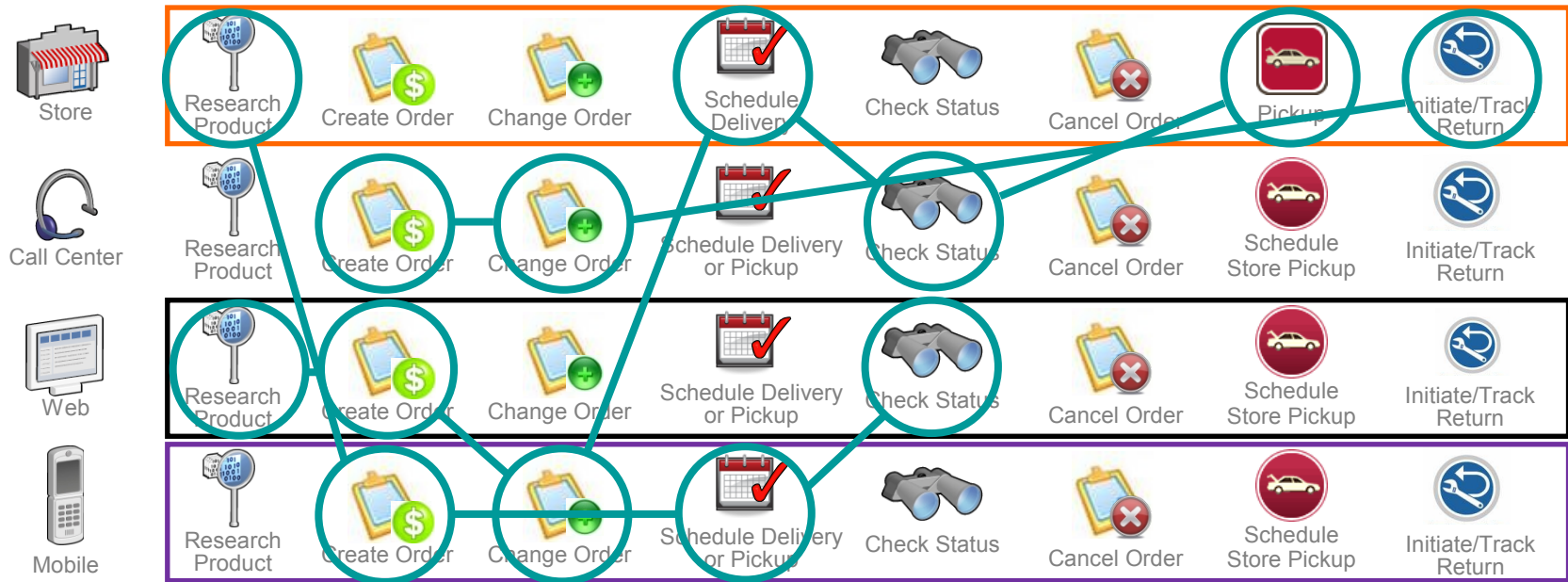
### Warehouse Management and Transportation Management





# IBM Sterling Order Management enables true cross channel customer experience

## Cross-Channel Order Handling



### Customer Expectations

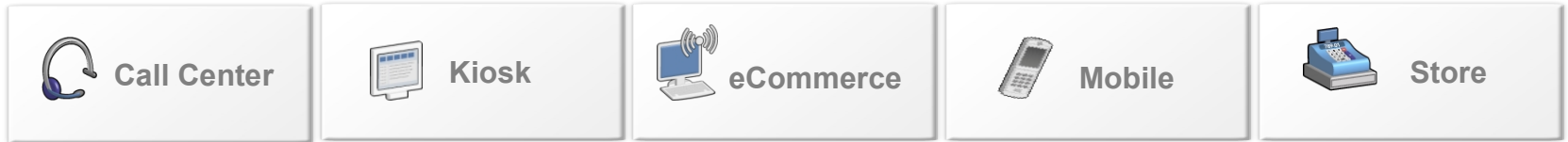
Complete an order anywhere	61%
Modify an order anywhere	74%
Track an order anywhere	87%

<sup>1</sup> Source: "Cross-Channel Brand Interaction: 2010 Consumer Preferences," Sterling Commerce, DemandWare



# Seamless cross channel operation requires inventory and order visibility and fulfillment across the extended value chain

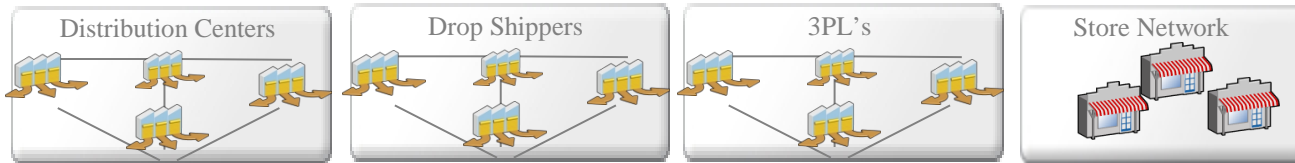
Customer Channels



Enterprise Applications

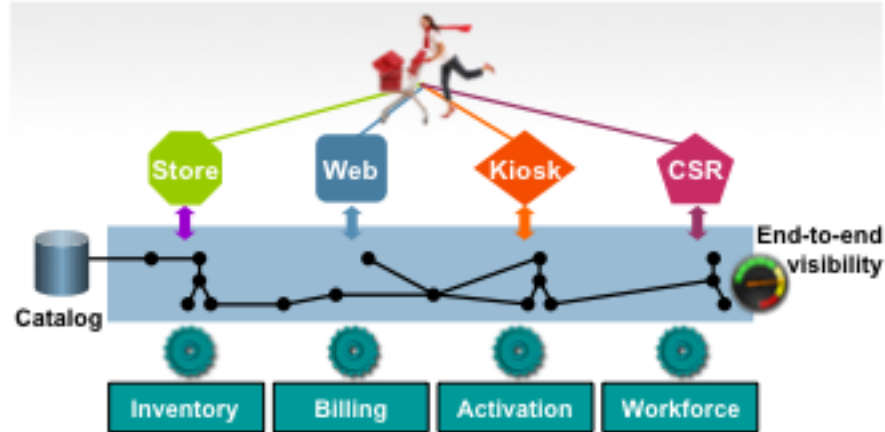
***Can We Set Accurate Expectations with the Customer?***  
***What Steps are Required to Fulfill each Specific Order Line?***  
***How do we Coordinate these Steps Across Applications?***  
***What are the Fulfillment Rules for a Specific Order Line?***  
***How do we Best Leverage the Fulfillment Network?***  
***How do we Remain Flexible to Enable New Business Initiatives?***

External Services



Fulfillment Network.

# IBM Sterling Order Management Orchestrates Fulfillment Across a Diverse Fulfillment Network



## Order Capture Engine

- Accept orders from any source
- Validate orders prior to fulfillment
- Provide order status out to selling and ordering systems

## Sterling Order Management Order Decomposition

- Decomposition into sub orders and tasks
- Planning and Scheduling
- Task Sequencing
- Global inventory visibility

## Order Orchestration

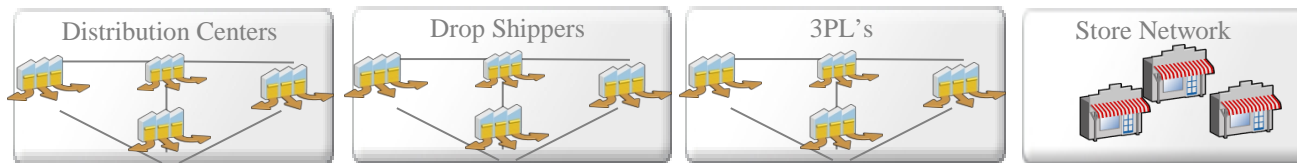
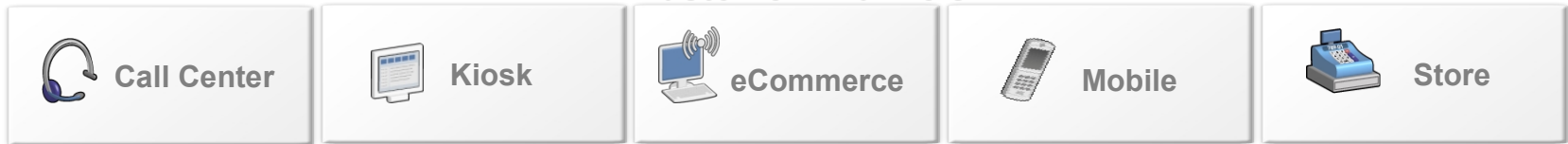
- Support multiple Order Types
- Order State Management
- Jeopardy Management
- Automated Exception Handling

## Process Administration

- Process modeling to define entire order process
- Service definition framework to manage integration across a network of both internal and external fulfillment points

# IBM Sterling Order Management helps deliver a superior customer experience by enabling to execute and coordinate order fulfillment processes across your extended supply chain network

## Customer Channels



## Fulfillment Network

# Some Sterling Order Management Customers



IBM Internal

# Best Buy Increased Sales and Optimized Fulfillment



## Sterling Commerce Solution

- Sterling Order Management, Delivery and Service Scheduling, Reverse Logistics, Inventory Sync and Platform

## Customer Overview

- National retailer of brand-name consumer electronics, personal computers (PCs) and entertainment software
- 700+ Stores; \$30B+ Annual Revenues

## Customer Challenges

- Manage drop shipments and special orders
- Buy online, pick up in store
- Cross facility inventory visibility and transfer
- Facilitate returns
- Integrate with external repository of inventory, service capacity

## Initiative

- Expanded Selection and Convenience
- Increase in average purchase
- Increased sales through cross-facility inventory visibility
- Centralized returns

## Business Benefits

- Improved customer experience, better levels of service
- Proactive alerts on business issues
- Increased inventory accuracy
- Single view of order

# Global Multi-Tenant Platform



## ■ Sterling Commerce Solutions

- Sterling Commerce Order Management Solution

## ■ Customer Overview

- \$350B retailer with over 5000+ stores in North America and 15 regions globally
- Largest retailer in the world.

## ■ Customer Challenges

- Legacy Systems
- Inflexible and limited capabilities
- Disparate IT strategies across regions

## Initiative

- Create a Best in Class Cross-Channel Experience

## Business Benefits

- Is the central Order and Inventory Hub, enabling true cross-channel fulfillment.
- Streamlined Drop Ship solution supporting over 1000+ vendors at Sams Club.
- A single Multi-Tenant platform that can be rolled out globally across 15 regions.



# Multi-Channel Order Management and Expanded Sourcing Strategy



## Sterling Commerce Solutions

- Multi-Channel Order Management
- Store
- Product Management
- Inventory Synchronization
- Reverse Logistics
- Call Center & Store
- Product Configurator

## Benefits

- Increased Inventory Utilization across their entire network
- Better order management of complex orders
- Endless aisle and save the sale store offerings

## Double Digit Growing Global Home Improvement Retailer

### Initiative

- › To become a true cross channel retailer
- › Implement a flexible fulfillment program where their entire fulfillment network is available for customers to save in-store sales.
- › Better selling tools to handle in-store complex ordering

### Challenge

Antiquated order management system resulting in:

- › Poor order visibility
- › Rigid inventory sourcing rules
- › Antiquated store selling tools resulting in poor visibility of product information for store personnel

### Deployment Scenario

- › Lowes.com is first go this past October
- › Complex project orders to follow and Store rollout

# Global Order and Sourcing Strategy



## Sterling Commerce Solutions

- Multi-Channel Order Management
- Call Center
- Product Management
- Inventory Synchronization
- Reverse Logistics
- Configure, Price, Quote
- GIS

## Benefits

- Increased Inventory Utilization
- Improved Delivery Date accuracy
- Reduced call center expenses
- Improved Backorder Management

## Double Digit Growing Global Shoe Manufacturer Initiative

- › To globally consolidate their inventory and orders under one instance and establish a global sourcing strategy.

## Challenge

Multiple order channels, resulting in:

- › Disjointed cross-channel customer experience
- › Poor inventory visibility across channels
- › Inconsistent order processing procedures
- › Poor inventory visibility resulting in lost orders and unsatisfied customers

## Deployment Scenario

- › North American Deployment with Call Center
- › International Deployment next

## Situation

- More than 10 separate catalogues
- Disparate IT platforms
- Customer Service problems due to inefficient software and available to promise failures
- Desire to grow e-commerce sales and improve e-commerce offerings
- Poor visibility of delivery updates to customers

## Solution

Order Management  
Supply Chain Visibility  
Call Center

### Value/Benefits

- Support unique catalogue/brand processes on single IT solution
- Improved customer satisfaction and service/fulfilment options
- Improved operational efficiency
- Scalability and platform for further expansion

## Company Facts

World's largest specialty retailers of office supplies, equipment and furniture  
\$24 Billion revenue    Over 2,200 super stores  
Operations cover almost all of the USA & Canada  
Strong presence in Europe, Growing presence in South East Asia  
Second largest e-commerce site in revenue next to Amazon.



# Case Study: Complex Order Management

Capabilities	Company
<p><b>Need</b></p> <ul style="list-style-type: none"> <li>•Replacement of failed ERP deployment</li> <li>•Inability to provision bundled orders through one system</li> <li>•Inability to provide customer commitments for order delivery – too many systems involved in determining a fulfillment date.</li> </ul> <p><b>Solution IBM Sterling Commerce Order Management</b></p> <ul style="list-style-type: none"> <li>•Distributed Order Management</li> <li>•Delivery and Service Scheduling</li> <li>•Reverse Logistics</li> </ul> <p><b>Result</b></p> <p>Provide one-stop “promising” engine across all customer channels (call-center, web, reseller)</p> <p>Introduced returns processing for managing expensive customer premise equipment.</p> <p>Enabled “Triple-Play” with wireless and video partner CSPs service fulfillment</p> <p>Lower cost of ownership with the deployment of off the shelf software solution matching CCs business and systems architecture requirements</p> <p>Reduce/Rationalize IT staffing from a custom development staff to support staff</p> <p>Handling over 90,000 orders per day</p>	<div data-bbox="1367 654 1657 782" data-label="Image"> </div> <p data-bbox="1315 818 1715 858">(Bell South: SouthEast)</p>

# Order Management – PA Structure

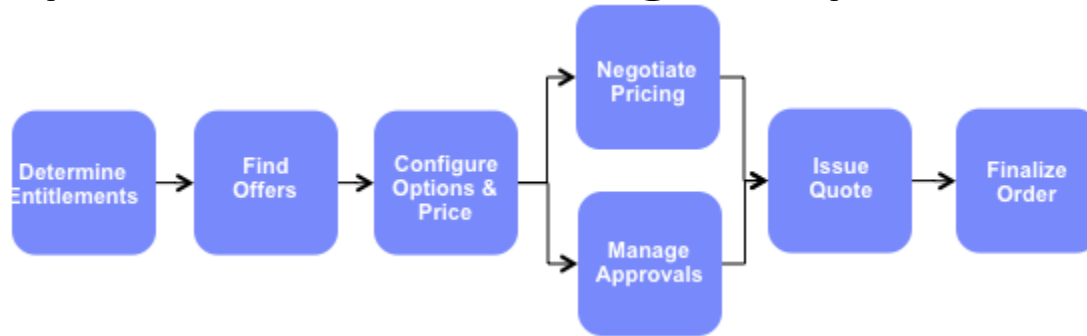
BM name	Metric
<b><u>Order Management</u></b>	<b><u>Million Order Lines (no minimum)</u></b>
Order Management Supply Collaboration Add-On	Million Order Lines
Order Management Delivery and Service Scheduling Add-On	Million Order Lines
Order Management Store Add-On	Client Device (Lanes, Tills, Registers)
Order Management Call Center Add-On	Authorized User
Order Management Store Inventory Management Add-On	Client Device
Order Management Mobile Framework for Internal Users	Authorized User
Order Management Mobile Framework for External Users	Million Order Lines
<b><u>Always In Stock</u></b>	Million Order Lines
Always In Stock Pick-up in Alternate Store Add-on	Million Order Lines
Always In Stock Ship to Store Add-on	Million Order Lines
Always In Stock Ship from Store Add-on	Million Order Lines
Always In Stock Store Add-on	Client Device (Lanes, Tills, Registers)
Always In Stock Mobile Framework for Internal Users	Authorized User

# Structuring an order management deal

Steps	IBM Sterling Order Management	IBM Sterling Always in Stock
<b>1. Choose Offering</b>	<p>Typical order management deal</p> <p><b>Includes:</b> Global Inventory Visibility, Distributed Order Management, Reverse Logistics, Logistics Management, Catalog (for use with OM/Call Center/Store only), Selling and Fulfillment Suite Foundation (including BI ), Language packs (when available)</p> <p><b>Bundled IBM products:</b> WAS, DB2 Workgroup Edition, Cognos</p>	<p>Deployment in Retail store only to manage special orders for items normally carried in store (see OM deck for details).</p> <p><b>Includes:</b> Global Inventory Visibility, Distributed Order Management, Catalog (for use with OM/Store only), Selling and Fulfillment Suite Foundation, Language packs (when available)</p> <p><b>Bundled IBM products:</b> WAS, DB2 Workgroup Edition, Cognos</p>
<b>2. Choose Functional / Process Add-ons</b>	<p>Supply Collaboration Delivery and Service scheduling</p>	<p>Pick-up in alternate store Ship from store Ship to store</p>
<b>3. Choose Channel Add-ons</b>	<p>Call Center Store Store Inventory Management Mobile Framework for Internal Users Mobile Framework for External Users</p>	<p>Store Mobile Framework for Internal Users</p>



# IBM Sterling Configure, Price, Quote(CPQ) optimizes the ordering experience from catalog to capture



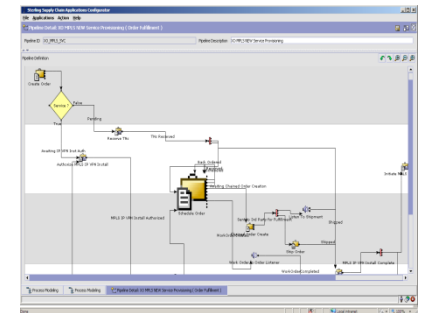
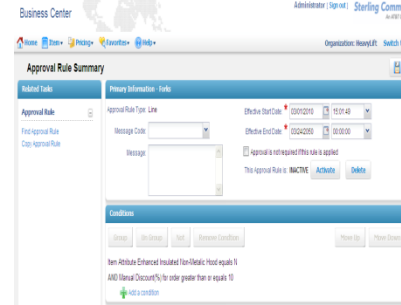
## Sterling Multi-Channel Selling & Fulfillment

Catalog and Pricing

Order Configuration and Capture

Order Negotiation and Quoting

Order Fulfillment Orchestration



# IBM Sterling Configure, Price, Quote - Automate the configuration of complex products

- Provide one location for business users to manage product/service information, and configuration and pricing rules
- Guide prospects, customers, partners, sales, and CSRs in selecting and validating products and services based on their specific needs
- Automate the quote approval process

The screenshot shows a web interface for configuring a product. At the top, there is a navigation bar with links for Home, View my account, View account activity, and Welcome, Chuck Sign out. A search bar is present with a dropdown for 'All categories' and a 'Go' button. There are also links for 'Advanced Search' and 'Product Advisor'. A shopping cart icon shows 'C. Mason's cart' with a 'Change cart' link.

The main navigation menu includes 'All Categories', 'Computers', 'Monitors', 'Printers', 'Accessories', 'Handhelds', 'Wireless', 'Limited Time Offers', and 'Outlet'. The current page is titled 'Build your InSpire IS17D Notebook' and includes links for 'Print page' and 'Email page'.

The configuration area is divided into three tabs: 'Choose your components', 'Choose software and accessories', and 'Choose your warranty'. The 'Choose your components' tab is active, showing a message: 'Customize your InSpire IS17D Notebook to meet your needs. We'll update the price as you make your selection.' Below this are four categories: Memory, Processor, Hard drive, and Battery, each with a corresponding icon and a double-headed arrow.

The 'Processor' section is expanded, showing the 'Intel® Processor' with a list of options:

- Intel® Pentium® DualCore T2300 (1.86 GHz/533MHz FSB/1MB cache) [Included in price]
- Intel® Core™ Duo T5750 (2.00 GHz/667MHz FSB/2MB cache) [add \$50.00]
- Intel® Core™ Duo T5850 (2.25 GHz/800MHz FSB/2MB cache) [add \$100.00]
- Intel® Core™ Duo T8300 (2.40 GHz/667MHz FSB/3MB cache) [add \$250.00]

A link 'Help me decide...' is provided below the list.

At the bottom of the processor section are buttons for '< Memory', 'Hard drive >', and 'Review and add to cart'.

On the right side, there is a promotional banner: 'Save 10% on all notebooks!' with a 'See details' link. Below this is a summary for the 'InSpire 17" Widescreen Notebook':

- Starting price: \$1,499.00
- Instant savings: (\$100.00)
- Subtotal: \$1,399.00

Buttons for 'Review and add to cart' and 'Save configuration' are present.

At the bottom right, there is a 'My components' table:

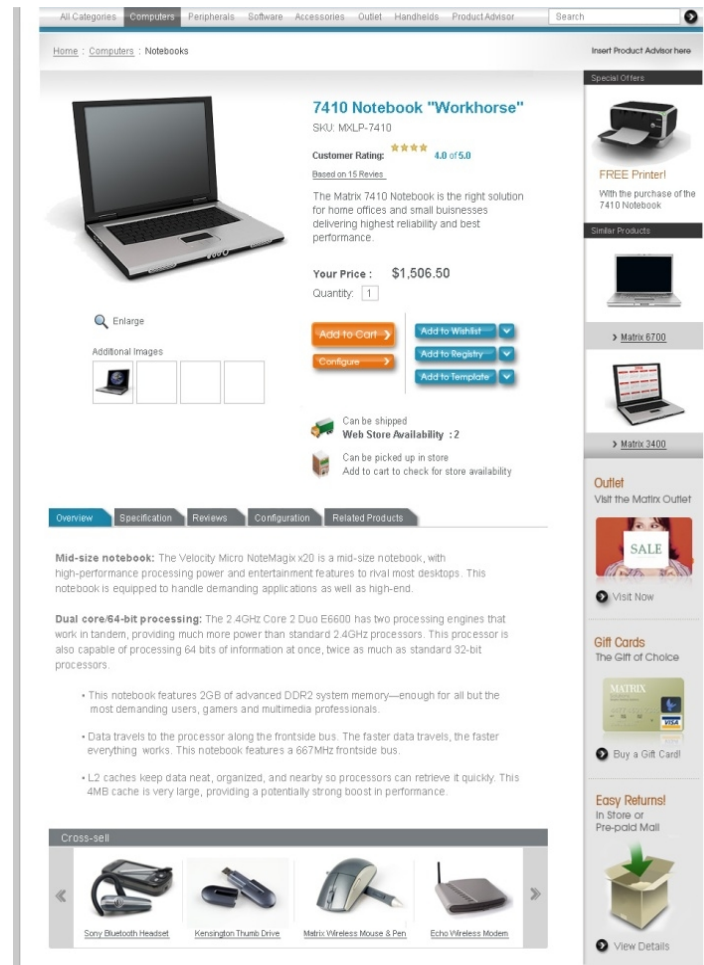
Description	Qty	Price
Intel Core Duo T8300	1	\$1,126.00

Below the table are expandable sections for 'My software and accessories' and 'My warranty'.

The footer contains copyright information: ©Matrix Solutions 2008, and links for 'About Matrix Solutions', 'Retail locations', 'Terms of sale', 'Privacy', 'Site Map', and 'Leave feedback'.

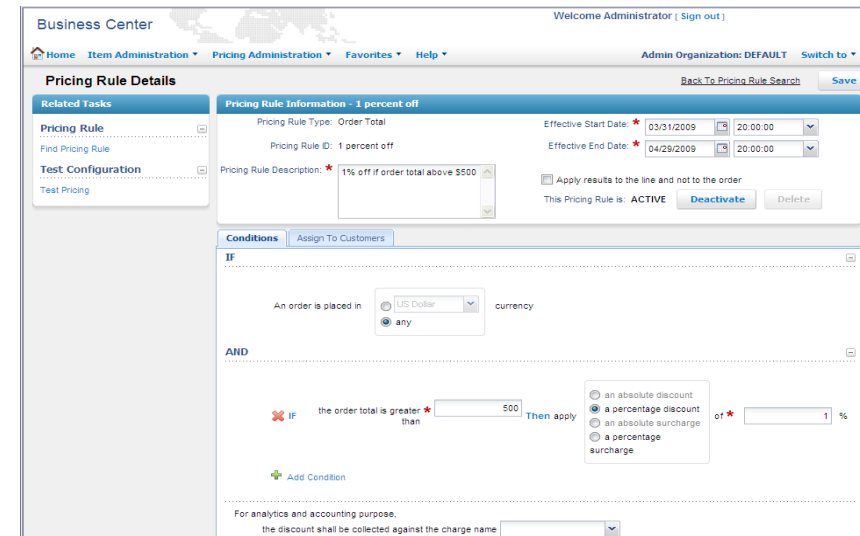
# IBM Sterling Configurator - Remove the complexity of managing configuration rules

- Guide end-users through the selection, configuring, quoting, and ordering of complex products and services
- Enable field sales to create accurate quotes and orders
  - Allow business users to manage the entire configuration modeling process
  - Permit business users to maintain product relationships and establish configuration rules
  - Map product data through predefined adaptors
  - Combine back-end product data with sales-specific product knowledge and business rules



# IBM Sterling Pricing - Price management that drives sales, decreases costs

- Rapidly establish and manage product and service pricing
- Eliminate manual efforts in pricing execution, enforces price consistency, and decreases operational costs
- Enable internal users to centrally coordinate pricing and price changes across your diverse product lines
  - Allow business users to take charge of price maintenance
  - Determine pricing based on customer, customer segment, region, contract, or any other criteria
  - Define multiple price types per product
  - Coordinate pricing changes with your partners
  - Automatically enforce pricing rules to list prices
  - Apply appropriate discount based on coupon codes entered by users





# Pricing of IBM Sterling Configure, Price, Quote based on Usage

Channel UI (Usage)	1 For internal sales people and selling partners (Field Sales)	2 As an Add-on to WebSphere Commerce for self-service (Web)	3 As an Add-on to Order Management (Call Center, Headless for OM)
<b>You need to know for PPA entry!</b>	# of internal sales people # of selling partners # of production installations (usually 1) # of non-production installations (usually 2)	# of PVUs (determined through sizing by TechSales ) can range from 200 PVUs (small) up to 10,000 PVUs (large)	# of Order Lines for Configurator and Pricing # of quote lines for quoting Counted in millions
<b>Optional/Mandatory parts needed on quote</b>	<p><b>Must order:</b> <i>IBM Sterling Configure, Price, Quote Install</i></p> <p><b>Must order at least 1 of these:</b> <i>IBM Sterling Configure, Price, Quote Direct Sales Authorized User</i> <b>And/Or</b> <i>IBM Sterling Configure, Price, Quote Partner Sales Authorized User</i></p> <p><b>Optional:</b> <i>IBM Sterling Configure, Price, Quote for Non-Production Environment</i></p>	<p><b>Must order:</b> <i>IBM Sterling Configurator Add-on to WebSphere Commerce Processor Value Unit (PVU)</i></p>	<p><b>Order a la cart one of these:</b> <i>IBM Sterling Order Management Pricing Add-on 1 Million Order Lines</i> <b>And/Or</b> <i>IBM Sterling Order Management Configurator Add-on 1 Million Order Lines</i> <b>And/Or</b> <i>IBM Sterling Order Management Quoting Add-on 1 Million Order Lines</i></p>
<b>Customer must have a license!</b>	--	WebSphere Commerce Professional or Enterprise Edition	IBM Sterling Order Management
<b>Customer will get!</b>	<p><u>All of these products:</u> IBM Sterling Catalog IBM Sterling Pricing IBM Sterling Quoting IBM Sterling Configurator IBM Sterling Field Sales</p>	<p><u>Only:</u> IBM Sterling Configurator</p>	<p><u>Based on choice:</u> IBM Sterling Pricing IBM Sterling Configurator IBM Sterling Quoting IBM Sterling Call Center (license is for Quoting UI only)</p>
Quoted prices of each usage (=channel) are additive to the price of the entire solution.			



# Bundle Details: IBM Sterling Configure, Price, Quote

## ■ IBM Sterling CPQ Description

- IBM Sterling Configure, Price, Quote enables internal sales teams and channel partners to accurately configure, price, quote, and order complex products and services. It automates the most challenging selling processes—the configuration, pricing and quoting of complex products, services, and bundles. IBM Sterling Configure, Price, Quote guides field sales, call center representatives, and selling partners in selecting the right products and configuring a complete and buildable solution that meets the customers expectations.

## ■ IBM Sterling CPQ bundle

- **If you sell part ID IBM Sterling Configure, Price, Quote Direct Sales Authorized User and/or IBM Sterling Configure, Price, Quote Partner Sales Authorized User the customer will get all of these products**

- IBM Sterling Catalog
- IBM Sterling Pricing
- IBM Sterling Quoting
- IBM Sterling Field Sales

- **Modules/Functionality included**

Selling and Fulfillment Foundation (incl. Business Center for catalog and pricing master data maintenance)  
Salesforce.com Integration  
Usage of catalog, configurator and quoting APIs to build Mobile applications for licensed sales people  
Quoting data mart, reporting and analysis (incl. creation of new reports for IBM Sterling system data only)

## ■ IBM Sterling CPQ add-ons

- Requires the purchase or ownership of a valid Order Management or WebSphere Commerce license
- Functionality added is based on selected part IDs

## ■ Commercialized Assets (sold through IBM Lab Services only)

- IBM Sterling Configure, Price Quote Offline (planned availability by Q1 2012)

# Oracle is the top competitor ; strongest second-tier Competitors are SAP, BigMachines and Cameleon

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
BigMachines				X	
Cameleon Software				X	
Cincom				X	
Configit			X		
Configure One			X		
FPX				X	
Intelliquip			X		
Oracle E-Business Suite					X
Oracle Siebel					X
SAP			X		
Sterling Commerce				X	
Tacton Systems			X		
TDCI			X		
Webcom			X		

As of 3 June 2011

Source: Gartner (June 2011)

# Key Competitors and our relative strengths vis a vis each of them

- Big Machines (Configuration space)
  - Support B2B and B2C Sales Models – Can support both Business to Business (B2B) and Business to Consumer (B2C) selling scenarios through one implementation;
  - Support All The Ways Our Customers Sell –Support Web, call center, store, and field sales channels
  - Proven Scalable Architecture –BigMachine’s architecture does not scale and is not designed for the Enterprise
- SAP
  - Leverage and extend an existing ERP system – Can be deployed with any number of existing back-end systems;
  - Ease of Implementation – Can be deployed in 120 days or less. SAP may be more costly and have longer implementation cycles
- Oracle
  - Large number of SKUs - thousands of end items, with lots of new product introduction
  - Channel complexity - Complex sales process with multiple market segments, multi-tiered channels, product lines and divisions or brands
  - Back end complexity - Complex fulfillment process with multiple internal and external systems requiring distributed order mgmt

# CF Industries streamlined order and contract process with IBM® Sterling Configure, Price, Quote



## Customer Challenges

- Instill business discipline around their sales and sales support processes
- Provide customers with real-time, Web self-service capabilities for order placement and contract status review and management

## Customer Overview

- One of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in North America

*“We can now offer our customers a Web-based order, pricing and billing system that extends far beyond our previous mainframe-based system. It provides us with contract management capabilities that link standard contract rules against customer orders.”*

Christine Dingman  
Director, Sales Support  
CF Industries

## Business Benefits

- Offered a functioning-rich, web-based customer self-service solution for order placement and status
- Streamlined process for managing contracts
- Provided more accurate billing, requiring fewer memos to be issued and fewer disputed invoices
- Permitted customers 24x7 access to enter orders, review contracts and order status, and inquire on invoices

# Motorola enables sales and partners to configure and order through IBM® Sterling Configure, Price, Quote



## ▪ Customer Challenges

- Improve productivity of their online and offline selling efforts
- Allow users to identify, select, configure, and order from more than 17,000 different products

## ▪ Customer Overview

- Mobile data management systems manufacturer including bar code scanning, mobile computing and wireless communications

*“IBM Sterling Commerce provides the software and services that support our e-business objectives, and in a manner that should deliver significant return on our investment.”*

Judy Murrah  
Vice President  
Motorola

## ▪ Business Benefits

- Shortened the configuration and ordering process to an average of about three minutes
- Reduced order errors by eliminating manual processes
- Within the first three months of operation, accurately facilitated over 15,000 product configurations

# Quantum reduced order times and increased revenue with IBM® Sterling Configure, Price, Quote



## ■ Customer Challenges

- Relied on a manual, labor-intensive process to configure and quote its products and solutions
- Quantum's original configuration system did not include guided selling and rarely used by Quantum's sales representatives

## ■ Customer Overview

- Manufacturer of storage, delivering highly reliable backup, archive, and recovery solutions

*"Quantum Marketplace makes it so easy for our sales representatives, distributors, and resellers to select, configure, and quote our products and solutions, while giving them the confidence that they have included everything required to meet their customers' unique needs."*

Gary Brenkman, Director  
Marketing Operations, Quantum Corporation

## ■ Business Benefits

- Enabled distributors and OEMs to access product information 24/7
- Gain real-time pricing and availability, place orders, check order status and track shipments
- Cut order processing costs from \$11-\$13 per order to \$1 by eliminating manual processing



# WWT provides customers with a better ordering experience with IBM® Sterling Configure, Price, Quote



## Customer Challenges

- Existing order system required customers to call WWT's CSRs to place orders
- Existing system was expensive, error-prone, and did not achieve the required level of service

## Customer Overview

- \$1.4 billion systems integrator and value-added reseller of technology products to government organizations, automotive, telecommunications, and other Fortune 1000 companies

*"In the IT industry, it's unusual to find applications as quick to implement and easy to integrate with internal and external systems as IBM Sterling Commerce. WWT's IT department remains impressed with the strength and functionality of IBM Sterling Commerce applications and the dedication of the IBM Sterling Commerce team."*

Vice President, IT, World Wide Technology, Inc

## Business Benefits

- Allow WWT's more than 6,000 customers, partners, and internal users to easily locate and purchase products from WWT's 600,000 item catalog
- Online revenues increased more than 500 percent
- Increased revenue by expanding beyond selling just IT products into selling office supplies and business equipment

# Life Technologies drives revenue and improves the human condition with IBM® Sterling Configure, Price, Quote



## ▪ Customer Challenges

- Enable ordering and purchasing of its highly complex custom genetic arrays, primers, and probes
- Needed an e-commerce solution that could handle selling its highly complex and customizable products

## ▪ Customer Overview

- Develop and market instrument-based systems, consumables, software, and services
- Manufactures tools to analyze nucleic acids (DNA and RNA), small molecules, and proteins to make scientific discoveries and develop new pharmaceuticals

*“With the flexibility and modularity of the IBM Sterling Commerce solution, we were able to rapidly implement a platform that supports our specific needs for purchasing and order management across a broad product catalog and across our extended enterprise.”*

## ▪ Business Benefits

- Serves customers in more than 100 countries and several languages
- Allow customers to build highly complex custom designed genetic arrays and genetic research products, including over 3 million genetic assays
- Reduce consumable transaction costs
- North & South America global order volume online grew 65% and represents 33% of consumable revenue globally

# Case Study: B2B Ordering

## Situation

The company was using a number of price list sources for component parts and relying on manual processes to capture orders. These manual processes for high order volumes resulting in incorrect component parts, lost man hours due to installation delays, poor customer service levels, and higher costs per order due to wrong orders, cancelled orders, and credits.

## Solution

**IBM Sterling Multi-Channel  
Selling™**

Configure, Price, Quote

# TANDBERG

## Value/Benefits

- Direct integration with ERP to enable central product and offer catalog for all sales channels
- Seamless integration with Salesforce.com from opportunity to cash
- One ordering solution for internal sales reps and partners worldwide
- Guided order configuration with automated validation
- Elimination of majority of order errors at the point of order
- Partners no longer require support for order entry
- Reduction in order cycle times leading to faster revenue rec.

## Company Facts

The market share leader and the fastest growing company in the video conferencing/telepresence industry with \$900M in revenue operating in 32 countries

# Case Study: B2C Ordering

## Situation

Current e-commerce platform had low conversion rates and did not offer market specific offers. RCN required a self-service e-commerce platform that integrated with existing infrastructure.

## Solution

**IBM Sterling Multi-Channel Selling™**

## Value/Benefits

- Guided selling; leading to higher conversion rates. Grew 4% to 12% in the first two months
- Up-sell and cross-sell of services
- Integrated with existing billing and order management systems (BSS/OSS)
- Scalable for multi-channel, multi-market sales
- Facilitates new revenue streams
- Reduces operational risk and protects brand reputation
- E-Commerce site delivered 10% of all new customer sales, doubling previous revenue contribution of 5% in the first two months online

*“With (IBM) Sterling Multi-Channel Selling, prospects can come to RCN.com and through the online shopping cart buy cable, phone and Internet services. The solution allows us to offer a variety of new services to our customers as well as the appropriate add-ons and customizations that you would expect for those services”*

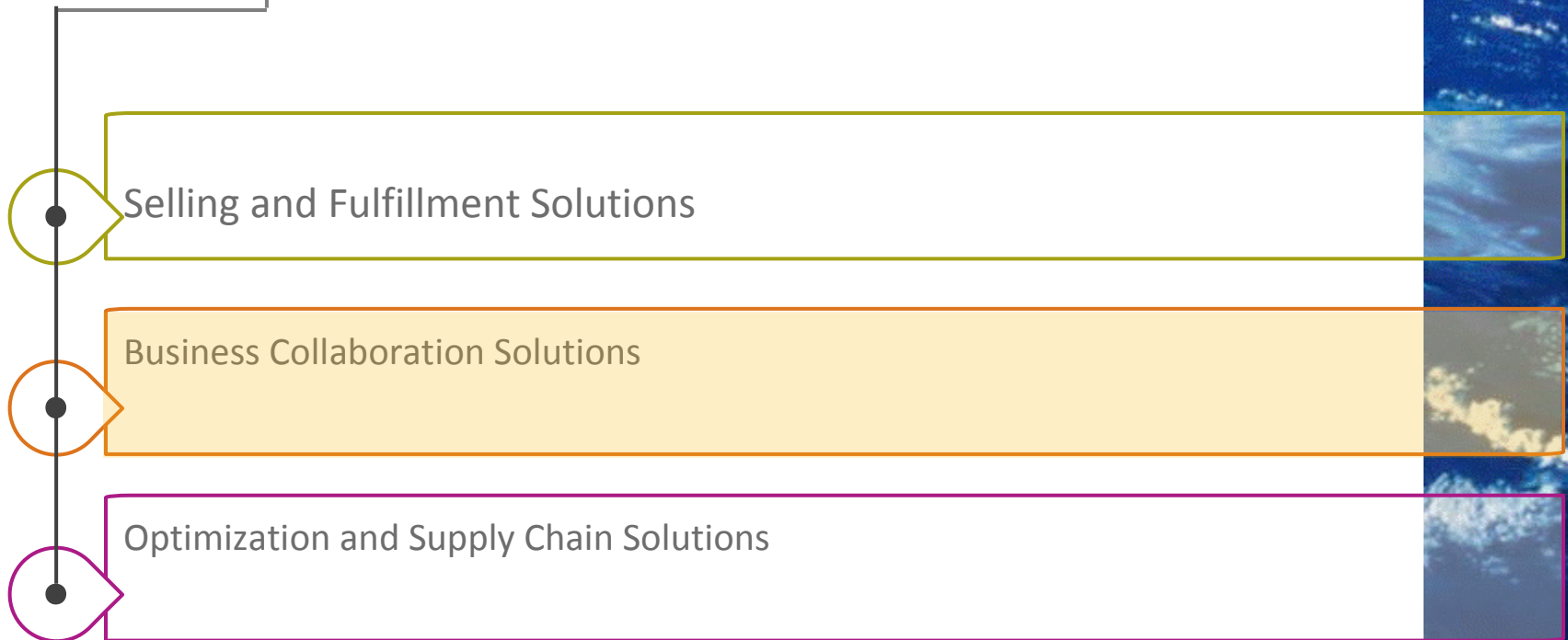


Kara Van Roten  
Director of Web Strategy  
RCN Corporation

## Company Facts

RCN Corporation is a triple-play communications service provider serving residential and business customers in five major metropolitan areas in the United States.

# Commerce Portfolio Overview



# Delivering Smarter Commerce

## *IBM Sterling Business to Business Integration*

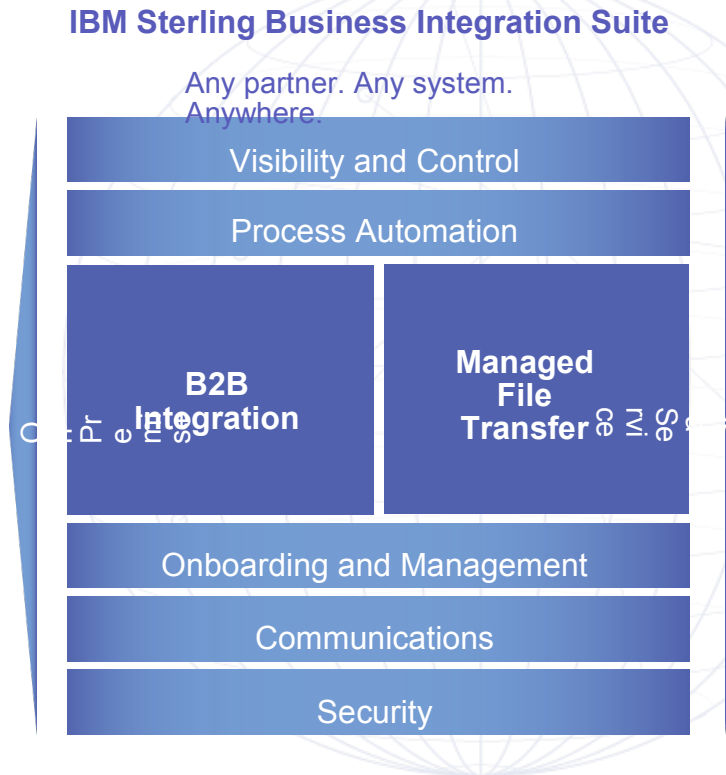
Connect

Automate

Collaborate



# IBM Sterling business integration and data movement solutions address the needs for movement of critical data and process integration with external entities



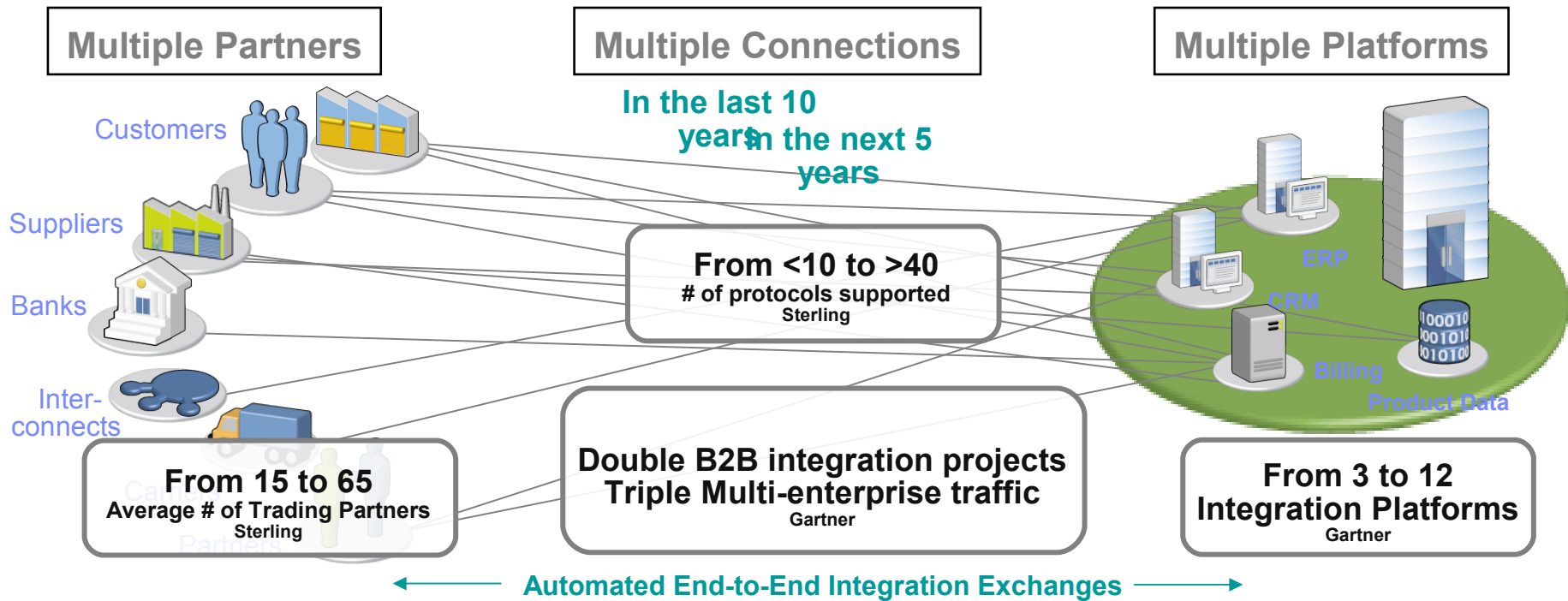
## Value for our customers:

- Improve business agility by securely and flexibly integrating with any partner, any system, anywhere
- Improve operational efficiency by seamlessly automating manual business and IT processes inside and outside your enterprise
- Improve business performance by providing visibility into actionable information across your key business and IT processes

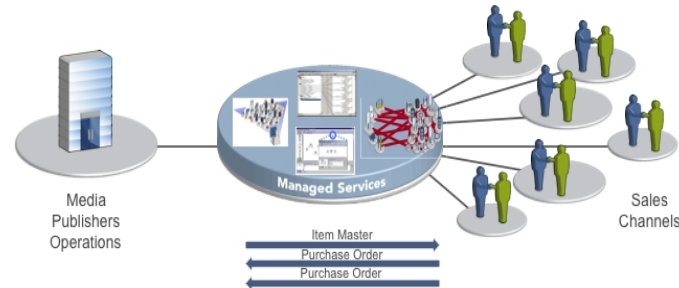
**A comprehensive, yet modular, suite of industry leading, mobile enabled integration solutions**



# Business to business integration efforts are hindered by increasing complexity in the business environment



# IBM Sterling B2B Integration enables market expansion through efficient Business to Business integration



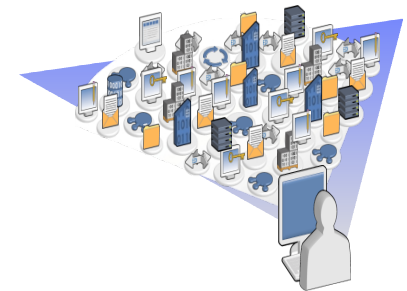
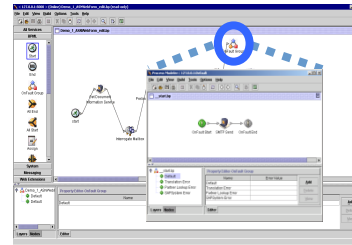
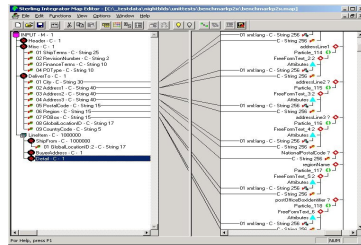
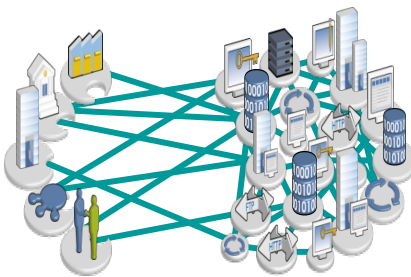
## Sterling B2B Integration

**Connectivity**

**Translation**

**Processing/Routing**

**Visibility**

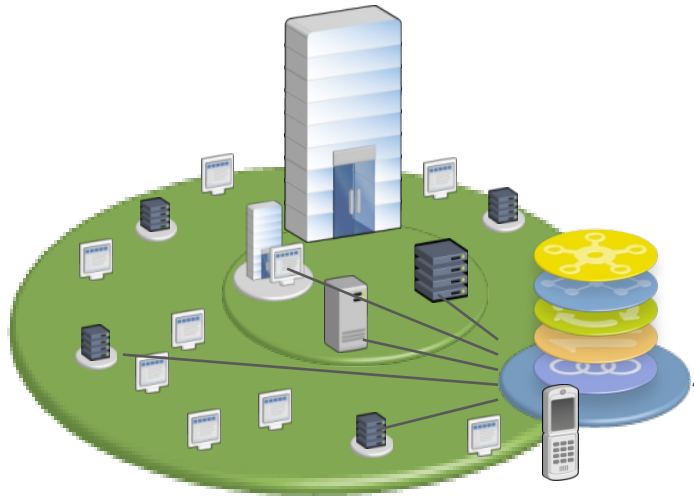


# IBM Sterling B2B Gateway and Transformation Engines

## B2B Gateway

Communications, translation, process orchestration and partner management to integrate diverse partner communities with internal systems

## IBM® Sterling B2B Integrator



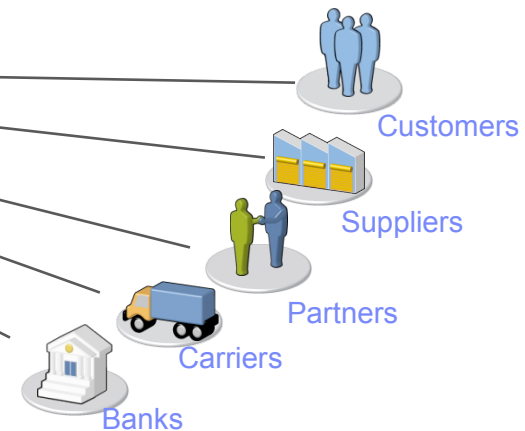
*Sterling B2B Gateway and Transformation Engines*

IBM Internal

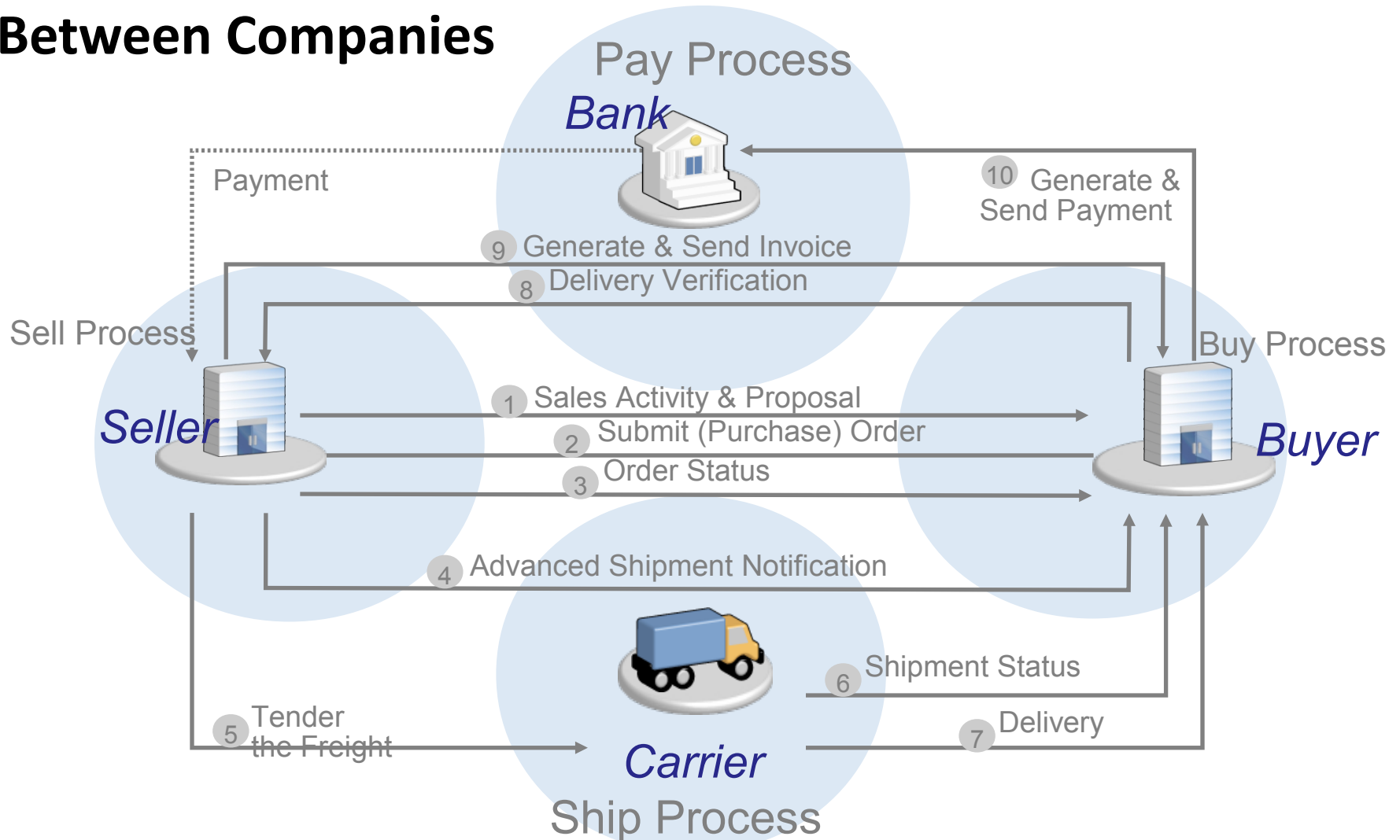
## Transformation Engine

Single, universal engine for all internal and external file and message transformation needs

## IBM® WebSphere Transformation Extender



# A Common Focal Point is the Buy-Sell-Ship-Pay Process Between Companies



# B2B Integrator – Included Components

The following components are included in B2B Integrator and B2B Integrator Financial Editions, but customer must have either **Enterprise Edition or sufficient connection entitlements** to use

BEA Tuxedo Adapter	Mapper (Translation Map Editor) Seats	SNMP Adapter
Connect:Direct Server Adapter	MESA Developer Studio SDK	SSL, SSH, PGP, SSO, LDAP
Connect:Enterprise Unix Server Adapter	MSMQ Adapter	System/Document Encryption
E5 Adapter	OdetteFTP Adapter	TIBCO Rendezvous Adapter
ebXML	Oracle AQ Adapter	Vantive/Peoplesoft CRM Adapter
EDI	Oracle E-Business Suite Adapter	Vitria Businessware Adapter
EDIINT (AS1/2/3)	PeopleSoft Adapter	Web Extensions
FTP, SFTP, HTTP, WebDAV	Reporting Services Adapter	WebMethods Adapter
Graphical Process Modeler Seats	Rosettanet	WebServices
GXS VAN Adapter	SAP R3 Adapter Bundle SAP R3 Batch Adapter	Zengin Adapter
HIPAA	SAP R3 Real-time Adapter	
IBM VAN Adapter	SAP XI Adapter	
IBM Websphere MQ Suite Adapter		
JCA Adapter		
JMS Adapters		
Mailboxing Component		

# B2B Integrator – Included Components (Financial Edition)

The following components are included in B2B Integrator [Financial Editions only](#) but customer must have either [Enterprise Edition](#) or [sufficient connection entitlements](#) to use

CHIPS

FEDWIRE

Financial Services Standards

FIPSMODE Adapter

Image Cash Letter Services

NACHA ACH Adapter

SWIFTNet FileAct

SWIFTNet InterAct

BECS (Australia Payment format)

FIXML

FpML

IFX

ISO 20022

ISO 15022

OFX

Target 2

TWIST

# B2B Software Products

Product	Description	Strategic?
IBM Sterling B2B Integrator	B2B gateway solution	Yes - B2B Integration
IBM Sterling Gentran	EDI-focused point translation and communication	No – continue to maintain
IBM WebSphere Data Interchange (WDI)	EDI-focussed point translation and communication	No – continue to maintain
IBM WebSphere Partner Gateway (WPG)	B2B Gateway (uses WTX for transformation )	No – continue to maintain
IBM WebSphere Trading Manager (WTM)	Partner management add-on for WTX	No – continue to maintain
IBM WebSphere Transformation Extender (WTX)	Universal transformation engine	Yes – universal transformation

# Deliver proven value for our customers

## IBM® Sterling B2B Integration Solutions



### Customer results:

- Enabled seamless and secure integration of key business processes
- Improved business process efficiencies through visibility
- Automated manual processes, reducing errors
- Provided visibility and control over collaborative processes
- Improved customer satisfaction
- Decreased trading partner on boarding times
- Reduced processing and transaction costs



# Delivering Smarter Commerce

## *IBM Sterling Managed File Transfer*

Batch File Transmissions

Secure, Reliable File exchange with suppliers, partners

Ad hoc file Transfers



The data that need to be moved around are increasingly more business critical ; the volume and the size of files is getting larger and larger

## Why this growth? 3 Mega-Trends:



Globalization

- Geo dispersed data centers
- Outsourcing of processes

Requires:

→ More data movement



Digitization

- Move away from physical media – backup tapes
- From analog to digital; checks, video, audio ...

Requires:

→ Larger volume and size of files



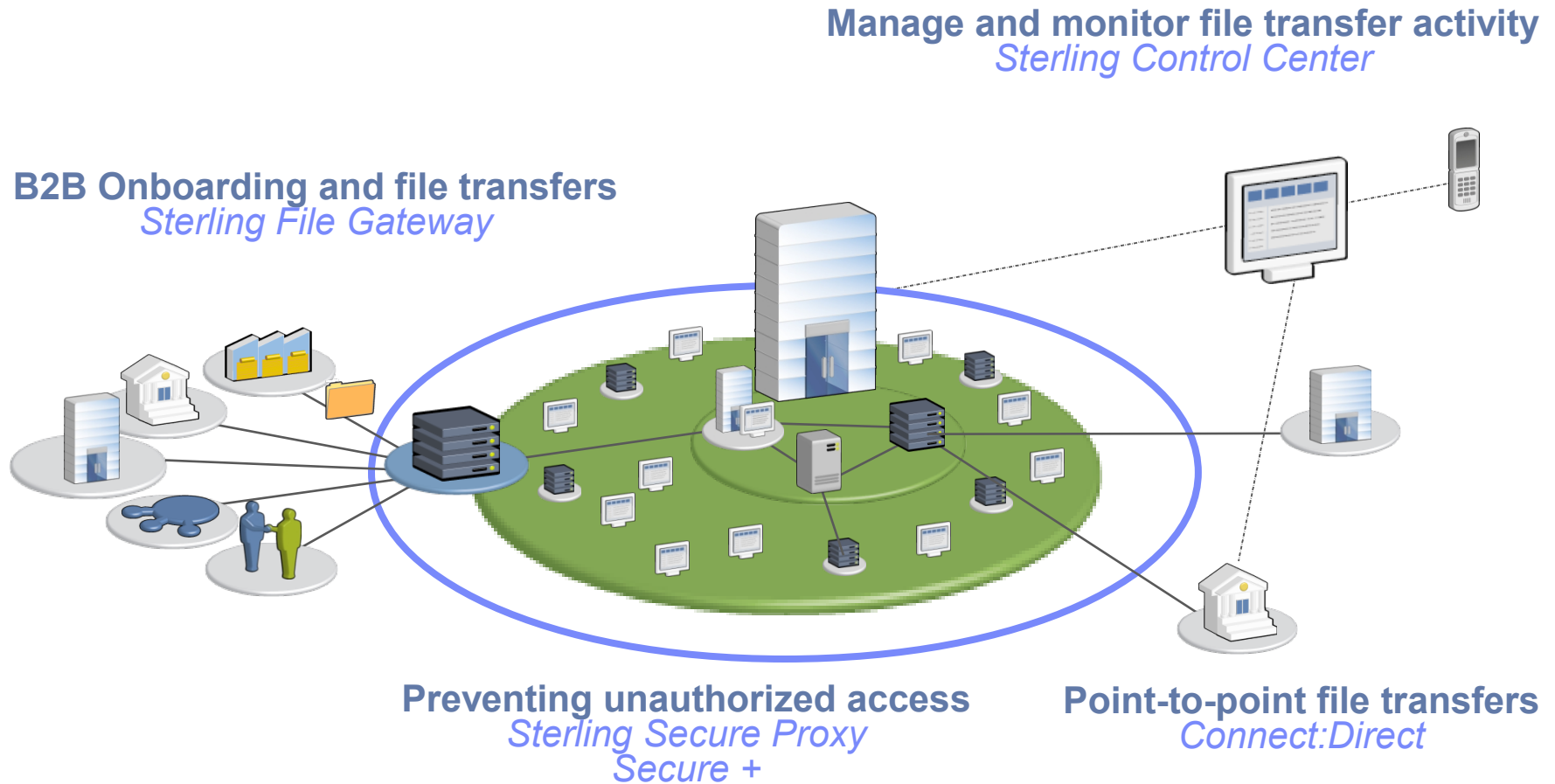
Security & Compliance

- Increased legislation and regulation
- Increase in security breaches

Requires:

→ Greater security and audit trails

# Product View of Sterling Managed File Transfer Solution



# Connect Family – PA Offering Structure

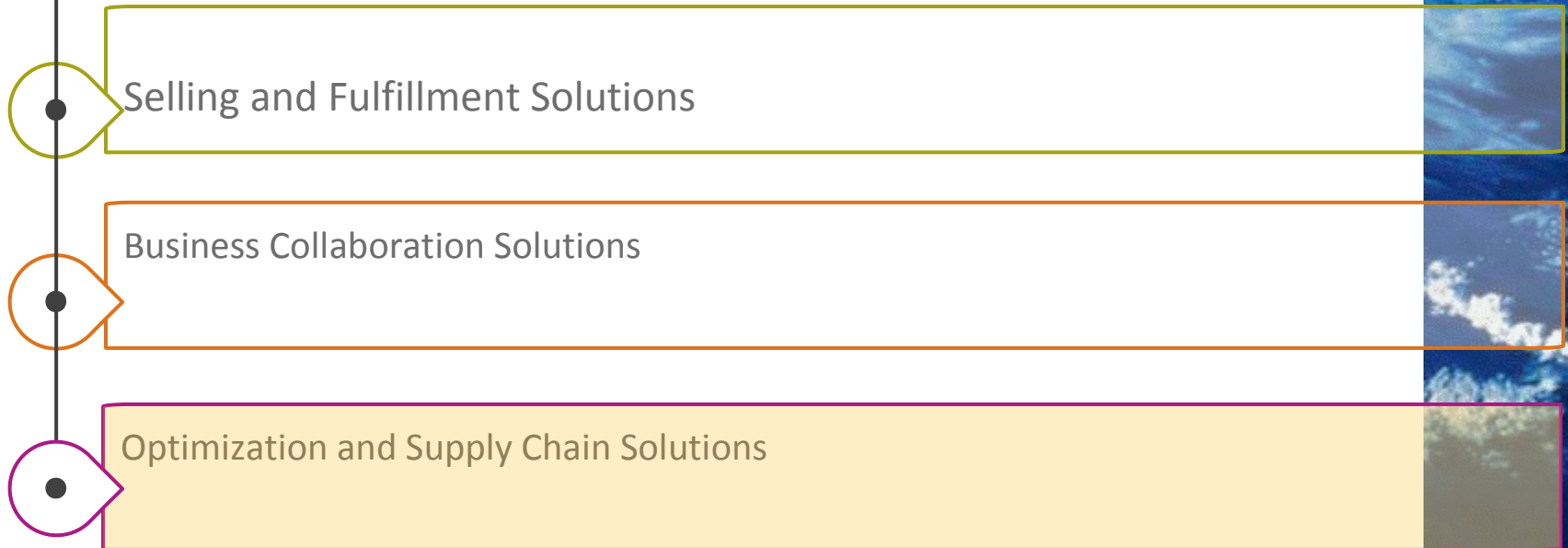
BM name	Metric
Connect:Direct <u>Standard</u> Edition	<b><u>Simultaneous Session</u></b>
Connect:Direct <u>Standard</u> Edition for <b>Non-Production Environment</b>	Simultaneous Session
Connect:Direct <u>Premium</u> Edition	<b><u>PVU (Unlimited Sessions)</u></b>
Connect:Direct <u>Premium</u> Edition for Non-Production Environment	PVU (Unlimited Sessions)
Connect:Express <u>Standard</u> Edition	Simultaneous Session
Connect:Express <u>Standard</u> Edition for Non-Production Environment	Simultaneous Session
Connect:Express <u>Premium</u> Edition	PVU (Unlimited Sessions)
Connect:Express <u>Premium</u> Edition for Non-Production Environment	PVU (Unlimited Sessions)
Connect:Enterprise <u>Standard</u> Edition	Connection
Connect:Enterprise <u>Standard</u> Edition for Non-Production Environment	Connection
Connect:Enterprise <u>Premium</u> Edition	PVU (Unlimited Connections)
Connect:Enterprise <u>Premium</u> Edition for Non-Production Environment	PVU (Unlimited Connections)

A **simultaneous session** is an **active file transfer or other active communications connection** between the Program running on one physical or virtual computer and any software running on another physical or virtual computer. Licensee must obtain entitlements sufficient to cover the highest number of sessions that are or have been simultaneously in existence.

# File Gateway – PA Offering Structure

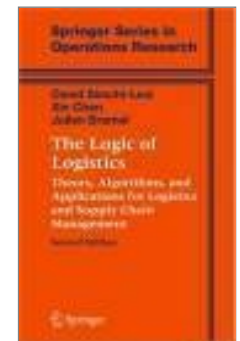
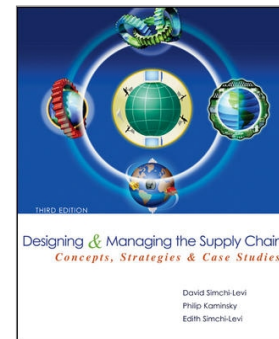
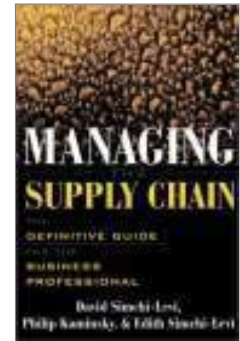
BM name	Metric
Sterling File Gateway <a href="#">Standard</a> Edition	<b>Install + Connection (BOTH required)</b>
Sterling File Gateway <a href="#">Standard</a> Edition for Non-Production Environment	Install
Sterling File Gateway <a href="#">Enterprise</a> Edition	<b>PVU (Unlimited Connections)</b>
Sterling File Gateway <a href="#">Enterprise</a> Edition for Non-Production Environment	PVU (Unlimited Connections)
Sterling File Gateway <b>Financial</b> <a href="#">Standard</a> Edition	Install + Connection (BOTH required)
Sterling File Gateway Financial <a href="#">Standard</a> Edition for Non-Production Environment	Install
Sterling File Gateway Financial <a href="#">Enterprise</a> Edition	PVU (Unlimited Connections)
Sterling File Gateway Financial <a href="#">Enterprise</a> Edition for Non-Production Environment	PVU
<b>Sterling File Gateway Add-on to B2B Integrator</b> <a href="#">Standard</a>	PVU + Connection (BOTH required)
Sterling File Gateway Add-on for B2B Integrator <a href="#">Standard</a> for Non-Prod Env	PVU
Sterling File Gateway Add-on for B2B Integrator <a href="#">Enterprise</a>	PVU (Unlimited Connections)
Sterling File Gateway Add-on for F B2B Integrator <a href="#">Enterprise</a> for Non-Prod Env	PVU (Unlimited Connections)
Sterling File Gateway <b>Add-on for FIPS</b>	Install
Sterling File Gateway Add-on for FIPS for Non-Production Environment	Install

# Commerce Portfolio Overview



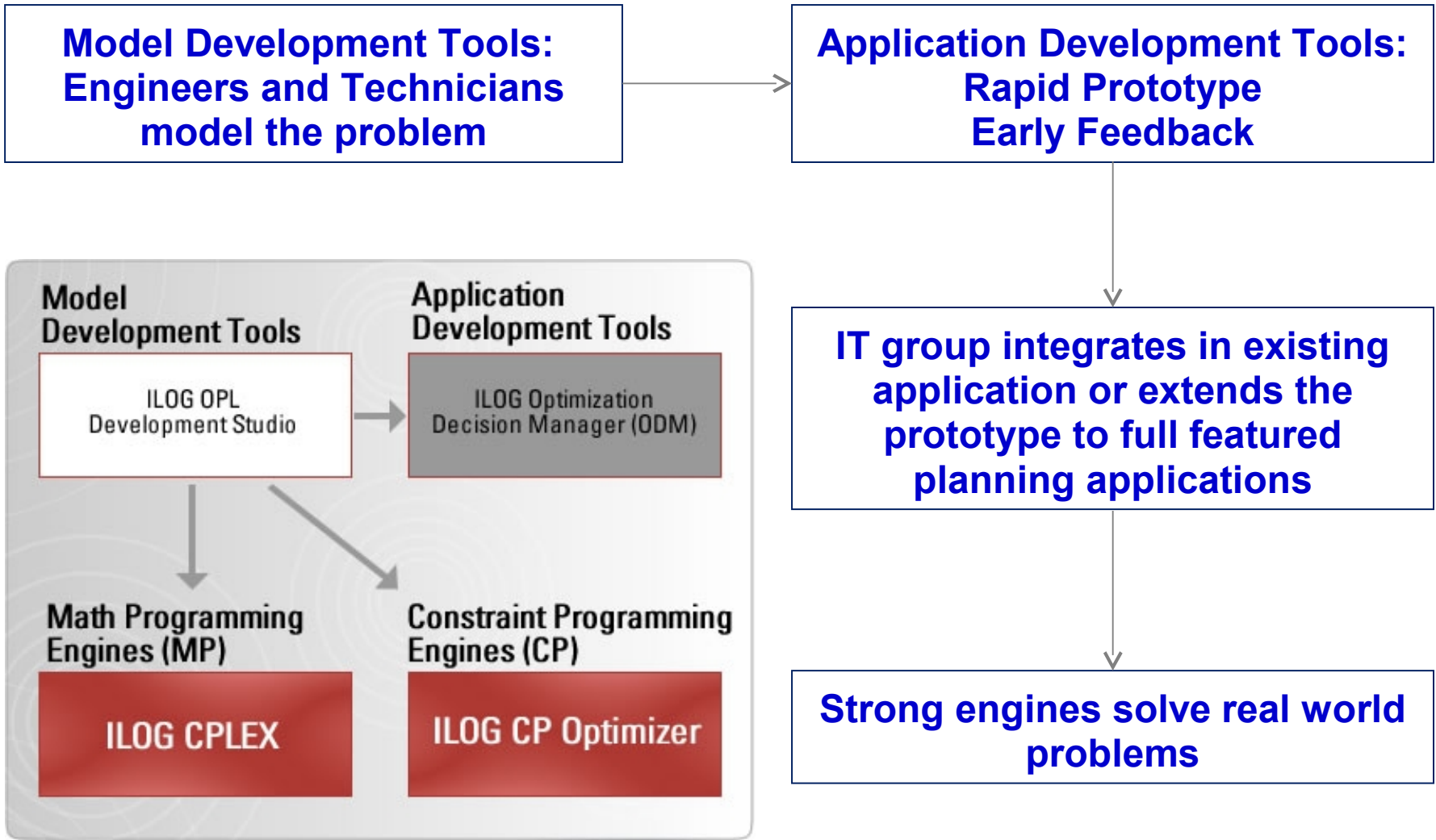
# IBM ILOG Optimization and Supply Chain Solutions

- ILOG Optimization Solutions
  - Leader in optimization and performance - IBM ILOG CPLEX is the gold standard in optimization
  - Used by over 50% of the world's largest companies, 1000s of Universities, and 1000s of application providers
  - Focus: ILOG Optimization Solutions tackle the world's toughest problems allowing firms to gain a unique competitive advantage
- ILOG Supply Chain Solutions
  - LogicTools products first released in 1997 based on the thought leadership of David Simchi-Levi, MIT professor and world renown supply chain practitioner
  - Used by over 50% of the world's largest supply chains and 48% of AMR's top 50 global supply chains
  - Focus: easy-to-use, optimization-based decision support solutions to solve complex supply chain and production problems
- Proven ability to deliver
  - Rapid return on investment
  - Many very long-term, satisfied customers
  - Access to best of breed technology and R&D processes
  - Worldwide support and services capability





# Using the ILOG Optimization Suite





Customer Audience

Requirements

IBM Offerings

Line-of-Business

IT Department

Analytics Department

Performance, Ease of Modeling, Unique Business Problem

+

Scalable Enterprise Deployment

+

Vertical Expertise

+

Rapid Deployment, Supply Chain Functionality

ODM Enterprise Solution Platform

Vertical Assets

<b>Network</b> <i>LogicNet+</i>	<b>Production</b> <i>Plant PowerOps</i>
<b>Transportation</b> <i>Transportation Analyst</i>	<b>Inventory</b> <i>Inventory and Product Flow Analyst</i>

**Supply Chain Optimization Applications**

DB2 ODM WAS Visualization

Middleware & Components

CPLEX Optimization Studio Optimization Engines & Tools

IBM Internal

**Watermark**

# Optimization based problems

They exist in all industries...

MANUFACTURING	TRANSPORTATION & LOGISTICS	FINANCIAL SERVICES	UTILITIES, ENERGY & NATURAL RESOURCES	TELECOM	MULTIPLE/ OTHER
<ul style="list-style-type: none"> <li>• Inventory optimization</li> <li>• Supply chain network design</li> <li>• Production planning</li> <li>• Detailed scheduling</li> <li>• Shipment planning</li> <li>• Truck loading</li> <li>• Maintenance scheduling</li> </ul>	<ul style="list-style-type: none"> <li>• Depot/warehouse location</li> <li>• Fleet assignment</li> <li>• Network design</li> <li>• Vehicle &amp; container loading</li> <li>• Vehicle routing &amp; delivery scheduling</li> <li>• Yard, crew, driver &amp; maintenance scheduling</li> <li>• Inventory optimization</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio optimization and rebalancing</li> <li>• Portfolio in-kinding</li> <li>• Trade crossing</li> <li>• Loan pooling</li> <li>• Product/price recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Supply portfolio planning</li> <li>• Power generation scheduling</li> <li>• Distribution planning</li> <li>• Water reservoir management</li> <li>• Mine operations</li> <li>• Timber harvesting</li> </ul>	<ul style="list-style-type: none"> <li>• Network capacity planning</li> <li>• Routing</li> <li>• Adaptive network configuration</li> <li>• Antenna and concentrator location</li> <li>• Equipment and service configuration</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce scheduling</li> <li>• Advertising scheduling</li> <li>• Marketing campaign optimization</li> <li>• Revenue/Yield management</li> <li>• Appointment &amp; field service scheduling</li> <li>• Combinatorial auctions for procurement</li> </ul>

Allocate scarce resources, reduce costs, increase benefits and satisfaction  
IBM Internal

# Optimization based problems

... and are critical for the companies !

## Documented ROI INFORMS Edelman Award Finalists Using ILOG CPLEX

COMPANY	BUSINESS PROCESS	ROI
UPS	Air Network Design	\$87m/2yrs + 10% fewer planes
Motorola	Procurement Mgmt	\$100-150 mil/year
Samsung Electronics	Semiconductor Mfg	50% reduction in cycle times
Continental Airlines	Crew Re-scheduling	\$40 mil in one year
AT&T	Network Recovery	35% reduction spare capacity
South African Defense	Force/Equip Planning	\$1.1 bil/year
SNCF (French RR)	Scheduling & Pricing	\$1.1 bil/year
Grant Mayo van Otterloo	Portfolio Optimization	\$4 mil/year

# S.D. Indeval: S.A. de C.V. speeds compensation and conciliation, improves process efficiency and increases liquidity for trading participants

- Limit risks by compensating trading operations in real time; reducing the liquidity needs of trading organizations to complete operations

## Solution

- IBM® ILOG® software allows them to reconcile and complete trading operations in a faster and more efficient way

## Results

- Liquidity needs for trading participants now require 52% less economical resources than the current platform
- Performed 26% more operations than before
- Scalability to support significant increases in operational demands
- Reconcile and complete trading operations in a faster and more efficient way



## Customer Profile

S.D. Indeval, S.A. de C.V. is the transaction compensation and conciliation bureau for the Mexican Stock Exchange.

धन्यवाद  
Hindi

多謝  
Traditional Chinese

Grazie  
Italian

ขอบคุณ  
Thai

Gracias  
Spanish

# Thank You

多谢  
Simplified Chinese

Спасибо  
Russian

Obrigado  
Brazilian Portuguese

شكراً  
Arabic

Danke  
German

Merci  
French

நன்றி  
Tamil

Teşekk  
ürler

ありがとうございました  
Japanese

감사합니다