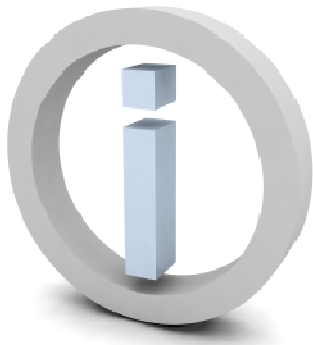


Business to business (B2B) Ecommerce

B2B Ecommerce covers Ecommerce transactions between businesses, such as between a manufacturer and a wholesaler or between a wholesaler and a retailer.

A recent US report, "Online B2B Marketing in the United States: Assessment and Forecast to 2010" reports an increasing focus on the online channel for lead generation and customer retention.



A recent Forrester report: "Trends 2010: Ecommerce Platform and Technology" said of B2B Ecommerce:

"Business to business (B2B) Ecommerce will emerge as a growing and critical component of the overall sales landscape. Business leaders will turn to their Ecommerce solution providers to help them maximize these opportunities and drive their customer experience and businesses forward".

So what you might say. Hasn't B2B Ecommerce been touted for years and hasn't it gone pretty well nowhere?

Well, not quite.

Yes, it has been touted for years and no it hasn't gone nowhere.

Large companies have made substantial investments in Eprocurement and more and more purchasing organisations are requesting their key suppliers support 'punchout' or XML compliance to give them private web access to the suppliers products or services so they can be ordered online.

'Punchout' allows buyers to securely access a supplier's online web store while they are using their existing procurement application. The buyer uses the supplier's web site to search and select items for purchase and then fills a shopping cart. The shopping cart of items is then sent via the Internet in real time to the buyer's Eprocurement application. The Eprocurement application converts the shopping cart into a requisition, which is worked, approved and converted to a Purchase Order. Then the Purchase Order is sent to the supplier via the Internet.

SMEs and B2B Ecommerce

Smaller companies have not been so active, but for many of them B2B Ecommerce can improve efficiencies by reducing the costs involved in business.

Improvements can include:

- Making it easier to do business and acquire new customers, retain existing customers switching channels and reduce customers leaving with sales rep changes

- Reducing:
 - operating costs from sales to inventory and accounting. For example, when a transaction that is currently conducted by phone or fax is automated and by reducing the cost of processing a purchase order for maintenance, repair and operating supplies (MRO) purchases
 - transaction costs, for example by reducing a buyer's cost of finding suppliers because it is less expensive to search for products and compare prices over the Internet than it is to read catalogues and make phone calls.



- Redesigning processes. For example, providing customers and partners with self-service portals and giving sales and services reps real-time visibility of customer interactions
- Providing tailored pricing to customers, including negotiated prices, volume discounts and flexible payment terms based on their account and increase sales with automated cross-sell and up-sell recommendations
- Improve availability responsiveness and service, eliminate order errors, expedite order processing and shipping, provide faster fulfilment and improved customer satisfaction
- Allowing more "buyer centric" and faster marketing development by empowering sales and marketing users to manage sites and campaigns directly thus allowing them to develop the brand, manage branded sites for multiple trading partners on a single platform and support multiple languages, currencies and countries without IT involvement
- Improving information:
 - about product characteristics including prices and availability
 - about future demand thus allow you to improve demand forecasts and use that information to change production decisions to better match demand. At the same time buyers might obtain better information about existing and future supply and use that information to change inventory decisions.

But how can SMEs be sure your company's B2B strategies are on the right course for success?

It really falls into 2 areas:

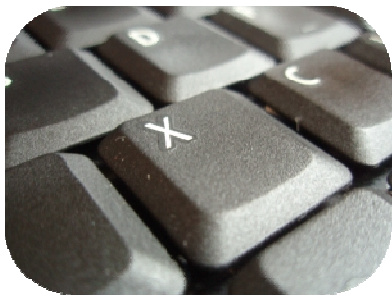
- Planning

- Infrastructure

Planning

Make sure you look at:

- Technology and resources
 - This involves questions such as how difficult it will be to build, how much time it will take, when it can be built, whether it interferes with normal business operations, type and amount of resources required, dependencies, etc. Contingency and mitigation plans should be also stated here so that if the project does over run the company is ready for this eventuality.



- Operations
 - Do the current work practices and procedures support internet based trading, what organizational changes will be needed and how will this affect the working lives of those affected.

Infrastructure

B2B Ecommerce may look very similar to B2C (business to consumer) but this is most certainly not the case. You need to look at:

- Authenticating and initiating orders
- Tailored catalogues, prices and offers
- Orders and lists created over time
- Order workflow, quotations, punchout
- Scheduled delivery and fulfilment
- Off-line sales integration, marketing support
- Multiple product and bulk order entry
- Product configuration and customization
- Complex promotions unique to B2B
- Invoicing, remittance and reporting