Collaboration Solution
(B2B Document Exchange)

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Agenda

• Retail Challenges
• B2B Integration
• Web Sphere Strategic B2B - the IBM B2B solution
• Benefits of IBM’s B2B solution
• Why IBM for your B2B Solution
• Customer Case Study
How can I...

…meet these business objectives?

…leverage my existing resources and IT systems?

…deliver at a pace and cost which outwits my competition?

<table>
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<th>Business Objectives</th>
<th>Innovation</th>
<th>Top line growth</th>
<th>Operational Excellence to increase margins</th>
<th>Reduce costs</th>
<th>Gain market share</th>
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<td>CEO/CIO’s Business Objectives</td>
<td>Proven Technology capable of handling future business needs</td>
<td>Easy to use</td>
<td>Build Robust, Scalable infrastructure</td>
<td>Achieve effective communication with Partners</td>
<td>Seamless Integration with in-house applications</td>
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Business Challenges

1. Business Processes extend across supply/value chains, and enterprises depend upon trading partners to complete business processes.

2. Enterprises need visibility and integration across supply/value chains.

3. Business requirements change constantly, which enterprises need to propagate to their trading partners quickly.

4. Enterprises need to strengthen trading partner relationships through tighter automated integration, to make them an extension of their enterprise.

Enterprises need flexible, scalable B2B integration solutions to integrate with thousands of trading partners in standardized and proprietary ways.
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What is Business-to-Business Integration

Styles of B2B Integration

- Verbal agreements and exchanges
- Type-written business documents with carbon paper
- System-generated business documents
- Partner-specific system-to-system data interchange in a proprietary format
- Electronic Data Interchange (EDI) based on industry standards
- XML-based B2B (RosettaNet, ebXML, etc.)
- Web services

“An agreed protocol for conducting transactions between businesses. The efficiency of which depends upon the degree of standardization, simplification, automation and utilization”

Messages like PO, PO Acknowledgement, modifications, ASN, Invoice, Payment details, Product catalogue etc. are exchanged over phone, fax, courier, email, spreadsheets etc.
What is Business-to-Business Integration

**Technical View:**
- Types of **messages and formats** to be exchanged
- Support for different **communication protocols**
- Need for **Message Transformation**
- **Validation** of all incoming messages
- Identify and Upload the messages to the **in-house applications**
- Processing of the rejected messages and **error handling** within internal application
- Identify messages to be sent back to the supplier for success and reject of the incoming data
- **Message security methods**
- **End to end message flow** for each message and each type of partner
- **Categorize** new suppliers to merge to the existing message flow
- **Consultancy** in evaluating various deployment options

**EDI Capable Medium or Large Trading Partners**

Support for various messages formats and communication methods may be needed (Such as Flat files, EDI, XML)

**Trading Partners using 3rd party EDI VAN**

Interconnection with EDI VAN

**Small trading partner using Web Forms**

Web Based Data entry application for small users

**Trading Exchange**

ERP

**Retailer’s in-house applications**

**Project database**

User DB

User DB

User DB
Where is B2B Implemented?

- Value chain management
  - Supply chain management
  - Demand chain management
  - Virtual enterprise management (e.g. Promotion management, Seasonal management)
  - Logistics management

- Partners in progress (work hand in hand)
  - Cost effective by saving waste, save turnaround time by increase in tracking, thought process to buy options by alternate merchandise

- New product introduction
  - Product engineering collaboration
  - Manufacturing process engineering and management

- Payments processing

- Almost any application that requires the regular exchange and management of data from outside the enterprise

- Improve Man Power Productivity
B2B Benefits

What do CEO see

• Increase in top line
  – Shelves are never empty, Right product at right time at right place leads to reduced markdowns
• Increase in Margin
  – Minimize waste and delays
• Decrease in Cost
  – Reduction in Man Power
  – Accurate payments to suppliers

What do CIO see

• Quick turn-around to meet Business Operations demands
• Integrating with key partners, suppliers is easier and cheaper
• Transaction volumes are highly variable - a secure, reliable, scalable infrastructure that can handle these volumes without costly downtime
• Ability to connect all assets
• Single intelligent platform with less overheads
IBM Point of View for B2B

• Enterprises are seeking a **single business integration platform** to meet all of their internal and external messaging needs to reduce duplication of effort and the increase speed of ‘externalizing’ internal processes

• **SOA enables strong B2B business value** by accelerating the pace of innovative value-creating process and strategic initiatives

• Investment in B2B solutions delivers both **strong initial ROI and ongoing incremental business value**

Benefits of a Single Business Integration Platform

• A coherent **technical** and **business solution**

• **Reduced number of tools** required for total business integration

• **Simpler integration** architectures with fewer custom integration points

• Increased **sharing of design** and execution artifacts

• **Reduced software maintenance** expense
CIO’s Challenges

**Business Objectives**

- Innovation
- Top line growth
- Operational Excellence
- Reduce costs
- Gain market share

**Resources and IT Assets**

- Complex processes & systems
- Complex applications & interfaces
- Difficult to adapt quickly
- Large portion of IT budget spent on maintenance, not on new value add investments

- Proven Technology capable of handling future business needs
- Build Robust, Scalable infrastructure
- Achieve effective communication with Partners
- Seamless Integration with in-house applications
- Easy to use
- ...
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Trading Partner Integration Challenge

1. Diversity in trading partner-unique data formats, and transport protocols
2. Extensive use of EDI and XML data formats, based upon industry and geography
3. Support for various of transport protocols
4. Requirements of unique LOB or department implementations
5. History of legacy business applications and architecture
6. Disparate governance and methods and procedures
7. Lack of IT infrastructure and know-how amongst trading partners

Thousands of Trading Partners
Unique Connectivity Requirements
IBM WebSphere Strategic B2B Addresses this Challenge

**Business Objectives**

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**Rate of Change**

**Degree of Reuse**

**Resources and IT Assets**

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- Build Robust, Scalable infrastructure
- Achieve effective communication with Partners
- Seamless Integration with in-house applications
- Easy to use

**Business Processes**

**Service Components**

**External**
IBM B2B Solutions

• IBM offers three classes of B2B solutions:
  – **WebSphere B2B Infrastructure** – includes all of the tools necessary to build-out a robust B2B infrastructure, with support for secure communications, non-repudiation, archiving, B2B process flows and data transformation.
  
  – **WebSphere Small Trading Partner Integration** – cross-industry or industry-specific solutions for supporting large communities of small trading partners with limited B2B capabilities
  
  – **WebSphere Strategic B2B** – the most comprehensive set of B2B capabilities available today for integrating the extended enterprise and exploiting the full potential of SOA. Includes all of the capabilities of **WebSphere B2B Infrastructure** and **WebSphere Small Trading Partner Integration**, plus extended capabilities for application integration, eCommerce, process management, performance management and advanced monitoring.
How Strategic B2B Works – Flow Example

- Internet (HTTPS, AS2, AS3, VPN, FTPS), VAN
- Trading Exchange
- Organized Suppliers
- Unorganized Suppliers
- Logistics
- Payment Gateway
- Govt. Agencies
- SAP Certified Associate
- Oracle
- Retailer
- WebSphere Software
  - Support of EDI, XML, RosettaNet, UDF Format
  - Map Transform
  - BPM
  - B2B Portal, eForms
- Tivoli Software
  - Administration, Monitoring, Audit, Error Handling, Management Reports
- Common Event Infrastructure

Stop Talking Innovation. Start Doing It.
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Benefits of IBM’s Strategic B2B

- A complete, integrated B2B solution that is designed to meet even the most challenging set of B2B integration requirements
- Based on SOA and designed to grow with your SOA implementation
- Based on a performance-driven paradigm that adapts to changing rapidly changing business conditions
- Offers complete integration outside and inside the enterprise
- Delivers strong business value and financial ROI

Other Benefits

- Reduce order to cash (PO-to-Cash) cycle
- Lower Inventory Costs
- Expansion of existing B2B solutions
- Lower operating costs development risks, thus reducing TCO
  - B2B partner management/ exception management/ real-time visibility/ scalability
  - Smooth ERP integration
  - SOA compliant
  - Flexible and reusable architecture
  - Complete supports all the open message standards and open transport protocols
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Why IBM for Your B2B Needs?

- IBM offers a **business solutions platform** designed to unlock value from enterprise assets and flexibly deliver it to customers, partners, and employees
- IBM is a **pioneer** in industry B2B standards and B2B solutions
- We’ve made a multi-year **commitment** to ongoing B2B solution development and enhancement
- We offer the most **innovative and complete** set of B2B solutions
- We have deep **real-world experience**, including the first large-scale implementation and over 3.5 million users of our B2B forms technology
- We have a long track record of **thought leadership and business innovation** in value chain management and other industry solutions, reflected in our approach to B2B solutions
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electronic Business Document eXchange (eBDX) in TESCO

• Complex B2B Requirement for business documents exchange
• Multi channel system
  - EDI VAN
    - EDIFACT
  - VPN
    - EDIFACT, SOA (XML structured http(s) requests/responses), EDIINT/AS2
  - Open internet
    - Web access, EDIINT/AS2, XML, SOA (XML structured http(s) requests/responses)

eBDX in TESCO - Overview
eBDX in TESCO

**eBDX Supported Documents**

- Document exchange between retailer and suppliers
  - Product catalogue
  - Preorder
  - Order/Preorder Confirmation
  - Purchase order/XDOCK
  - Order Proposal
  - Delivery Note
  - Value Receive Note
  - Invoice, Credit/Debit Note
  - Request for Credit
  - Inventory Reports
  - Remittance Advices

**eBDX Benefits**

- Multi channel B2B integration
  - Large number of suppliers can be connected
  - Save operational cost for EDI transfers
  - Current EDI connected suppliers can be migrated to AS2
  - Significant decrease of current EDI costs
IBM and our customers connect with WebSphere
THANK YOU