

Optimize and Transform Your Business Collaboration Network



A new look at the challenges,
trends and opportunities in
the global marketplace

Definitions**Business Collaboration Network**

A Business Collaboration Network enables companies and their customers, partners and suppliers to connect, communicate and collaborate in a productive, secure and effective manner, driving positive business results for all involved.

Collaboration

To work together toward a common end

Executive Summary

Every enterprise in business today has a Business Collaboration Network (BCN). Your BCN includes all the customers, partners and suppliers with whom you connect, communicate and collaborate to drive positive business results for all involved.

As these networks become increasingly complex—from single channel to cross-channel and from local suppliers to global suppliers—the challenges for companies to integrate systems and manage shared processes become more difficult.

In this white paper, we will examine three mega-influences that every company or organization engaging in business collaboration must take into consideration.

1. Globalization is changing the landscape of business today
2. Companies don't compete in isolation; they compete against networks of companies
3. Complexity is prevalent everywhere

As a result of these three influences, the emerging business climate is already being referred to as a "flat world." And, in the flat world everything changes...above all what it takes to run a winning company. Success is less about what the company can do alone and more about what or who it can connect to and collaborate with while simplifying complexity and increasing profits.

With Sterling Commerce, companies can optimize and transform their BCNs to accelerate revenues and reduce costs quickly, easily and securely. Specifically, at Sterling Commerce, we are dedicated to helping our customers connect, communicate and collaborate better with their customers, partners and suppliers. This is critical, because in today's business environment, no company is successful alone. To that end, in this white paper we will outline the top 10 things for you to examine around your Business Collaboration Network to make it a source of competitive advantage.

Business Collaboration Today

Business collaboration today is best described in the book titled “How Mass Collaboration is Changing Everything” in the following excerpt:

“In business we collaborate with co-workers at the office, partners in the supply chain, service providers who enable key parts of the business and with teams across the organization. The promise of collaboration in today’s competitive business environment means that you have harnessed the best of the best—more efficiently and effectively—than anything you have witnessed before. Collaboration takes the collective knowledge, capability and resources embodied within a broad network of participations, and mobilizes it to accomplish much more than one firm acting alone. Whether designing a machine, consumer product, or analyzing assay arrays for genome sequencing, the ability to integrate the talents of the collective participants is the new method of effective competition. And, in the future, this new model of ‘collaboration’ inside and outside the enterprise will be the key to economic growth.”

— *Wikinomics: How Mass Collaboration is Changing Everything*, Don Tapscott and Anthony D. Williams, 2006

In addition to the promise of collaboration in today’s business environment, there are three mega-influences businesses are experiencing today that are making those same businesses seriously consider optimizing and transforming themselves. Which makes BCN extremely relevant to them at this point in time.

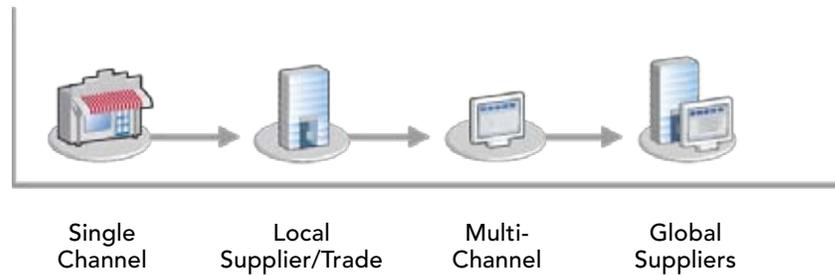
Globalization

The first key influence is the fact that globalization is changing the landscape of business.

“To enter global markets demands collaborating with local partners and orchestrating the business through complex networks and diverse cultures.”

— *Competing in a Flat World*, Victor K. Fung, William K. Fung, and Yoram (Jerry) Wind, 2008

As a result of globalization and the flat world nearly all Global 2000 companies derive over half their sales from international markets and are increasingly turning to off-shoring/outsourcing to address global competition. Another response is that many companies are looking for resources to help them take advantage of the power of the “always on” business environment and the power of connecting and communicating with trading partners, suppliers and service providers, as well as with resellers, distributors and selling partners globally to reach new markets and customers, and have access to global demand and supply chains (see Figure 1). An optimized BCN can help you work better with others in the flat world no matter where they are.

Figure 1: Evolution of Business Collaboration**Changing organizational models**

The second key influence is that companies are changing the way they organize themselves. Instead of following the hierarchical “individual entity” paradigm, companies are forming groups of alliances. The new model is one where a company concentrates on what it does best, and partners with other companies who do what they do best, to deliver collaborative solutions or partner-enabled offerings to customers.

“In these complex times, when no organization can succeed on its own, non-profits and organizations are embracing collaboration for mutual benefits.”

— *The Collaboration Challenge*, James E. Austin, 2000

“Orchestrate or be orchestrated... Orchestration is not a choice. It is an imperative. To remain competitive with partners who are skilled in network orchestration, companies have to be able to orchestrate.”

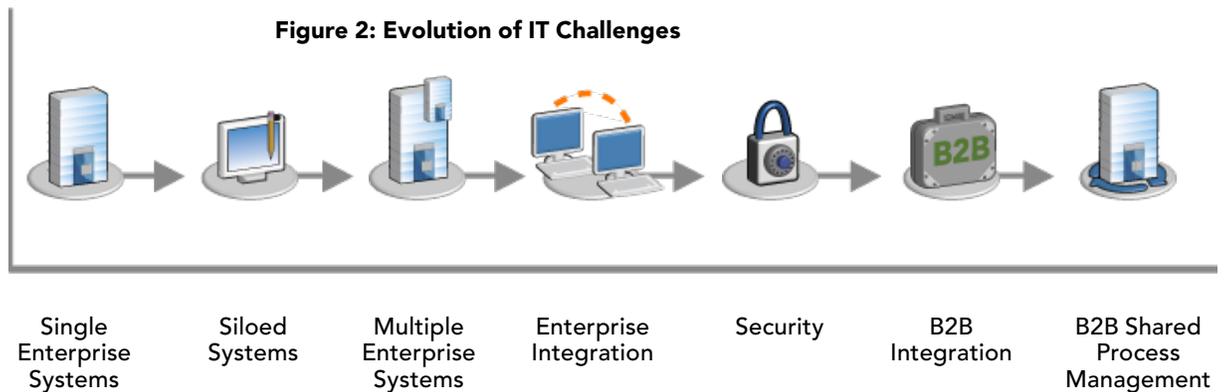
— *Competing in a Flat World*, Victor K. Fung, William K. Fung, and Yoram (Jerry) Wind, 2008

Companies don’t compete against each other in isolation; their network competes against other networks of companies. For example, all retailers have a supply chain stretching from their shelves out to the world. The best supply chain will win in retail. For manufacturers, it is critical for the global supply chain to be optimized in terms of costs and services. On the demand side, manufacturers need to drive growth by collaborating with distribution partners, service providers and resellers for sales to customers. In the end, manufacturers must orchestrate their supply and demand chains effectively to win. Orchestration of their larger Business Collaboration Networks is the logical next step. A carefully orchestrated BCN is key to success. A company must know when to produce value by focusing on specialized resources from within, as well as when to open their doors and create value as orchestrators of their BCN.

In response to the second key influence, companies are focusing on optimizing and transforming their BCNs across a larger global business network for delivery of the right product to the right place at the right time.

Complexity

The third key influence for companies centers on the complexity created by connecting and collaborating with customers, partners and suppliers. One requirement created by this complexity is adapting different, separate internal systems and processes to form one seamless, integrated process. Whether it is from a business or IT perspective, complexity is prevalent everywhere. IT challenges start with single and multi-enterprise systems and now require B2B shared process management (see Figure 2). All of this causes the Business Collaboration Network to become even more complex.



As a result of complexity, businesses find themselves with too many siloed systems, and too many unique processes that don't share information or integrate easily. In addition, these systems and processes are not typically extensible and flexible, particularly as they relate to systems and processes outside the enterprise.

Companies don't need more complexity. They need to simplify the complexity and enable shared systems and processes with visibility into their partners' and suppliers' systems and processes so they can better serve the needs of their own customers. This is even more of a requirement now when customers have moved past expecting a single, unified experience to insisting on it. To achieve this, companies are responding to complexity by enabling their BCNs to integrate directly with trading partners' and suppliers' BCNs, with visibility into appropriate business operations to ensure success in the collaborative partnership and the business.

**Your Business Collaboration Network—
A Source of Competitive Advantage**

By optimizing and transforming a BCN, companies can capitalize on globalization or the flat world. They can also leave "individual entity" organizational structures behind in favor of open, collaborative structures. This allows for more visibility into the supply chain, simplifies complexity and makes it easier to please customers. An optimized and transformed BCN enables a company to take advantage of new opportunities for growth that will drive revenue.

“Collaboration is increasingly seen in the executive suite as a central vehicle of global growth strategy, and no longer simply in opportunistic terms. Many companies are eagerly seeking new ways of cooperating with partners, and are investing in the human and technological resources necessary to make collaborative partnerships thrive.”

Collaboration Across Borders, AT&T White Paper, 2008

Optimizing and transforming a BCN can enable a company to have a new source for creating competitive advantage. By integrating key business processes and streamlining sales, fulfillment and payment operations with customers, partners and suppliers, a company can:

- Solve internal and external integration challenges by enabling any-to-any process and application integration
- Enable community management services including onboarding, directory and conversion services for suppliers and trading partners, and gain insights and visibility into their supply chains
- Deliver a seamless cross-channel customer experience for the sales of products and services to increase customer loyalty and accelerate revenue
- Increase efficiencies of cross-channel selling, fulfillment, and payment processes, drive accelerated revenues to optimize costs and services
- Drive efficient operations for warehouse and transportation management with end-to-end visibility of the supply chain to reduce costs and optimize services
- Improve secure bank-to-corporate processing efficiencies with streamlined processes for payment operations to protect the company's relationships and reputation

Sterling Commerce helps enterprises connect, communicate and collaborate with their customers, partners and suppliers with our solutions that connect people, processes and technology to enable the seamless and secure integration of key business processes; and that streamline the commerce lifecycle from selling to fulfillment to payments, to enhance the way to do business. Together our solutions integrate key business processes and streamline sales, fulfillment and payment operations so our customers can accelerate revenues, reduce costs and protect their reputation.

Sterling Commerce solutions enable businesses, such as Big Time Products (maker of work and cleaning gloves) and SLIB (provider of solutions and services for the European securities industry) to optimize and transform their BCNs with seamless and secure integration of key business processes. These companies can connect and integrate with other businesses, and share data in a secure, reliable and proven manner, with visibility and alert services to meet key service level agreements. And, SLIB and Big Time Products are able to compete and win as they actively connect and share their information, systems and processes inside and outside their companies—helping employees, customers, partners and other constituents work better together, and be more productive and collaborative.

"We promise our customers a very high level of service. Outsourcing our B2B integration processes to Sterling Commerce lets us focus on what we do best—delivering superior products at the highest possible value."

"Sterling Commerce is the best in the business and the best choice for us. The company delivers a world class and 'dial-tone'-reliable B2B infrastructure supported with B2B professionals to provide the checks and balances we need to deliver superior customer service."

Brianne Wilson
IT Director,
Big Time Products

"With Sterling Commerce, SLIB benefits from a solid foundation for supporting future industry requirements including new formats, such as SWIFT ISO 20022 messages. By continuing to invest in state of the art technology and accelerating business development, we are well positioned to meet the needs of our customers now and in the future."

Bernard Tardy
Sales and Marketing Director,
SLIB

Big Time Products and SLIB optimize and transform their BCNs with seamless and secure integration of key business processes inside and outside their enterprises and benefit by:

- Enabling secure communications for all file transfers, reducing the risks of data security leaks and meeting compliance mandates
- Providing B2B integration and exchange services for trading partners with community management services to optimize costs and services
- Driving enterprise application integration and enabling business process integration for internal and external systems

Big Time Products, LLC. delivers the "Perfect Order" by accelerating B2B collaboration for reliable and quick processing of customer orders.

Each moving part of the complete e-commerce process represents a potential point of failure. Sterling Commerce Integration Solutions provide document process management and trading partner support across Big Time Products' BCN that monitor and manage each point of potential failure, diagnosing problems, and working directly with Big Time Products' trading partners to correct failures before they become business-critical.

Sterling Commerce Press Release, *Fifteenth Fastest Growing Company in U.S. Chooses Sterling Commerce for Managed B2B Integration Services*, September 8, 2008

SLIB is using Sterling Commerce Integration Solutions to act as the central communications hub for secure, business-to-business message exchange across its BCN. With end-to-end real-time visibility across their value chain, SLIB can drive operational efficiency, improve responsiveness to customer and industry needs, and readily adapt to evolving domestic and international standards.

Sterling Commerce Press Release, *SLIB Implements Sterling Commerce Solution to Simplify Straight-Through-Processing of Transactions*, September 15, 2008

Additionally, DSW (Designer Shoe Warehouse) and Quantum Corporation (global leader in backup, recovery and archive solutions) optimize and transform their BCNs to increase revenue and streamline commerce processes. DSW is able to conduct commerce and streamline the execution of its supply chains with visibility across every available touch point and flawless supply chain execution.

And Quantum Corporation is able to increase customer satisfaction with personalized buying experiences and improve business responsiveness through greater visibility and intelligent order orchestration.

“At DSW, we understand that the future of retailing is delivering on a cross-channel vision that will enable customers to have a superior shopping experience with our brand no matter which channel they choose.”

“We have that vision, and are excited about our first step, the new DSW.com site, that lays the foundation that will enable DSW to achieve new levels of innovation in how we serve our customers.”

Carlos Cherubin
Chief Information Officer,
DSW Inc.

“Quantum Marketplace makes it so easy for our sales representatives, distributors, and resellers to select, configure, and quote our products and solutions, while giving them the confidence that they have included everything required to meet their customers’ unique needs.”

Gary Brenkman
Director, Marketing Operations,
Quantum Corporation

DSW and Quantum Corporation enhance the way they do business by streamlining the commerce lifecycle from selling to fulfillment so they can drive growth and optimize costs and services. These companies have been able to:

- Deliver a seamless personalized customer experience (online, in-store, direct sales, channel sales, multi-tiered sales) to increase sales efficiency and revenues
- Orchestrate the perfect order—from order capture to fulfillment—and improve the reliability and efficiency of the order-to-cash process
- Optimize supply chain execution and improve fulfillment cycle times and efficiency

DSW Inc. uses Sterling Order Management to create world-class online shopping experience.

The Sterling Commerce solution orchestrates the enterprise order management process, providing a contextual, unified view of the order. This view, used by DSW’s Call Center, not only improves efficiencies throughout the order lifecycle by ensuring the right information is accessible and actionable for those who need it, it also captures exceptions by leveraging a proactive events management and alert notification modeler to ensure customer orders are complete, accurate and timely.

Sterling Commerce Press Release, *Sterling Commerce Provides Order Fulfillment Foundation for New DSW.com*, August 18, 2008

Sterling Multi-Channel Selling reduces order cycle times and increases market revenue. A Sterling Commerce solution is the foundation for “Quantum Marketplace,” a Web-based enterprise e-business solution that makes it easier for Quantum’s reseller partners to do business with them. The system also provides an online catalog, side-by-side feature comparisons, up-sell functionality, quotations, special pricing, coupons, and promotions.

Sterling Commerce Customer Case Study, *Quantum*, November 2007

Summary

The Business Collaboration Network is one of the most powerful tools a company has to succeed in today’s demanding yet fluid environment. If a company’s BCN is optimized and transformed correctly, they will succeed.

How to examine your business to ensure your BCN is a source of competitive advantage

The following questions are the “top 10 things” to consider so you can examine how to make your Business Collaboration Network a source of competitive advantage.

1. What Business Collaboration Network exists today for your organization and how is it leveraged to create specific customer solutions?
2. Which companies are filling the roles in your Business Collaboration Network?
3. Does your company serve as the hub and orchestrator of your Business Collaboration Network?
4. Are you engaged as an orchestrated partner of another company’s Business Collaboration Network?
5. Who in your Business Collaboration Network is also in your competitors’ BCNs, and do you understand how your own network compares to theirs?
6. Do you have the capabilities to enable seamless integration of key processes with suppliers, trading partners, service partners, financial institutions and other key constituents of your business?
7. Do you have integration processes that allow you to integrate key business processes seamlessly and securely, and meet compliance mandates?
8. Do you have the capability to extend and leverage core systems to manage extended supply chains and drive dynamic selling models?
9. Do you have a rich global network that can respond quickly and effectively to every customer demand across every channel?
10. Have you created seamless processes with your customers to deliver the right product and service to the right place at the right time at the right price?

At Sterling Commerce, we are dedicated to developing innovative solutions for optimizing and transforming our customers’ Business Collaboration Networks so our customers can accelerate revenue, reduce costs and protect their reputation.

About Sterling Commerce

Sterling Commerce, an IBM® Company, helps organizations worldwide increase business agility in their dynamic business network through innovative solutions for selling and fulfillment and for seamless and secure integration with customers, partners and suppliers. More information can be found at www.sterlingcommerce.com.

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