



# *MicroAge moves the buy chain to the Web with Net.Commerce.*

For most large corporations trying to curtail operational expenditures, the slow, costly and paper-intensive procurement processes are an obvious target. Imagine how much more efficiently businesses could utilize their resources if routine purchasing functions were automated over an Internet-based, business-to-business supply management solution. That's exactly what MicroAge, Inc., a \$4.5 billion information technology company, thought when it developed *x-Source* – a Web-based multilanguage, multicommodity, operating resource management service that reduces order cycle times, provides insight into the nature of corporate spending and helps analyze supplier performance.

*“Net.Commerce, along with other IBM tools, has allowed us to develop the most value-added, globally-capable procurement solution for our Fortune 500 clients.”*

– Jim Scharpf, Group Vice President, Global Solutions, MicroAge, Inc.

With predictions that one-third of the 1.1 million businesses in the United States will be connected to the Internet

by the year 2000 and transact business worth \$65.8 billion in online business-to-business trade, MicroAge is counting on the *x-Source* e-commerce service to drive its domestic and global business.

Based on the IBM Net.Commerce suite of e-business products, *x-Source* replaces traditional electronic data interchange (EDI) catalogs and the manually driven purchasing process with an automated Web-based system. With *x-Source*, users can requisition products, obtain appropriate supervisor approval and transmit orders electronically to suppliers – all from their familiar Web browsers.

“This Web-based electronic order management service saves our customers time and money, because we can consolidate the different types of catalogs from multiple suppliers in one easily accessible site,” says Darshan Khalsa, MicroAge *x-Source* software development director, global solutions architecture

<b>Application</b>	Online business-to-business procurement service
<b>Business Benefits</b>	Millions of dollars of savings in procurement costs; improved employee productivity; effective management of business relationships
<b>Software</b>	IBM® Net.Commerce IBM Net.Data™ IBM DB2® Universal Database™ on Windows® NT® Lotus® Domino Go Webserver™

group. “A Web site can do the job of the order desk staff at a much lower cost and be available 24 hours a day, 7 days a week,” he adds. Khalsa estimates that



*With x-Source, MicroAge promises businesses substantial savings in procurement costs.*

large companies placing 100 orders a day spend, on average, \$150 to process each order. That adds up to \$4 million per year, most of which can be saved by using *x-Source*. And each procurement dollar saved could translate into \$5 to \$10 in sales — a great way to boost profitability.

### **Making Web sites to order**

In planning the user interface for *x-Source*, Khalsa evaluated most of the merchant server software available on the market. He and his team selected IBM Net.Commerce because it offered “the most robust solution” for their needs. “Net.Commerce allowed us to enable EDI transactions,” Khalsa notes. Working with an IBM Business Partner, Web Emporium, MicroAge was able to easily integrate suppliers’ EDI catalogs into Net.Commerce by storing them in DB2 Universal Database. DB2 also contains lists of approvers, client business rules, order specifications and user access rights.

Using Net.Commerce, MicroAge can tailor product categorization, enable users to flag special prices, define user access for different product categories and much more. Says Gerry Samchuck, vice president, global solutions architecture group: “Net.Commerce and DB2 are at the heart of our electronic procurement service. Their power and scalability give us the confidence to support large clients with tens of thousands of users, and their flexibility allows us to customize the operation and look and feel of every Web site we create. Thus, we can accommodate the diverse corporate cultures of our clients.”

Net.Commerce allows MicroAge to offer the service in multiple languages and currencies for its clients’ global operations. It ascertains the users’ language from their login information and presents Web pages in their language. Prices appear in their local currency as well. “When you pull all these features together, Net.Commerce is really the only product that could possibly fulfill all our requirements,” Samchuck asserts.

To ensure secure transactions over the Internet, MicroAge has deployed Lotus Domino Go Webserver, which supports industry-standard 128-bit SSL encryption. The Web server is included in the Net.Commerce package, as is IBM

Net.Data, which enables Web pages to access dynamic data from DB2.

### **Improved flow of information**

The user registration feature of Net.Commerce enables highly automated requisition routing by keeping track of a list of approvers and their e-mail addresses for each type of commodity purchased. When a requester selects a product, Net.Commerce queries the DB2 registration database, selects the appropriate approver and automatically routes an e-mail request to that approver. “For large corporations, this function alone saves significant costs and time,” says Khalsa.

The Net.Commerce-powered *x-Source* also helps companies better manage their relationships with suppliers. The system reports daily metrics such as accumulated savings and best rates. “The ability to measure performance indicators is a powerful tool for our clients,” Khalsa says. In fact, he informs, *x-Source* is proving so effective that some clients are looking to extend it to their suppliers’ sites.

### **Unmatched scalability**

MicroAge had been using multiprocessor Microsoft Windows NT servers for its initial installations. However, the company plans to migrate to the AIX®-based IBM RS/6000® SP server for its high scalability and availability, allowing *x-Source* to support tens of thousands of users. “We want our server hosting environment to be fault tolerant, so that if one server goes down, it will switch to another machine without a break in service,” says Khalsa. “The RS/6000 has that capability.”

### **Net.Commerce drives business**

*x-Source* exemplifies MicroAge’s emphasis on developing easily customized Web-based applications for multinational corporations. Says Jim Scharpf, group vice president of sales, MicroAge global solutions, “Net.Commerce, along with other IBM tools, has allowed us to develop the most value-added, globally-capable procurement solution for our Fortune 500 clients. While MicroAge has already realized increased sales from *x-Source*, even more important, customer satisfaction has increased significantly. It’s a win-win situation for our customers.”

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