

ACCELERATING PROFITABILITY: INNOVATIVE, END-TO-END SOLUTIONS FOR MANAGING THE DYNAMICS OF YOUR VALUE CHAIN



REALTIME

we know

they know

JUST-IN-TIME



@business solutions





Manage your value chain as if your bottom line depended on it.

Because it does.

In the days before e-business, companies juggled supply and demand through mostly linear, inflexible processes that often compromised profitability. The supply chain was static, so it didn't allow for fast, insightful reactions to unforeseen events. Fortunately, when mechanical troubles on the road, transaction-processing errors, unexpected changes in demand or other surprises pushed inventory levels to extremes or delayed deliveries, customers couldn't turn to competitors with the speed they now can.

That was then. Today, customers expect anytime, anyplace service, and they'll quickly find someone who can deliver on the promise of e-business if you can't. To compete effectively, your company must extend its traditional supply chain into a multidimensional ecosystem of suppliers, trading partners, employees and customers connected by e-business technologies. IBM and i2 call this ecosystem a value chain, and all value chains are inherently dynamic. To stay profitable, your company needs an innovative, comprehensive solution that embraces the dynamic nature of your value chain to create bottom-line value—value achieved through increased revenues, improved margins, decreased costs and improved asset utilization.

The IBM and i2 alliance offers a complete solution that allows you to effectively and strategically manage the dynamics of your value chain and to respond quickly—even in realtime—to its unpredictability. Through end-to-end integration of your internal business processes with those of suppliers and partners, our solution enables visibility and effective collaboration across the value chain, helping you make better, faster choices about buying, selling and manufacturing.



The IBM and i2 alliance delivers measurable results by increasing revenues, improving margins, decreasing costs and improving asset utilization.

VISION, VALUE, AND VELOCITY: THE IBM AND i2 FOUNDATION FOR SUCCESS

The IBM and i2 alliance is the undisputed leader in delivering audited, bottom-line value to customers. Two visionary companies with complementary offerings, we have come together to help businesses create measurable value by accelerating optimization and collaboration across the entire value chain. We have combined i2's leading solutions for the management of complex value chains with IBM e-business infrastructure offerings, worldwide services, integration skills, industry expertise and financing. The result?

The only true one-stop shop for end-to-end value chain integration, measurable return on investment, and minimized risk and complexity for businesses of all sizes and across multiple industries.

We have built the IBM and i2 alliance on three key principles. We call them vision, value and velocity.

Vision

We believe that technology can be leveraged to help your company attain real growth and competitive advantage. With our extensive expertise, proven experience

and innovative approaches, we provide the market- and thought-leadership necessary to identify new ways of intelligently managing the dynamics of the value chain. Our vision is made manifest through best-of-breed technologies that help transform your business without replacing existing systems or reorganizing entire departments. By leveraging our vision—and our ability to execute innovative solutions—we can help you solve your toughest business challenges.

Value

We know how to drive sustainable, measurable value for you, your customers and your shareholders by building visibility and efficiency into every segment of the value chain. With a suite of products and services built to work on a common platform and take advantage of your current technology investments, IBM and i2 can help increase your profitability by eliminating inefficiencies and optimizing relationships across the value chain. Committed to delivering value to customers, we commission independent audits to measure the value created with our solution.

Velocity

The IBM and i2 alliance can help create velocity throughout your entire value chain cycle, from original product conception through customer delivery and service. Our solution enables all value chain participants to view pertinent processes and then share mission-critical information in realtime. We help you create a flexible value chain that can be proactively managed to meet customer demand, capture market opportunities and respond to market shifts with precision and speed.

SEEING THROUGH INEFFICIENCIES

Gartner estimates that online business-to-business transactions will reach US\$6 trillion by 2004, then jump to US\$8.5 trillion in 2005.¹ To take advantage of this tremendous opportunity, your company must seize every chance to increase revenues and decrease costs in its value chain. According to Killen & Associates, the cost of inefficiencies can reach US\$32 million yearly in a US\$1-billion firm.² Simply put, the way to higher profits is through higher margins, which means eliminating inefficiencies and enhancing collaboration.

The IBM and i2 alliance, with its solution for managing value chain dynamics, can help you achieve greater accuracy in forecasting and planning, reduced order-to-delivery times, lower inventory expenses and faster development cycles.

By synchronizing and making transparent business functions and processes both within and between enterprises—including demand planning, order capture and management, manufacturing, fulfillment and service—our solution makes it possible for you to react swiftly and insightfully to changing market conditions and fluctuations in demand.

MEASURING SUCCESS—YOURS AND OURS

If you like to see results, you're not alone. IBM and i2 thrive on helping businesses realize value from our solution. i2 is the only solution provider that verifies measurable results through third-party audits and tracking. The numbers are compelling: i2 alone has created more than US\$16.5 billion in value for more than 1,200 companies worldwide, as measured through increased revenue, improved margins, decreased costs and improved asset utilization. Its goal is to deliver US\$75 billion in audited value to customers by 2005.³

RISE TO THE TOP WITH A COMPLETE VALUE CHAIN MANAGEMENT SOLUTION

Only the IBM and i2 alliance offers all aspects of a complete value chain solution, including industry-leading software solutions from i2, and e-business infrastructure, services and financing from IBM. Our value chain management portfolio includes the following:

i2 Supply Chain Management (SCM)—Synchronizes processes for handling demand, supply, fulfillment and service across multiple enterprises, so you can reduce inventory while accelerating delivery time.

i2 Supplier Relationship Management (SRM)—Optimizes design, sourcing and procurement processes through multi-enterprise collaboration and decision support, enabling you to reduce risk and cost, negotiate the best terms, and streamline the requisition and purchase of both direct and indirect materials.

i2 Customer Relationship Management (CRM)—Plans and executes all customer-facing transactions through all demand channels, from marketing and sales to fulfillment and service. It helps you forecast demand, optimize pricing, schedule transportation and order delivery, and plan for service needs.

i2 Content—Delivers complete content management and publishing, as well as internal and e-marketplace custom database development. Up-to-the-minute information on suppliers, manufacturers, components and specifications is provided in a cross-referenced, easily accessible format so you can thoroughly compare products and services.



Together, IBM and i2 provide all aspects of a complete value chain solution, enabling businesses to efficiently manage suppliers and inventories, build high-quality products and quickly take them to market, and develop customer loyalty through better service.





The IBM and i2 alliance estimates it will significantly contribute to the delivery of US\$75 billion in audited value to our customers by 2005.

i2 Platform—Enables business-to-business commerce by providing a foundation for integrating all i2 value chain products and deploying common decision-making, collaboration, transaction automation and security features. The i2 Platform uses the i2 TradeMatrix™ Open Commerce Network to leverage network-based content, collaboration, connectivity and commerce services. Companies of all sizes can realize quicker time-to-value through increased efficiency in interenterprise transactions and communications.

IBM infrastructure—Provides all the components for creating and managing a reliable, scalable and security-rich e-business infrastructure, supported by IBM professionals with industry-specific knowledge, global resources and real-world experience gained from thousands of e-business engagements. IBM servers,

middleware, and storage and security systems offer:

- Virtually unlimited scalability
- Continuous availability
- Cross-platform interoperability and integration
- Compatibility with industry standards
- Simple end-to-end management

The IBM Framework for e-business provides a blueprint for developing and deploying e-business solutions that can grow with your company. Based on open, industry standards, it helps connect your enterprise with a diverse system of suppliers, partners and customers.

IBM Global Services integration and hosting services—Provides proven integration skills, end-to-end hosting options, and the expertise you need to speed time-to-value. IBM has gained vast experience from building and managing some of the world's largest Web-based supply chains—including its own.

Thanks to our unmatched industry knowledge, the people of IBM Global Services can help reduce the risk and complexity of transforming your value chain. Additionally, IBM e-business Hosting Centers™ offer outsourcing for all or portions of your information technology (IT) operations, including full system, network and data center management.

IBM Global Financing—Offers single-contract financing packages for qualified small businesses, mid-market companies and multinational enterprises alike. IBM Global Financing is the largest IT financier in the world, providing leasing and financing solutions to customers in more than 40 countries.

YOUR LINK TO A CHAIN OF BENEFITS

The IBM and i2 solution for managing the dynamics of your value chain represents the best information technology investment you can make today to increase optimization and collaboration across your entire value chain. We have the *vision* to recognize and understand the opportunity at hand, and the expertise to bring that vision to life. Our commitment to creating measurable, audited *value* for our customers is unmatched in the industry. And our solution is designed to create *velocity* in the value chain through enhanced information sharing and visibility.

Supply and demand. It doesn't have to be so difficult. By using the dynamic nature of the value chain to your advantage, you gain the competitive advantage. The IBM and i2 alliance has a proven track record in helping companies realize bottom-line benefits through reduced inefficiencies and increased visibility in the value chain. Whatever your industry, whatever your business challenge, we can do the same for you.

FOR MORE INFORMATION

For more information about the IBM and i2 value chain management solution, call 1 866 426-8454 and mention priority code 101DK022, or visit:

www.ibm-i2.com



The IBM and i2 alliance provides a total value chain management solution.



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Footnotes

- 1 *Worldwide Business-to-Business Internet Commerce to Reach \$8.5 Trillion in 2005*, press release from Gartner, Inc., March 13, 2001.
- 2 Songini, Marc L. "Accounting Errors Bog Down Supply Chains," *ComputerWorld*, January 15, 2001. Accessed August 8, 2001, at www.computerworld.com/cwi/story/0,1199,NAV47_STO56355,00.html
- 3 *Customer Value Report*, Miller-Williams Inc. and i2 Technologies, October 2000.



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