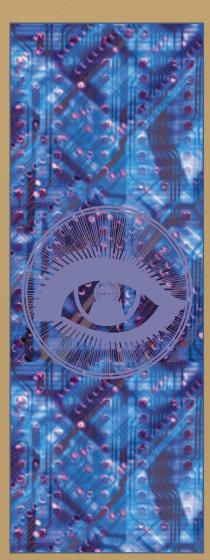




2000 A.D., A Turning Point for E-Business

- Key lessons learned from B2B in the U.S.
 - Start-ups will always get to market faster with innovation-led solutions
 - → BAMs will retain the relationships that comprise supply chains
- Frenetic market activity in 1Q 2000
 - BAM-led "e-markets" secure market space among established players
 - "Netmarkets" wither on the vine
 - The bottom line: slower development driven by power and relationship
 - Covisint, Transora, MyAircraft.com, Envera, Global NetExchange
- In 2001, most major players are going on-line, in awareness or in action
 - The major issue is the rate and sequence of the adoption of key players



The Birth of the Electronic Network and the Need for "Network Vision"

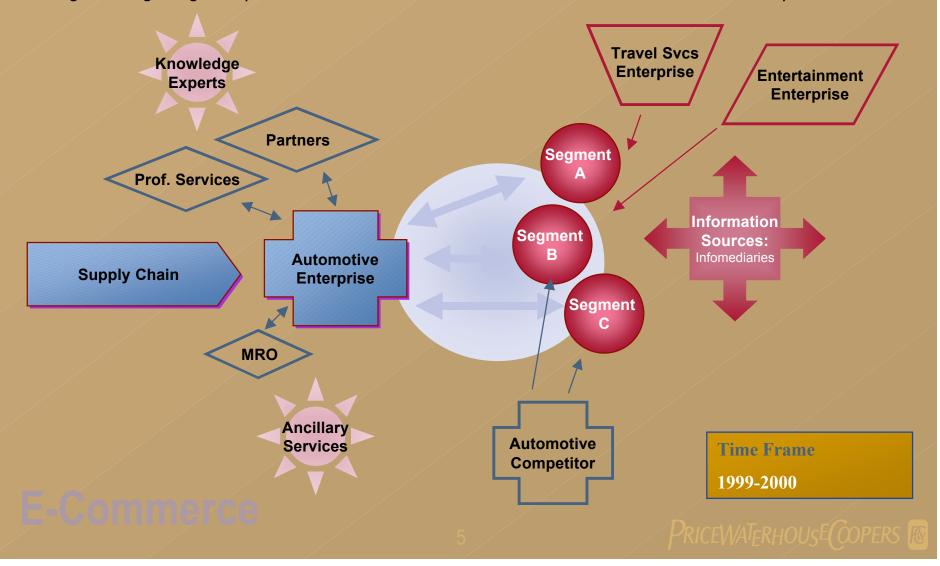
- The Internet: firms of all sizes can increasingly conduct business electronically due to TCP/IP and other standards
 - The ability to substitute and change electronic parts of the company is vastly greater
 - → "We are all on a large global network"
- E-Markets and netmarkets enable seamless outsourcing of key business processes
 - More choice about what you provide and how you provide it
 - Choices for you, options for your competitors
- "Network Vision," the chief executives' challenge
 - Simultaneously manage a firm and a complex "network position"
- Today, a key strategy goal for B2B companies is how they manage their adoption of e-business...
 - From the enterprise point of view to increase customer reach and to decrease cost of sales and service
 - From the network point of view to strip off less optimal business functions





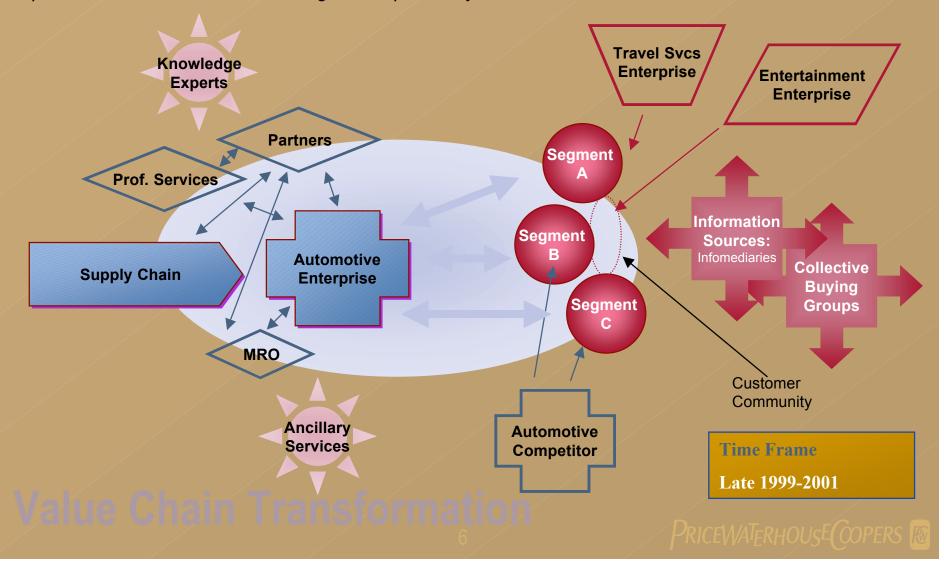
The Extending Enterprise: Stage I

E-Commerce focuses primarily on engaging customers. Organizational learning is high, and the key challenge is integrating core processes into e-commerce, where this can enhance customer experience



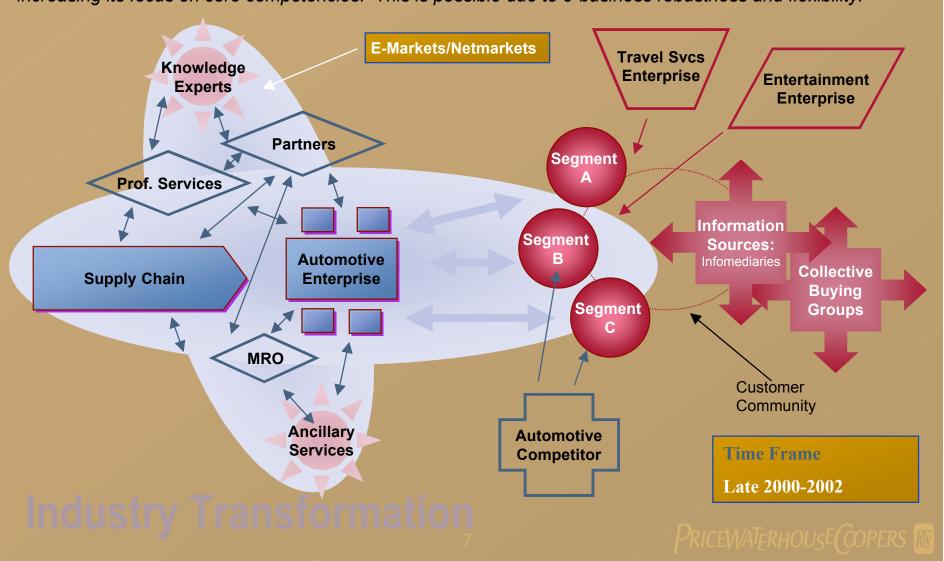
The Extending Enterprise: Stage II

The value chain is integrated electronically in Stage II. This coordination gives the enterprise power to expand because transaction costs begin to drop while cycle time diminishes.



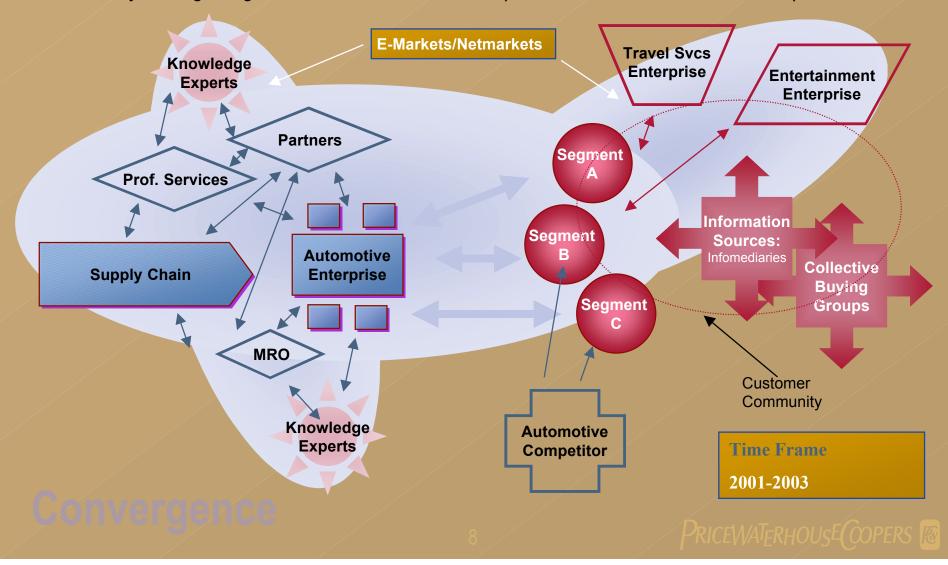
The Extending Enterprise: Stage III

Industry transformation occurs when the enterprise splits off processes that used to be considered core, increasing its focus on core competencies. This is possible due to e-business robustness and flexibility.



The Extending Enterprise: Stage IV

In Stage IV, the "industry" transforms to encompass other industries. The extended auto enterprise now offers industry leading, integrated travel and entertainment products and services, in this example.

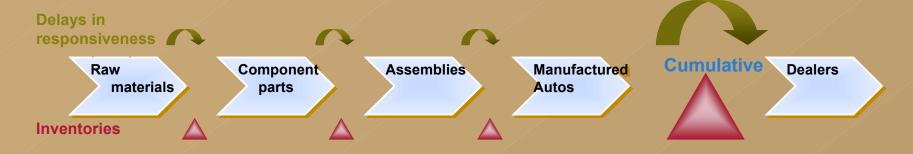




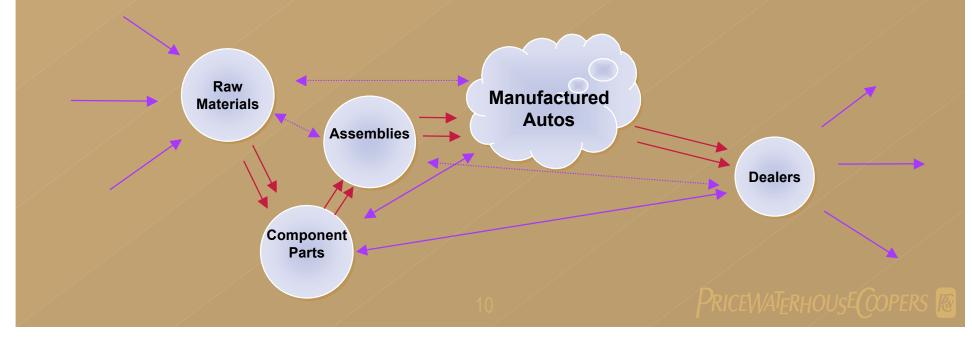
Network Power: Flexible Collaboration

lected. Network formation driven by level commu

Traditional Supply Chain... Linear, Limited and Expensive



E-Business Value Net... Unchained, Flexible and Economical



The Network Impact: Traditional Business v. E-Business

Traditional Business

- Closed, rigid hierarchy, slow to react
- Creates product/service, then sells to broad segments (mass market approach)
 - Gets market information 2nd hand, through "market research"
 - Controls product information
- High transaction costs
 - Often has expensive value chain



Organizational Approach

- Business processes often siloed
- Long product life cycles
- No knowledge strategy
 - No concept of knowledge sharing

E-Business

- Open, self-organizing, proactive, flexible
- Creates products/services for customers (one to one mentality)
 - Gets information continuously, directly from customers
 - Customers control product information
- Low transaction costs
 - → E-Business vastly reduces communications cost



Organizational Approach

- Business processes networked
- Short, continuous product life cycles
- Knowledge strategy key to strategy
 - Key driver of value proposition

New Opportunities and Threats for Chief Executives

- Degree, scope and pace of change requires unparalleled decision making
 - More options than ever
 - See the enterprise within its network: "what nodes to we want to own, and which do we want to use?"
- Achieving the reality of the virtual enterprise
 - Use of synthetic services over the Network
 - Need to transition old-model organizations to flexible, modular structures
- Maximizing time to market is dead in most cases
 - Time to market+wrong strategy < Time to market+right strategy</p>
- Focus on learning
 - Operating with network vision is a core competency
 - Organizational learning takes time
- On the network, you are what you know
 - Develop a concept and strategy for corporate knowledge
 - "What do we need to know to deliver value to customers on the network?"



Traditional Market Entry - Profile

- Establish a joint venture, legal entity or distributor relationship
- Create, publish and distribute a catalog for each of the desired product lines or marketplaces via mass mailing or other targeted saturation techniques
 - Imperfect market targeting squanders mailing costs
 - Typically a poor return on investment due to low business conversion rate
- Advertise in trade publications, magazines and mailers
- Employment of a sales force, local order management group and/or customer service center(s)
- Acquire or establish infrastructure:
 - Customer service center
 - Warehousing facilities and associated inventory storage locations
 - → Legal entity office facilities and associated personnel, e.g., human resources, finance & accounting, legal
- Preposition inventory with spearhead shipments

Traditional Market Entry - Risks

- Joint ventures, legal entity establishment and/or distributor relationships entail unforeseen risks in overseas environments and offer many lessons from others on hit or miss experiences
- Low brand awareness in North America characterized by a complex market with many channels and buying communities. Target marketing is often an imprecise science for market entrants, capital intensive and disappointing
- Direct sales forces are cost intensive, relatively high risk in terms of performance and expose the international parent company to a host of foreign business norms, laws, regulations and complexities
- Overhead organization often out of balance with business requirements
- Expatriates are often used to manage operations in the new market
 - Takes long time from entry to maturity within market
 - Must learn service culture and local capabilities to define service policy
- Local infrastructure is costly, difficult to balance in small to mid-size companies serving all of North America
- It is easy to put the wrong inventory in the wrong place, at the wrong time and end up with scrap and obsolescence

E-Business Virtual Market Entry - Profile

- Use Internet based web applications to perform key roles in the business process on a pay-as-you-go basis
- Access markets through defined buying and selling communities on the net
 - Passive posting of products
 - Strategic associations
 - Bundle products with communities for like buyers or sellers
- Outsource activities for both administrative and supply chain execution to specialists that have critical mass, have proven performance track records and that offer cost competitive economies of scale
 - Web facilitated Internet site development and assistance
 - Electronic catalogue development and posting
 - Credit checks, fraud management
 - Contract registration, review and management
 - Inventory management and replenishment oversight
 - Order acknowledgement, cost calculators and lead time estimators
 - Order processing



E-Business Virtual Market Entry - Profile

- Outsource activities (continued)
 - Trade compliance reporting and oversight
 - Carrier selection and order tendering
 - Order tracking and performance measurement
 - → Collection and payments settlement
 - Returns and reverse logistics management
- Profile service capabilities, e.g., service policy, on a mature market level from day one through use of outsource partners to create virtual image of deep brand presence and stability

E-Business Virtual Market Entry - Profile - Opportunities

- Access mature and qualified market targets and channels for a comparatively higher hit rate on sales per inquiry
- Avoid company owned physical infrastructure, e.g., warehouses, trucks, overhead facilities
- Build brand awareness and generate commercial lead-streams with virtual storefronts
 - qualified buyers visit the storefront to source products and services,
 - buyers place orders and make purchases online,
 - buyers request price quotations and additional product or service information
- Outsource all asset intensive or "Bricks and Mortar" aspects of the value chain without significant capital investment
 - warehousing and inventory management
 - reverse logistics
 - transportation
 - basic overhead services, e.g., credit, payments

E-Business Virtual Market Entry - Opportunities

- Attain cost competitiveness on a local market level through a leveraging of established service providers that are mature and have economies of scale
- Low cost method of developing brand awareness
- Extremely low risk, low capital approach to assets, e.g., building infrastructure, inventory positioning
- Avoid complex entanglements with overseas acquisitions, distributorships or joint ventures that can present difficult exit strategies
- Easy to execute exit strategy, "pull the plug"
- Home office control and oversight management of overseas "operations" through web-based, real-time communications and tracking

Create the Virtual Storefront

- A variety of sites across the Internet offer tutorials and step-by-step guides to the process of becoming e-commerce enabled
- Listing of all the known
 Online Transaction
 Providers'
- A condensed comparison of the prices and services that providers listed offer
- The Resources section is a comprehensive compilation of web sites that can help you effectively construct and market your site



Electronic Commerce is one of the most important aspects of the internet to emerge. It allows people to exchange goods and services immediately and with no barriers of time or distance. Any time of the day or night, you can go online and buy almost anything you want.

However, the road to creating a successful online store can be a difficult and confusing one if you are unaware of the concepts and principles behind eCommerce. The trick to entering this market smoothly is to find out what you need to do before you have to do it. This page is designed to help you do just that.

Here, you will find a step-by-step guide to the process of becoming eCommerce enabled, a listing of all the known Online

BREAKING NEWS

Tuesday's
Cybercrime
Report

ADVERTISEMENT:

TUTORIAL

DIRECTORY

SUMMARY

RESOURCES

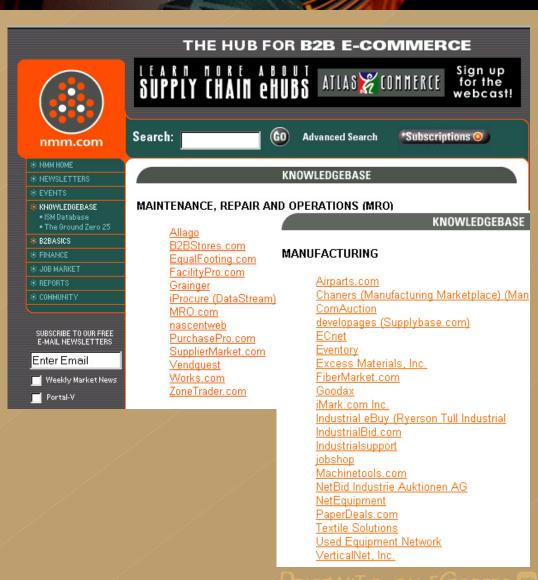
● FEEDBACK

ABOUT US

Find this site useful?

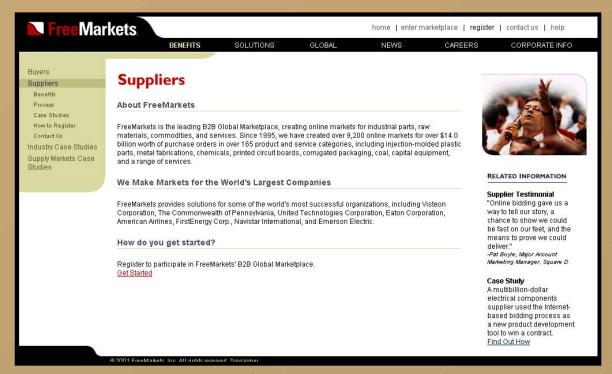
Demand Creation and Market Access

- NetMarketMakers.com offers category perspective on virtual community participants for market access and provider information
- NMM offers more than encyclopedic sources of contact through the networking of their representative companies that create a relationship hub
- Market access is organized by product and channel types for improved targeting



Demand Creation and Market Access

- FreeMarkets has delivered an on-line market solution for a machine parts company
- Over 100 buyers and 9,300-plus highly qualified suppliers
- FreeMarkets' solutions include a full range of technology and services to address industry's esourcing and asset management challenges



- The 9,200 online markets have produced more than \$14.0 billion worth of purchase orders over 165 product and service categories, including injection-molded plastic parts, metal fabrications, chemicals, printed circuit boards, corrugated packaging, coal, capital equipment, and a range of services and has created estimated savings of nearly \$2.7 billion USD for its customers
- Suppliers include Visteon Corporation, The Commonwealth of Pennsylvania, United Technologies Corporation, Eaton Corporation, American Airlines, FirstEnergy Corp., Navistar International, and Emerson Electric

Demand Creation and Market Access

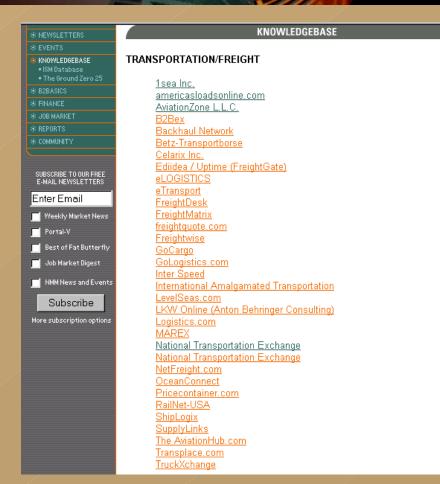
Established in 1995,
 VerticalNet is a B2B
 e-commerce enabler,
 providing end-to-end
 e-commerce solutions
 that are targeted at
 distinct business
 segments through two
 strategic business units –
 VerticalNet Markets and
 VerticalNet Solutions



- VerticalNet is comprised of 58 industry specific marketplaces that provide value to buyers and suppliers by offering vertical relevance and leveraging horizontal scalability and by supporting commerce, content and community in a hosted environment
- VerticalNet Solutions delivers the digital marketplace solutions available to industry alliances, global 2000 enterprises, Net market makers, and VerticalNet Markets

International Logistics Planning, Cost and Execution

- The common failure of most dot.com ventures often came down to poor logistics cost and execution management. NetMarketMakers.com offers category perspective on virtual community participants available to outsource to for logistics execution
- It is critical to select logistics provider(s) that can serve the full range of channels and buying communities that the seller may wish to serve
- It may be necessary to use different services for specific aspects of the logistics process, e.g., e-fulfillment; transport rate quotes, carrier selection and shipment tendering; customs brokerage; reverse logistics



International Logistics Planning, Cost and Execution

- NextLinx specializes in global trade
- Mission since 1994 is to provide automation support to the international trade community
- Determine required licenses; produce product documentation; determine landed costs; classify goods quickly / accurately; and fulfill orders



Corporate Brief

What is NextLinx?

NextLinx Corporation is a leading global trade solutions provider. We help companies simplify, automate and accelerate buying and selling around the world. Through our solutions, companies around the world are expanding and growing their global businesses.

Since our founding in 1994 by leading global trade management experts, NextLinx's mission has been to provide automation support to the global trade community. Over the years, we have earned a reputation as the experts for global trade management. We have a solid track record of building accurate, reliable and practical applications, backed by the most comprehensive and current set of global content and international business rules available.

What do we do?

NextLinx powers global trade. Through Global TradePlace™, our flexible, scalable and robust hosted Internet site, we bring together trading participants in a collaborative environment to facilitate global trade. Shippers, exporters, importers, Customs brokers, e-marketers, freight forwarders and more - all come to the Global TradePlace to get connected and streamline global trade transactions. They communicate with each other, exchanging important information guickly and easily.

At the core of the Global TradePlace is Global Knowledge™, the most comprehensive and accurate database of global content and rules in the industry. Global Knowledge is the power behind Global Manager™, our unique and flexible product suite that can be used to calculate, define and produce all of the information required for global business - total landed cost, HS/non-HS classification, license determination, denied party screening and all of the documentation required by both business and governments.

Who are our customers?

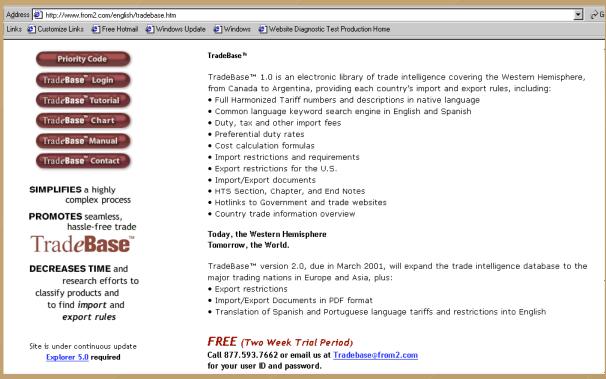
NextLinx supports every type of business, from the largest global corporations (e.g., UPS, Boeing, Rockwell) to new and upcoming B2B, portals, hubs and marketplaces (e.g., ShipChem, US Bid).

- Provides services to enable suppliers to provide screens to denied parties,
- NextLinx supports every type of business, from the largest global corporations (e.g., UPS, Boeing, Rockwell) to new and upcoming B2B, portals, hubs and marketplaces (e.g., ShipChem, US Bid)
- Clients include FedEx, Boeing, Rockwell Automation, Imation, Air Products, Qualcomm, 3Com and UPS

International Logistics Planning, Cost and Execution

From2.com

- Trade specialist site that focuses upon international trade transactions with Europe and Asia
- Trade compliance management: duty, VAT, import surcharges
- Tracks and traces transaction process with performance archiving



- TradeBase defines the required process steps to execute a international logistics transaction origin to destination
- Links to in-depth sources of information about international shipping regulations are referenced online

Financial Transaction Management

- Escrow.com's
 TransactionPoint has been in operation for 15 years, has \$1 trillion+ in successful transactions
- Automates legal contracts; collects/disperses funds; tracks and confirms performance of process participants to a trade; proactively sequences business steps
- TransactionPoint includes technology for agreement, fulfillment, inspection, and payment



Escrow.com delivers the most comprehensive transaction management technologies and escrow services over the Internet

- Escrow.com provides <u>transaction settlement solutions</u> and <u>escrow services</u> that facilitate and accelerate B2B, B2C and P2P e-commerce.
- Escrow.com's secure settlement engine automates everything needed to complete successful online transactions, including management of all terms and conditions.
- By utilizing Escrow.com's <u>services</u>, Buyers and Sellers experience more effective, efficient and secure transactions.
- Escrow Services A trusted third party that holds payment until a transaction is completed. Escrow Services secures payments for an online purchase until the Buyer either accepts the merchandise or returns it to the Seller.
- Escrow.com incorporated in 1999 by Micro General Corp. (NASDAQ: MGEN), subsidiary of Fidelity National Financial, Inc. (NYSE: FNF), the world's largest escrow and title insurance company



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