IBM

South Pacific Tyre drives success with integrated B2B and B2C platform.

Overview

■ **Challenge**
Provide dealers with more convenient ways to interact with South Pacific Tyre; generate demand for company's brands; reduce operating costs

■ **Solution**
B2B and B2C e-business infrastructure integrated with legacy retail system

■ **Why IBM**
IBM WebSphere Commerce seen as more flexible than Oracle solution; IBM offered complete solution — products, expertise and skills transfer

■ **Key Business Benefits**
Expected A$1 million (US$514,200) annual savings, with payback in 1 year; 50% of transactions expected to be performed online within 2 years; minimal development needed to launch additional sites; additional revenue streams and new ways to generate leads

■ **Business Partner**
Mid-Comp International

South Pacific Tyre's B2C proof-of-concept, Mytyre.com.au, represents the company's Beaurepaires, Dunlop and Goodyear brands. Eventually, all nine of SPT's brands will have dedicated Web sites, supported by a single set of business logic components.

While advances like fuel injection, catalytic converters and composite-material chassis have rendered many automotive parts obsolete, the demand for rubber tires has remained remarkably unchanged. But, approximately two years ago, that market was stirred up by the introduction of online automotive trading exchanges.

Feeling the heat were market leaders such as South Pacific Tyre (SPT), a A$1 billion (US$514.2 million) supplier of tires and related products to dealers in Australia and New Zealand. Jointly owned by Pacific Dunlop and Goodyear Tires, Melbourne-based SPT reaches its market through 2,000 dealers and 500 factory outlets.

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>
> *– Jeff Coombridge, CIO, South Pacific Tyre*

Key Components

Software

- IBM WebSphere® Application Server, Advanced Edition
- IBM WebSphere Commerce, Professional Edition, Version 5.1
- IBM VisualAge® for Java™
- IBM DB2® Universal Database™ for AS/400®

Servers

- IBM AS/400

Although Goodyear and Dunlop were founding members of one of the new trading exchanges—RubberNetwork.com—SPT was wary of the exchanges' influence on its tire business. "We were concerned that once the dealers invested in their connections with the trading exchanges, it would be more difficult for us to strengthen our direct relationship with them through our own e-business initiatives," explains Jeff Coombridge, South Pacific Tyre's CIO. "We wanted to provide dealers with a range of convenient options for doing business with us while, at the same time, reducing our own operational costs."

A broad e-business vision

An obvious first step towards achieving these goals was to enable dealers to access SPT's retail system over the Internet, so they could search for products, check availability, enter their orders and track order status—with or without assistance from the call center. But there was much more than a B2B tire-ordering Web site in SPT's e-business vision. The company also wanted to drive demand with several B2C content and catalog Web sites—without developing separate B2B and B2C e-business infrastructures. "We wanted to have one platform, one catalog and one server—and reuse them for all our e-business initiatives," Coombridge says.

Since its backend retail system was based on DB2 data management software from IBM and the IBM AS/400 platform, SPT naturally considered IBM when it needed to extend that system to the Web. It began developing the Web sites using IBM VisualAge for Java and IBM WebSphere Application Server. But midway through the development process, SPT realized it needed the more robust functionality of a packaged e-commerce product. Its shortlist included an Oracle solution as well as IBM WebSphere Commerce. "The WebSphere software turned out to be more readily customizable than Oracle and other off-the-shelf solutions," recalls John Pap, SPT's e-business technical manager. "And we expected that the IBM merchant server would integrate more smoothly with our AS/400 retail system."

To help shorten SPT's e-commerce and Java technology learning curve, technical consultants from the local IBM sales team put SPT in touch with IBM Business Partner Mid-Comp International. "We liked IBM's approach of delivering its product together with its Java and e-commerce expertise— something we were sorely lacking when we got started," says Pap.

A million saved is a million earned

Using WebSphere Commerce, Professional Edition, Version 5.1, and packaged components—DB2 Universal Database and WebSphere Application Server, Advanced Edition—IBM and Mid-Comp designed and implemented an e-commerce infrastructure and business-logic components for Tyrepro.com.au, the B2B Web site. Integrated with the legacy retail system, the infrastructure also supports a B2C Web site called Mytyre.com.au. This is the first of several sites that will provide product and industry information to consumers, promoting interest in SPT's brands and, eventually, generating leads for the dealers.

Tyrepro.com was developed in three months, and SPT expects that, within a year, 25 percent of its dealers' orders will be entered online. The more orders placed online, the more SPT will save in call-center costs and manual transaction processing. These savings, SPT anticipates, will total A$1 million (US$514,200) within 12 months, at which time the company will achieve full payback on its e-business investment. "We can increase the portion of transactions conducted online—perhaps to 50 percent within two years— by using our IBM infrastructure to integrate our AS/400 environment with our dealers' point-of-sale systems," Coombridge says.

e-business for people—and their systems

SPT carries more than 2,000 items in its main product catalog, which resides in DB2 Universal Database on an AS/400. WebSphere Commerce, running on a Microsoft® Windows NT® server at SPT's Internet service provider, leverages this database to present the various product catalogs on Typrepro.com.au; registered dealers can search the catalogs by product type, car make and model.

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SPT plans to use its IBM e-business infrastructure to broker the sales of other automotive products that its dealers purchase. It is also considering syndicating its online tire search engine on the major Web portals.

The Web sites and the backend retail system are currently integrated though remote method invocation (RMI) and Java SQL wrappers. In the future, SPT plans to set up a messaging system based on the IBM WebSphere MQ family of products, which can use XML as the common format for data exchange. This will enable the kind of system-to-system integration SPT envisions.

Content, commerce and superior customer service
SPT took advantage of the latest features of WebSphere Commerce, Professional Edition to provide dealers with the same level of service online that they can receive from SPT's call center. For each line item in an order, dealers can check availability, back-order items and request immediate or deferred delivery. The Web site provides status-tracking for both online and telephone orders, showing not only whether an order has been processed, but also where it is in the distribution chain.

SPT's B2C site leverages WebSphere Commerce to enable tire consumers to search for products, find local dealers and obtain information about tires and the rubber industry. "Mytyre.com.au was completed in just one month," Pap recalls. "And this is without any prior knowledge about WebSphere software—just with coaching from IBM and Mid-Comp." With the Java components created for Mytyre.com.au, SPT can create new B2C sites very easily— it's simply a matter of designing brand-specific Web pages that tie into the various functional components. "The ability to reuse this business logic will minimize future development cycles," Coombridge adds, "further increasing our return on investment."

Wide-open road for e-business
Just as Mytyre.com.au will spawn multiple B2C sites, the B2B e-commerce site will soon be extended to SPT's 500 retail outlets. "The messaging and XML technologies will increase our business options," Coombridge says. "All in all, the IBM e-business infrastructure is providing new ways to generate leads and build additional revenue streams."

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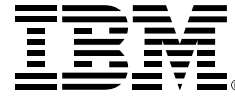
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