

Sideware:

Increasing Customer Satisfaction

Wohl Associates is a consulting and market research firm whose focus is on new and emerging technology and new market formation

prepared for IBM by

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TABLE OF CONTENTS

Executive Summary	1
Sideware e-business Solution	2
Who is Sideware?	3
What is the Business Problem?	4
Choosing IBM	5
The Java Decision	
The Integration Decision	
Partnership Decision	
The Sideware Architecture	7
The Implementation Process	7
System Architecture	9
Business Results: Goals	9
Timeline	10
Customer: Office Source	11
Customer: W. Quinn	12
Business Benefits	13
Future Plans	13

EXECUTIVE SUMMARY

e-business Case Study: Sideware

Sideware provides both a software and an ASP offering that administers customer service to Web visitors to support the e-commerce process. Sideware's eCRM solution provides e-commerce sites with realtime connections to human customer service representatives during the e-commerce process via text chat, Web page push, VoIP, intelligent routing, whiteboarding, e-mail, and data integration for customer information and problem resolution.

Sideware customers can increase revenue through cross-selling and up-selling and reduced transaction abandonment, increase customer loyalty through realtime human customer interactions, and reduce operation costs through improved customer service productivity. In a marketplace where customer relationship management is increasingly viewed as a key component of success, Sideware is providing a strong and needed offering.

Sideware's business model calls for the company to offer their software through e-commerce business partners, and they are adding partners on an on-going basis. Sideware is now offering the software as an ASP solution.

The offering is based firmly on both IBM technology and IBM services and partnership relationships. Sideware chose IBM for these relationships based on its own customer base (which is heavily IBM) and its investigation of IBM's strength in the e-commerce space.



We can relate.

The Sideware e-business Solution

Application

- E-commerce CRM solution that gives shoppers realtime access to customer service representatives.

Sideware Business Benefits

- Sideware customer sites can expect to see increased revenue through cross-selling and up-selling and reduced shopping cart abandonment; increased customer retention and loyalty by improving customer relationships through realtime human customer interactions; improved operating efficiencies through increased CSR productivity.

IBM Technology

- WebSphere Application Server
- VisualAge for Java
- DB2 Universal Database
- WebSphere Commerce Suite
- HTTP Server
- Netfinity
- RS/6000
- AS/400
- S/390

IBM Architecture

- IBM Application Framework for e-business

IBM Services

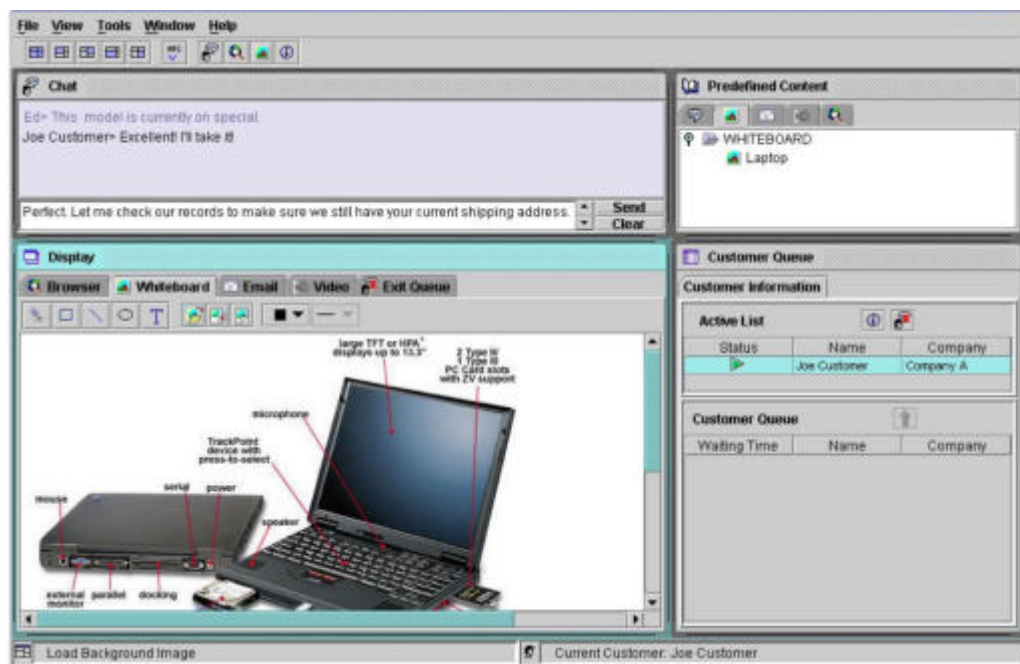
- IBM Global Financial Group

Sideware

Who is Sideware?

Sideware is a leading provider of Web-based customer solutions that enable collaborative electronic customer relationship management (eCRM). Their applications provide both business-to-business (B2B) and business-to-consumer (B2C) Internet users realtime, online customer service to help facilitate e-commerce transactions. In a nutshell, they allow the customer to ask for a real human being to help them while they are placing orders via a shopping cart or if they need other assistance. Sideware's eCRM solution is available in both a client/server model and an ASP model. Both versions offer users text chat, Web page push, VoIP (Voice over Internet Protocol), intelligent routing, whiteboarding, e-mail, and data integration for customer information and problem resolution.

Sideware gives e-shoppers access to customer service representatives in realtime, while they are browsing. Users click on a Web page icon to send an electronic request for assistance. In a chat room format, the customer service representative (CSR) can answer questions or provide "Web page push" sending to the customer predefined URLs or pictures containing helpful information.



The eCRM space is one of the fastest growing segments of the software industry. International Data Corporation estimates that the eCRM market in 1998 was \$42 million (USD), and that it will grow to over \$2 billion by 2003, representing a compound annual growth rate of 117%. Furthermore, as Sideware grows its product suite, its target market will become substantially larger. Sideware believes that it is well positioned to take advantage of this market opportunity due to the strength of its product offering, sales force, and partnerships.

The company is based in Reston, Virginia with its main development office in Vancouver BC.

What is the Business Problem?

Users of electronic commerce must confront a catalog of products, a shopping cart, and a substantial number of transactional steps that, for a wide variety of reasons, are often abandoned before completion. In many cases, the customer does not know which button to push or has a simple but unanswered question about the process. If there were any way to get help, a large percent of these interrupted visits would convert to full purchases over the Internet, and site revenue would increase.

Sideware built a leading-edge program that provides any electronic commerce site with a key ingredient for building customer service — instant access to a real human being, in realtime, while the commercial application is running.

Sideware's eCRM solution allows a customer to click on an icon for access to a "real" person; a second screen opens where a chat with this real person can take place. This provides another opportunity to manage customer relationships and establishes another connection between the company and the customer. Customers find it very reassuring to be able to get a person on the screen to help with their transaction. Incomplete transactions are a significant problem across the Internet, so Sideware is pleased that in sites where its product is installed both transaction completions and daily revenues increase.

Because Sideware is a leading-edge application, and because it employs a different approach to customer service, the decision to partner with electronic commerce vendors has led Sideware down a very successful path to market. Once the program was built, James Speros, Sideware's President and CEO, looked for partnership opportunities with leading e-commerce vendors to help carry the Sideware story to the marketplace.

Choosing IBM

No single decision led to the relationship between Sideware and IBM. Rather, a series of decisions, both technical and business, led to Sideware's decision to partner with IBM.

The Java Decision

Java technology equipped Sideware with scalable, multi-platform support that provided the basis for a long-term, mission-critical e-business solution. Speros said, "IBM's VisualAge for Java is an incredibly powerful modeling tool. We can see how everything is going to work together before we start to code, so we can build a higher quality product." Speros continued, "We estimate that we spend 80 percent of our time modeling, and just 20 percent coding. We've seen how it benefits our development team. With modeling, we've been able to turn around quality components in a fraction of the time."

For example, without the benefits of modeling, it took two developers six months to develop the customer service component of Sideware's eCRM solution. Using modeling, it took a total of 20 days to build the entire interface — with just four days spent coding.

The Integration Decision

After deciding to use VisualAge for Java, Sideware chose to integrate the product closely with technologies featured in the IBM Application Framework for e-business — including WebSphere Application Server, DB2 Universal Database, and WebSphere Commerce Suite.

Said Speros: "Every one of these IBM products provides pathways to move data back and forth easily. They offer outstanding ease of integration. That's essential to our vision of customer service for the e-business world. It frees us to focus more on business functionality."

From Speros' point of view, it would be extremely difficult to take an off-the-shelf product and integrate it with existing systems that have never been tested to run together, and expect them to operate in a robust, 24x7 environment. "You need an integrated solution that deals with all aspects of e-business, from the interface, to the security and e-commerce transactional capabilities, to the speed, robustness and scalability of the servers," he says. IBM makes it possible to put it all together in amazingly short timelines."

The Partnership Decision

In an interview, Speros said, "Once we decided to build in Java, and we looked at who the leaders were in e-commerce, IBM won hands down. In fact, no one has more technology for both e-commerce and CRM. The IBM Application Framework for e-business removed a lot of the complexity from our development process, and it has significantly shortened our time to market."

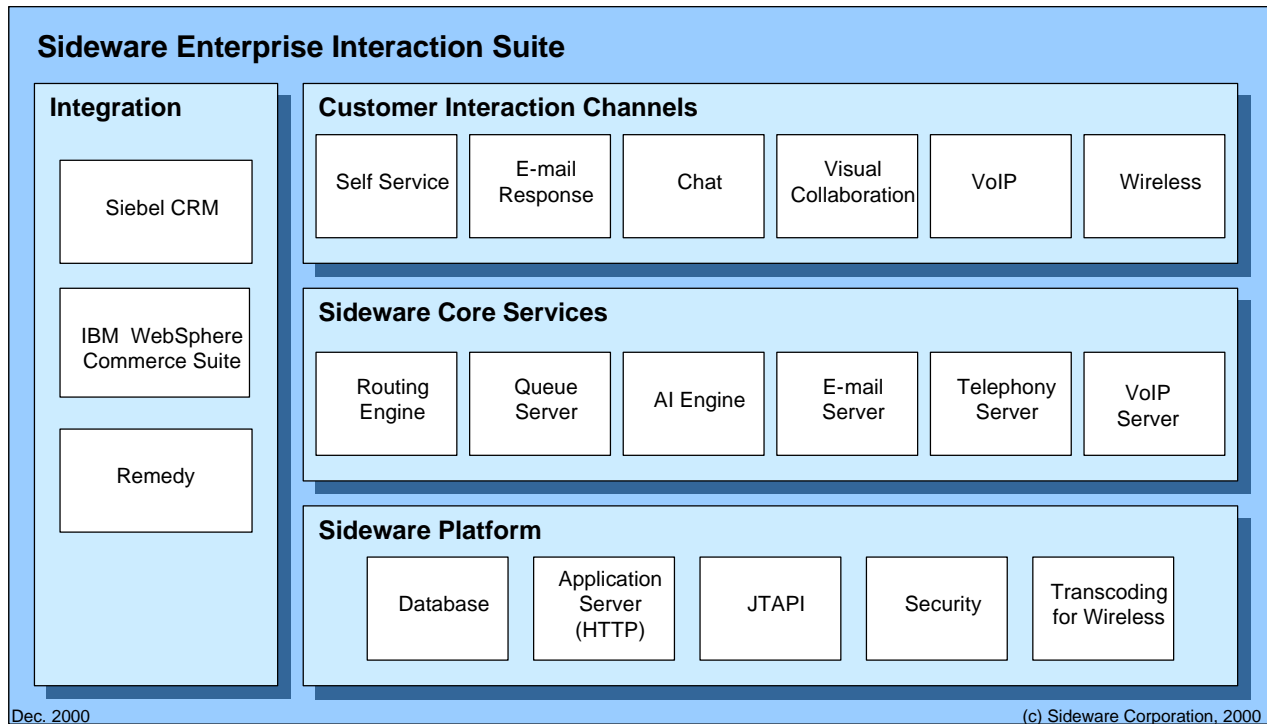
Speros continued, "When you're dealing with such a highly sophisticated environment, whom are you going to trust — a company with decades of experience in developing complex components. IBM is the obvious choice and the IBM Application Framework for e-business provides a strong foundation for e-business, on which you can build with confidence."

Speros talked about Sideware's aggressive plan to partner in many ways with IBM. "IBM customers were the nucleus of our customer base; it was their desire that we extend our relationship with IBM."

Sideware is now part of nine IBM partnership programs for hardware, software, financial services, and marketing:

- Independent Software Vendor (ISV)
 - Enables Sideware to sell IBM hardware and software as part of its solution. One of only 300 in the world
 - Makes Co-marketing funding available
- IBM Global Financial Group Partnership
 - Enables Sideware to offer IBM financing packages on total solution
- j-Start Program
 - A mentoring program for companies developing new applications
- IBM Software Business Partner (formerly BESTeam) Program Level: Premier Status
 - Gives Sideware access to IBM training
- IBM Netfinity Server Proven Program
 - Membership verifies Sideware's compatibility with IBM products
- S/390 Partners in Development Program
- DB2 Partners in Development Program
- IBM PartnerWorld For Developers (formerly IBM Solutions Developer Program)
- RS/6000 Partners in Development Program

The Sideware Architecture



The Implementation Process

Sideware customers can use their software product by enabling their own sites directly or by implementing an ASP solution that connects to the Sideware site.

In the most common implementation, for a dot-com or call center, where the CSRs are in the same physical location as the Web server, a Sideware server is added to the system and customers are connected to the Web server via a hyperlink. A click by a visiting customer opens a session between the customer and a CSR for online chat, site tours, or other assistance. For this level of implementation, Sideware expects the installation to be complete in about two weeks of elapsed time, with about one week of actual work. This includes:

- Site survey and analysis
- Project scope

-
- Plan for the course of action
 - Implementation
 - Two days of CSR and administrator training (at either the customer site or at a Sideware site)

Prior to the actual implementation, the customer needs to prepare its pre-defined messages and URLs; a Sideware-trained customer administrator or one of its business partners performs this work.

An interface also needs to be selected and customized. A customer logo and other changes can usually be provided in one day by Sideware or by the customer's own staff or consultants, via Sideware HTML templates. The four Java components that provide the interface activities do not change, but can be moved as part of the interface customization. Web pages may be pushed to the site user's open browser or within a separate "child" browser opened for this purpose.

For more advanced implementations, which require the integration of customer profiles, transaction histories, and multiple legacy databases, Sideware e-business partners provide system integration services. This can be done incrementally, to an existing Sideware installation, or as part of an initial installation. Such a complex installation might take 30 days to plan and implement.

Since individual stories vary, depending on how the customer implements and what they are doing on their own site, this case study includes two customer mini-case studies — Office Source and W. Quinn — so readers can get the flavor of actual Sideware customer implementations.

Because the whole idea of e-business is relatively new, there is a healthy skepticism about the adoption of new products and solutions. That said, when considering something as critical as online, realtime customer service, the focus should be on getting the implementation done as quickly as possible. In a typical case, such as W. Quinn or Office Source, installing Sideware's eCRM solution was very painless. Sideware designed its software around time-tested and proven solutions from IBM to eliminate integration and installation issues. By engaging either an IBM trained integrator or a Sideware technician, integration into legacy databases and testing of network connections is quick and easy.

System Architecture

When the customer connects to a Sideware-enabled Web site, the customer is able to have a realtime interaction with a customer service representative. This is done while simultaneously viewing Web pages and other relevant information in the browser view of Sideware. The CSR can push pages to the customer to take them on a virtual tour of the showroom. The customer can also see a list of answers to frequently asked questions (FAQ), freeing the CSR to service more customers.

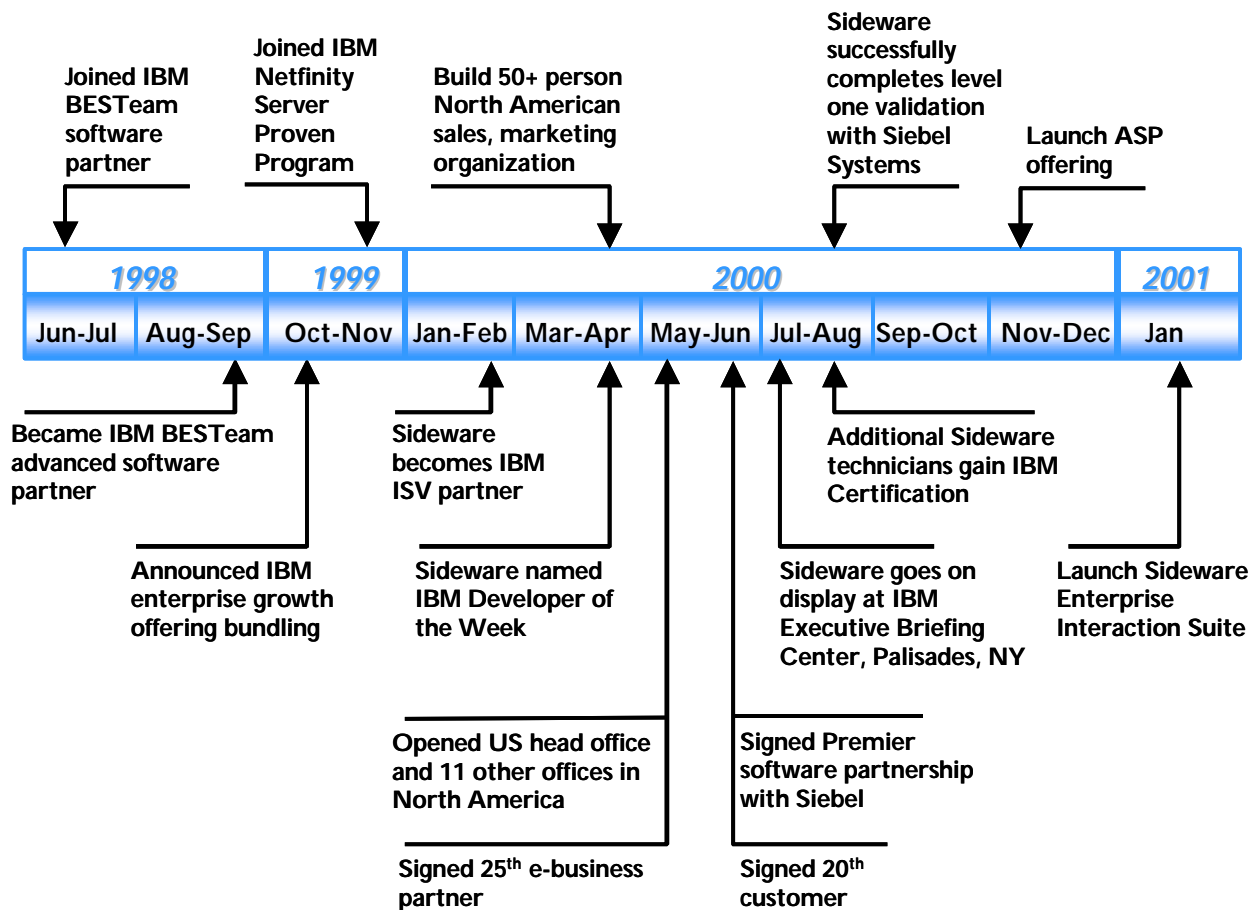
The Sideware server provides many functions for the CSR, administrator, and supervisor to improve the customer experience. For instance, a more professional image is portrayed to customers by the system because everything that the staff types is checked for spelling errors. The supervisor is able to monitor customer service queues and session statistics to assure the best possible level of support. When necessary, a CSR can migrate a session to a specialist or supervisor for additional customer support. All of this is done while the customer is online with the electronic commerce application.

Business Results: Goals

There are multiple customers using the Sideware system today. James Speros said, "Sideware brings the human touch component to the e-commerce application. By offering Web collaborative functions, we give our customers the ability to give their visitors what they want. We have many very satisfied customers because we provide them a strategic resource that helps combat shopping cart abandonment. Sideware's eCRM solution allows e-businesses to better manage their customer interactions. Satisfied customers and a close relationship with IBM are a winning combination for Sideware."

Mark Gruzin, Vice President of Marketing, noted that Sideware wanted to extend the financial alternatives they offered to their customers. They worked directly with IBM Global Finance to provide customers with an ability to pay for the solution on a monthly basis while it was providing value to the organization. The relationship with IBM Global Finance significantly extended the options that Sideware has to offer.

Timeline



Customer: Office Source

Office Source, Inc., a woman-owned and operated company, is headquartered in Gaithersburg, Maryland, just northwest of Washington, DC. Office Source has the business infrastructure to compete with the largest business product dealers by offering customers extensive inventory, competitive pricing, detailed billing and next-day delivery nationwide. Everything Office Source does is designed with the customer in mind. Customer service is included in that objective. Office Source strives to become the one source for all office needs.

The Business Challenge

Office Source is an excellent example of a "bricks and mortar" company that turned to Sideware to assist in the transition and building of its e-commerce presence. The company took orders via the telephone, fax, and e-mail and added Internet ordering. Through online customer service, Office Source moved their Web site (www.officesource.net) to the next level. It plans to attract new customers while improving the online shopping experience for their existing customers.

Office Source has the philosophy of treating customers with the same care and attention they would expect themselves. They strive to deliver the finest in service, selection, and satisfaction.

"Sideware is the answer to our online experience and something we are certain our customers will value," said Mike Colon, Vice President of Sales. "Office Source represents thousands of unique products online, and our customers will not accept anything but the highest level of personalized service."

The Sideware/IBM Solution

As part of the integration with Office Source's e-commerce site, a full suite of IBM products is being utilized. The system is built with an IBM HTTP Server with WebSphere installed. WebSphere provides the application server platform functions.

Business Benefits and Goals

Office Source's primary objective is to exceed the customer's expectations. Its goal is to improve service every day. The company's approach is to create unique solutions for their customers; provide products of unparalleled quality and value; and to provide superlative service to the customer. Colon said, "With Sideware on our Web site, we are providing customers with the best service possible."

Customer: W. Quinn

Headquartered just outside the nation's capital along the Dulles Technology Corridor in Reston, Virginia, W. Quinn Associates (www.wquinn.com) is a recognized leader in comprehensive storage management tools for Windows NT systems.

Founded in 1986 to address the need for storage management tools for Digital's Open VMS, the company has remained focused on developing and marketing innovative solutions for the growing problem of enterprise storage management. As the market for Windows NT grew, the product line transitioned to the Windows NT products.

W. Quinn remains the leading firm focused solely on providing innovative enterprise level solutions for storage management on Windows NT servers. Customers include numerous Fortune 1000 enterprises from an array of leading industries, including telecommunications, manufacturing, health care, insurance, financial and pharmaceutical. Several branches of the U.S. Federal Government depend on W. Quinn, as do educational institutions such as Georgia Tech, Cal Berkeley, and Stanford.

The Business Challenge

Najaf Husain, President of W. Quinn stated, "We believe live customer service is essential to providing prompt and satisfying service to our customers. Sideware's online facility grants customers instant access to our sites and technical staff to help answer questions and solve problems. Sideware is a key component to our Web strategy and we are pleased with our customer responses."

The Sideware/IBM Solution

The Sideware integration for W. Quinn uses a full suite of IBM products. The system was built on a Netfinity 3000 server with WebSphere and DB2 installed. The W. Quinn integration was easily implemented since it was built incrementally to an existing Web site and customer service department. Training on the eCRM solution was simplified thanks to familiarity with WebSphere.

Business Benefits and Goals

Sideware gave W. Quinn's customer service department the tools to provide real-time customer support and meet their business goals.

Business Benefits

Sideware customer sites can expect to see:

- Increased revenue through cross-selling and up-selling and reduced shopping cart abandonment.
- Increased customer retention and loyalty by improving customer relationships through realtime human customer interactions.
- Improved operating efficiencies through increased CSR productivity.

Future Plans

Sideware is currently offering an ASP option to provide access to their solution as an online service.

Over the next few months, Sideware expects to expand its volume of e-business partners, critically important for a vendor whose strategy is built on a partnership model. Sideware will also be launching its Enterprise Interaction Suite, which is its next generation product suite that integrates e-mail, Java telephony, and an ability to support conversational dialogue via Voice over IP. Sideware is also engaged in Call Path telephony integration and alpha testing of wireless access for its product in its Vancouver location and hopes to offer wireless access to their CSR services next year.

The Systems Architecture drawing represents Sideware's next generation Enterprise Interaction Suite (EIS) which will be available in early 2001:

- The Enterprise Interaction Suite (EIS) is comprised of the platform, services and channel applications. The integration toolkit connects APIs to best-of-breed applications including Siebel 2000, IBM WebSphere Commerce Suite and Remedy.
- Core service components are the engines that enable the interaction channels.
- The interaction channels manage customer-facing applications.

The suite is available as a licensed product or ASP offering.

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