



BACKGROUND ON BUSINESS

E-Business Doesn't End With The Sale

by Patrick Sedillo

(NAPSA)—Having a successful e-business takes more than a slick Web site. The companies that succeed will be those that exploit all the benefits of the relationships between suppliers and customers.

Setting up a Web site and transacting business is becoming a simpler task, even for small and medium-sized businesses. The challenge today is to create an integrated process where Web transactions automatically drive back-end operations, such as accounting, ordering and shipping.

A networked world, drawing on sophisticated process and information technology, makes it possible to do business in a whole new way. As more and more growing enterprises invest in full-fledged e-business, their ability to transact business within their own supply chain and outside of it will be multiplied—B2B will become B2B-squared.

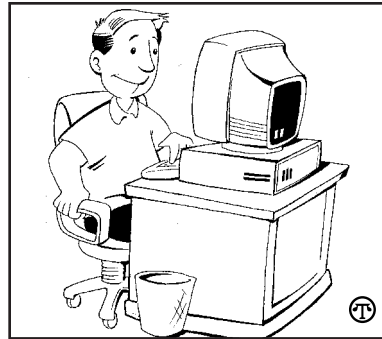
Soon, businesses with fully integrated supply chains will connect seamlessly with all of the links along the chain, starting with the commodity broker that supplies their supplier, to the retailer who is supplied by their wholesaler.

For example, IBM understands the distinction between e-commerce—selling on the Web—and e-business—using technology to integrate supply chain processes to fulfill customer needs smoothly and quickly.

Buying decisions will be influenced by accessibility and responsiveness. The best integrators are adding a whole new level of value to their business; and they are spending a lot to gain that advantage. The supply chain management solutions industry is growing at an annual compound growth rate of more than 40 percent, according to IDC. In a few years, it's projected to be a \$140 billion industry.

Perhaps the greatest growth will be in midmarket sectors. The estimated 70,000 companies that make up this sector employ over 17 million people and rely heavily on supply chain solutions.

As a result, server, software and support services growth is higher



True e-business doesn't end with the transaction. It also involves supplies and shipping.

among midmarket businesses than among larger companies.

As the owner of a midmarket business, the first thing that you must recognize is that your current supply chain is not a chain, but a pile of links—separate pieces with walls around them that only connect when the immediate situation demands it.

Businesses are blending the operations of suppliers and customers. Today, the Web is enabling dramatic changes that will benefit customers and their suppliers. Tomorrow, the walls will come tumbling down.

IBM is putting e-business to work inside and out. In addition to supporting mid-size businesses, we provide our Large Enterprise customers with dedicated Web sites to fulfill each customer's specific Information Technology needs.

Customers will soon be able to order products at a prenegotiated price and with guaranteed delivery based on world class back-office processes and tools.

Data from the transactions will be "mined" to operate more efficiently. Within a year, we will be able to offer similar programs to even more customers and business partners.

Technology is changing our culture by eliminating unnecessary work, improving teamwork and productivity, and improving our bottom line.

Patrick Sedillo is the Industrial Sector Executive for IBM's Small and Medium Business.

To learn more about e-business applications, visit www.IBM.com.