

eProcurement Models and Solution

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Better answers

eProcurement Models

Better answers

Problems with Today's Purchasing

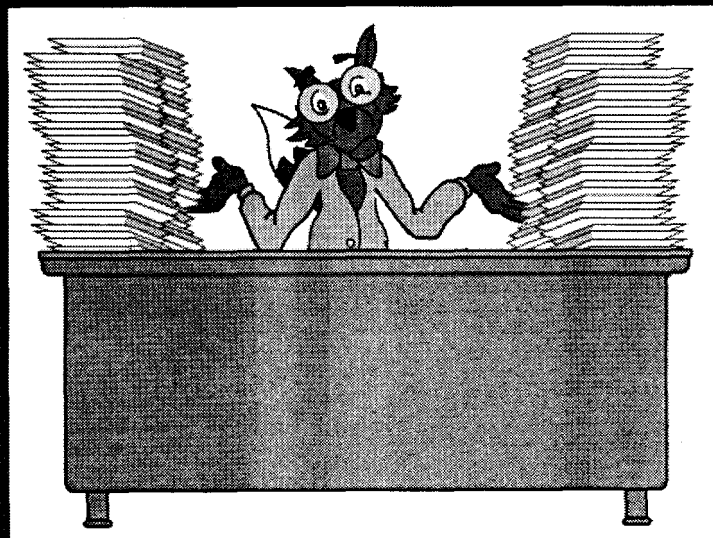
- ◆ Paper-based catalogs and different ways to shop (i.e., web, paper, stores) make it difficult to find the right items



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Problems with Today's Purchasing

- ◆ The internal approval process can take a long time



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Problems with Today's Purchasing

- Not many people know which supplier is the best to buy from or what price is "acceptable"



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Problems with Today's Purchasing

- Waiting for your order to arrive can be frustrating ... it seems like it would be easier to "just go buy it"



Better answers

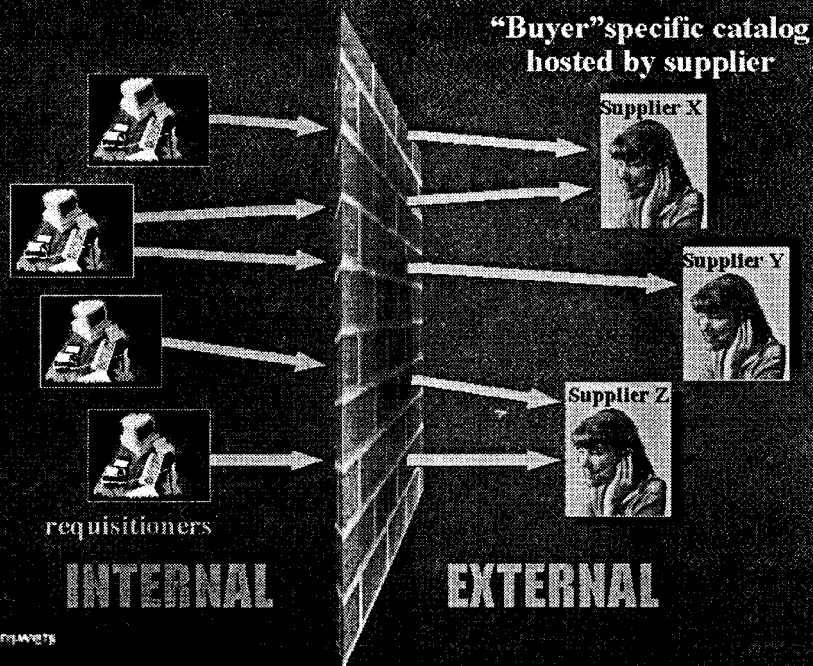
Problems with Today's Purchasing

- ◆ Uncontrolled buying (like "just buying it yourself") is expensive to your organization



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Paperless Purchasing/eCatalog Models Supplier-Centric

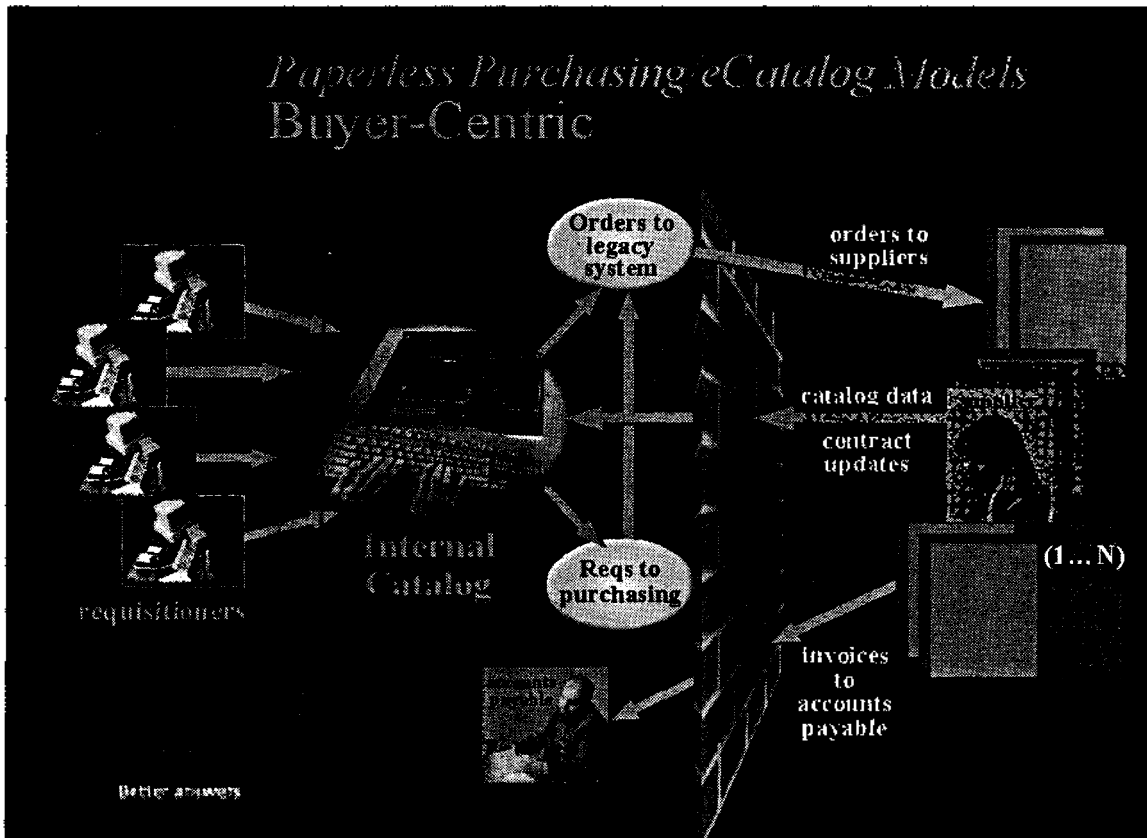


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Problems with Today's Purchasing

- Not many people know which supplier is the best to buy from or what price is "acceptable"

The illustration depicts the challenges of traditional purchasing. On the left, a computer monitor and keyboard represent digital information. In the center, an open catalog shows various items. On the right, a storefront with a striped awning represents a physical supplier. In the foreground, a person wearing a magnifying glass is shown, symbolizing the difficulty of finding the best supplier and price among many options.



Buyer-Centric Characteristics

Definition: Buyer owns and manages the catalog and buying software inside the company's firewall

Cost Model: Software licenses and annual maintenance fees

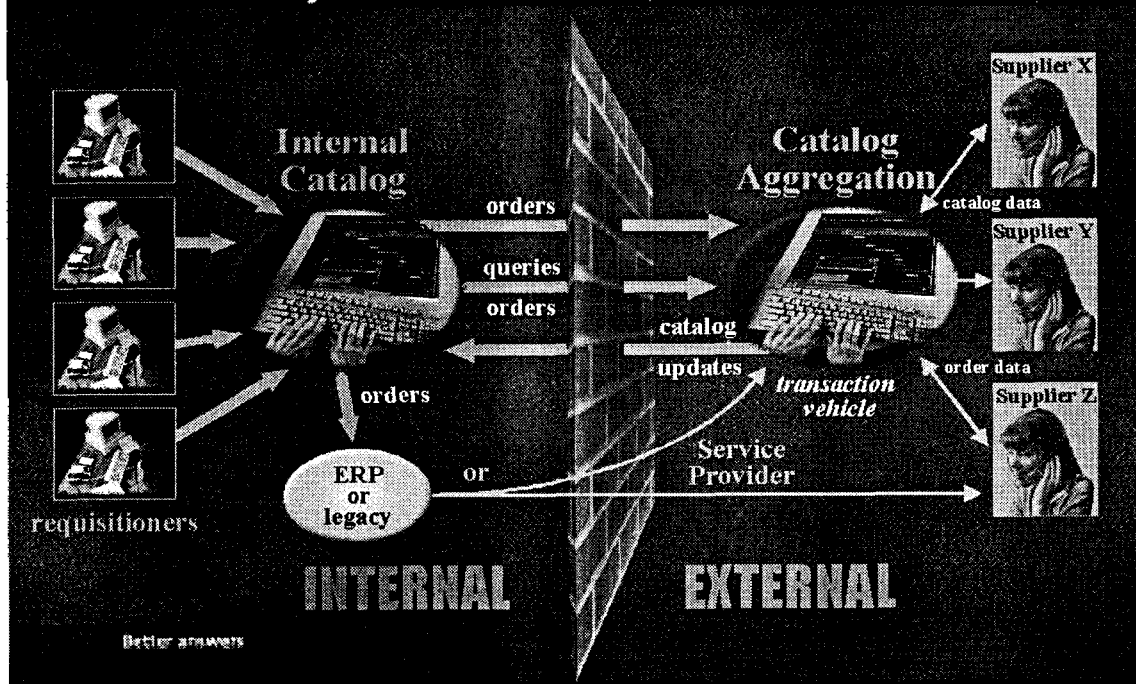
Benefits

- ◆ One Interface to Requisitioning community
- ◆ One Logon
- ◆ Ordering data captured and maintained internally
- ◆ Total control of business process design and integration with internal systems, consistent and integrated workflow
- ◆ Purchasing controls what internal client can see
- ◆ Ability to review and approve catalog updates from suppliers

Drawbacks

- ◆ Content must be individually sourced from suppliers and aggregated into the catalog
- ◆ No cross-catalog item classification or content standards
- ◆ Individual communication linkage to each supplier
- ◆ Content Management effort is increased

Paperless Purchasing/eCatalog Models: Hybrid Model



Hybrid Model Characteristics

Definition

Buy-side software inside firewall; catalogs aggregated by a service provider who may also manage communication to supplier for PO flow

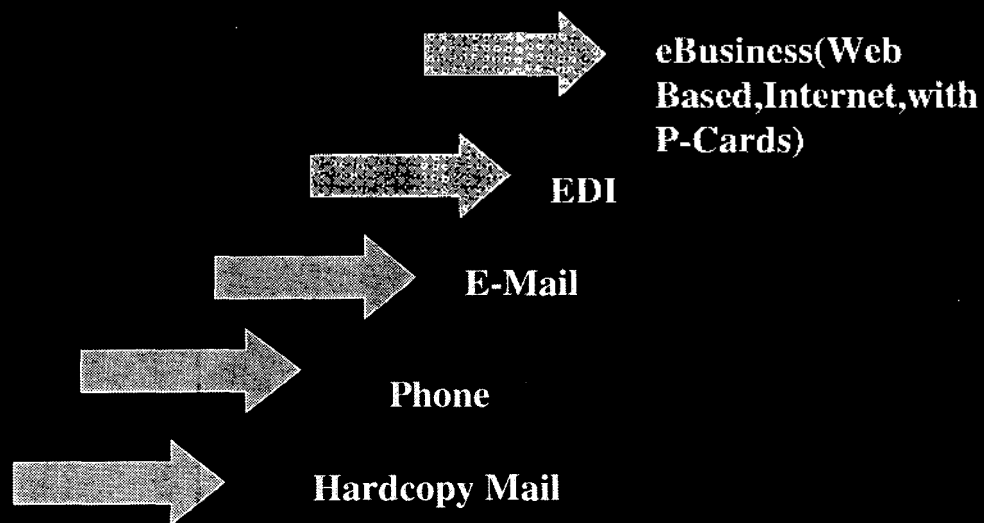
Cost Model

Buy-side software license, annual maintenance fee, aggregated catalog subscription fee, fee to bring new suppliers onboard and edit their content, possible transaction fee per PO (and other does)

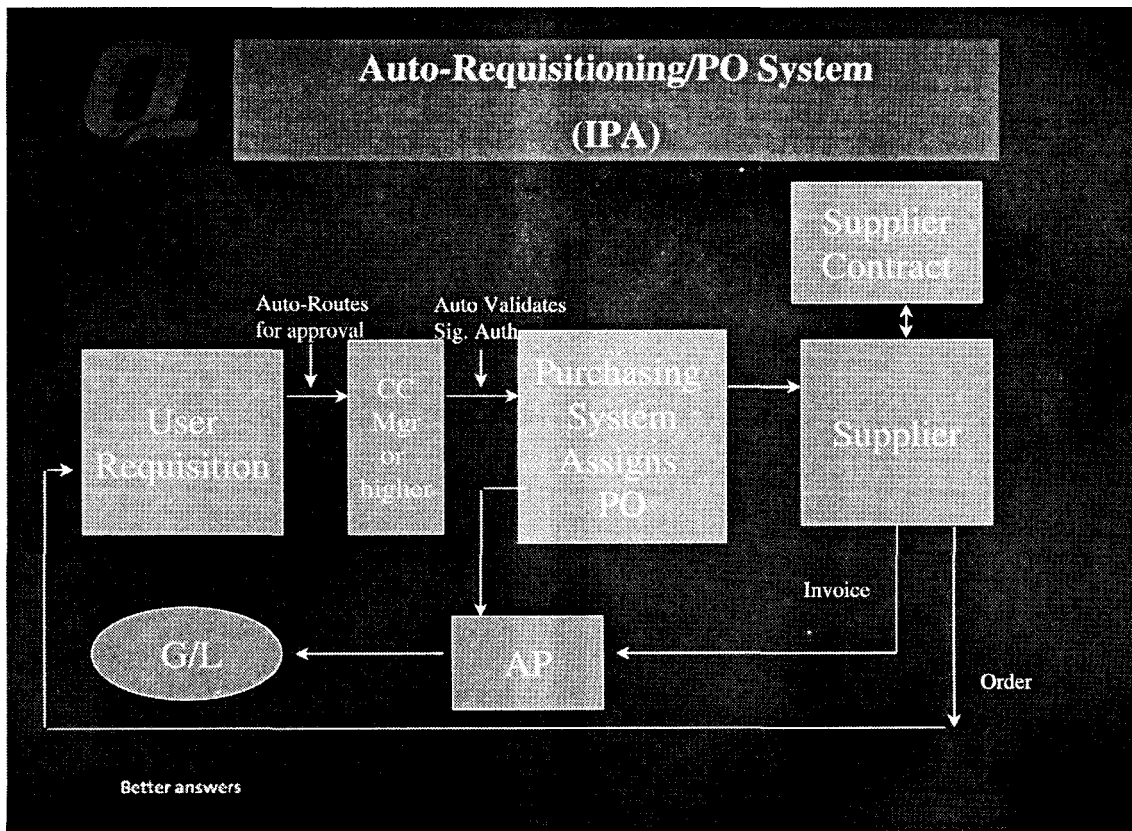
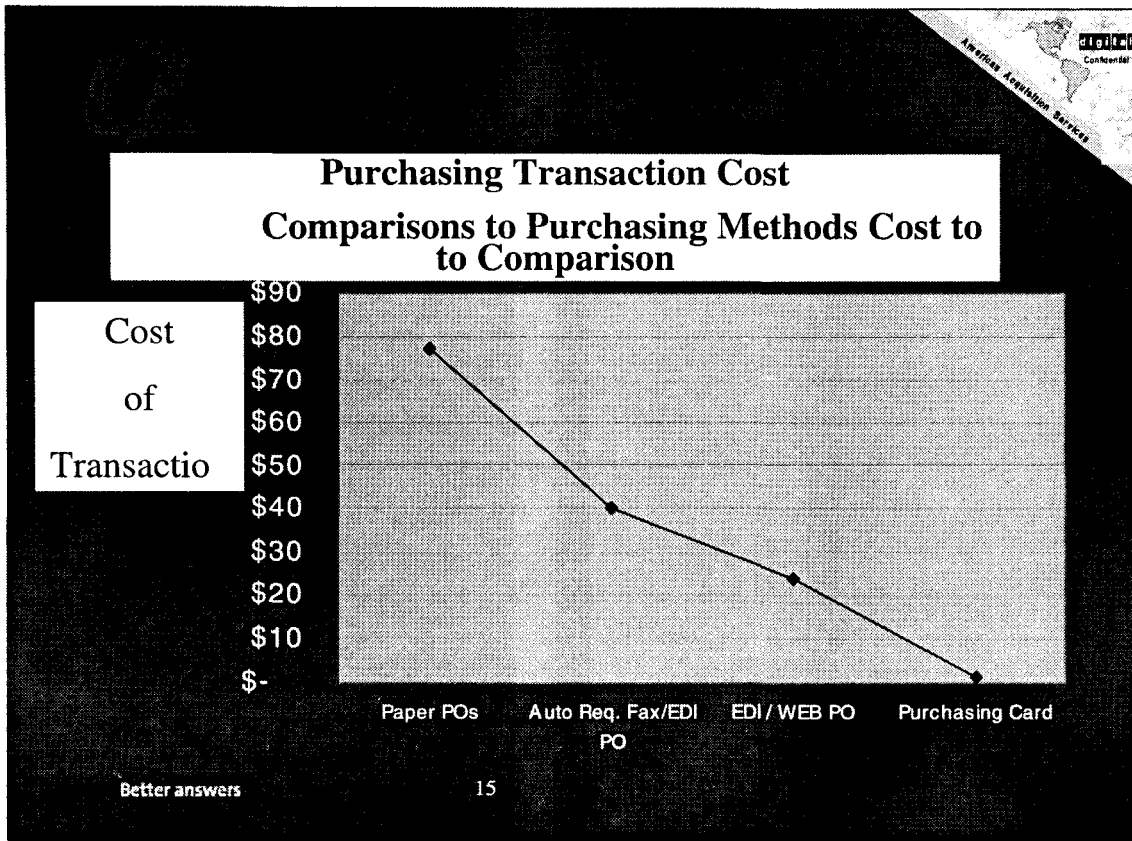
All the benefits of Buyer Centric plus:

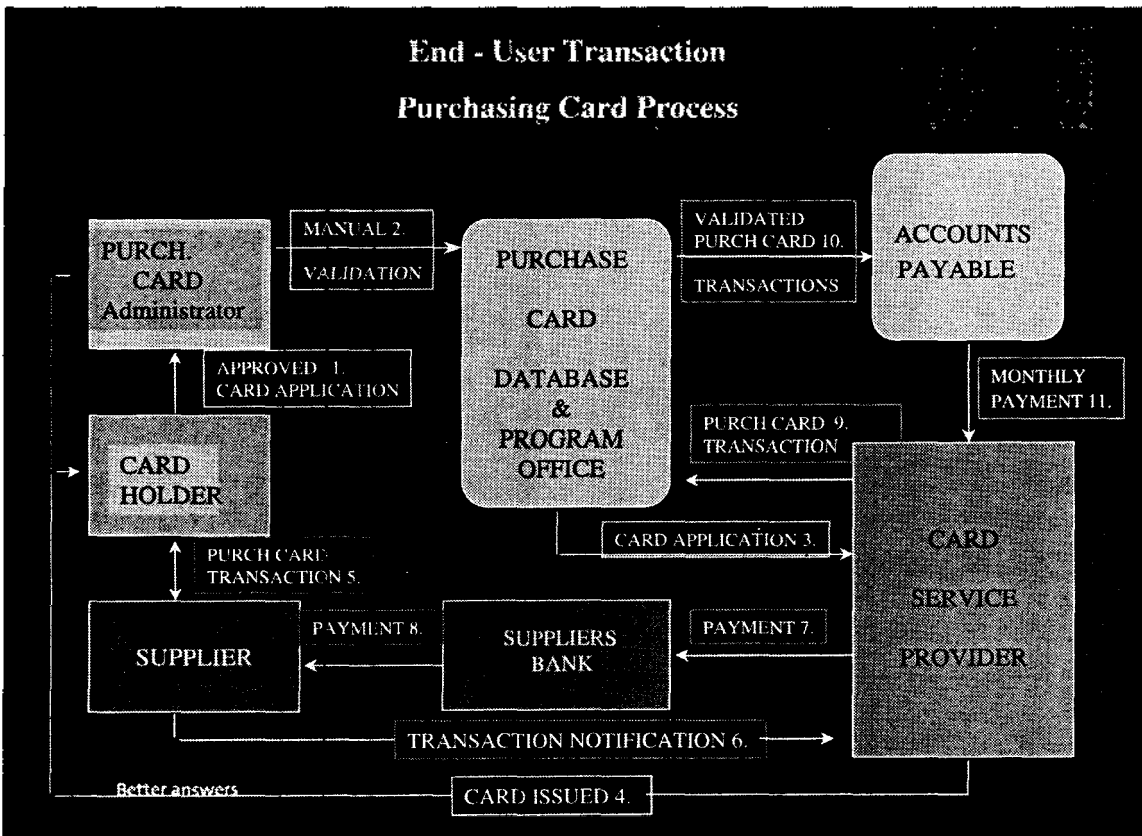
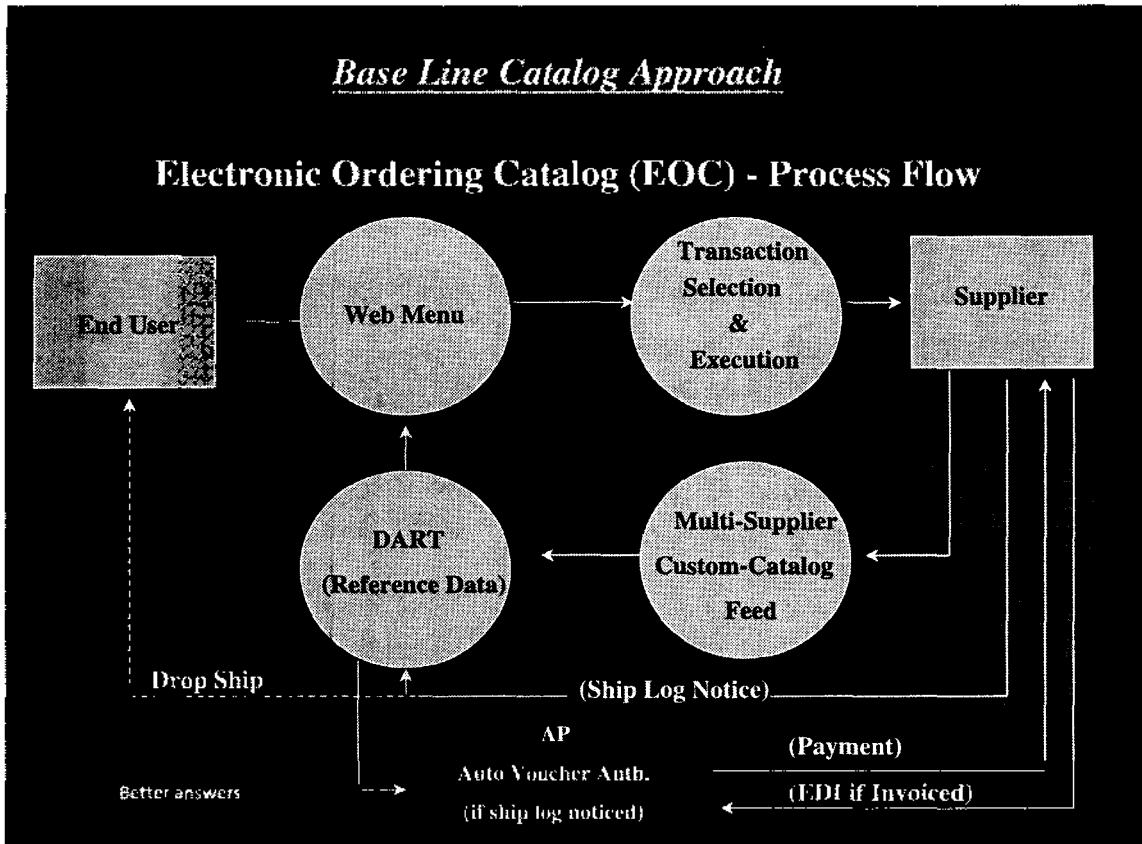
- Service provider manages the aggregation of vendor content
- Content is normalized and edited for consistency
- Common Classification schema is overlaid on the line items
- Service Provider manages supplier communication linkages
- Buy-side software and aggregation-site software must be tightly coupled to optimize performance
- Increased time to bring new vendors online
- Long Term cost model must evolve
- Similar to outsourcing a part of your operation

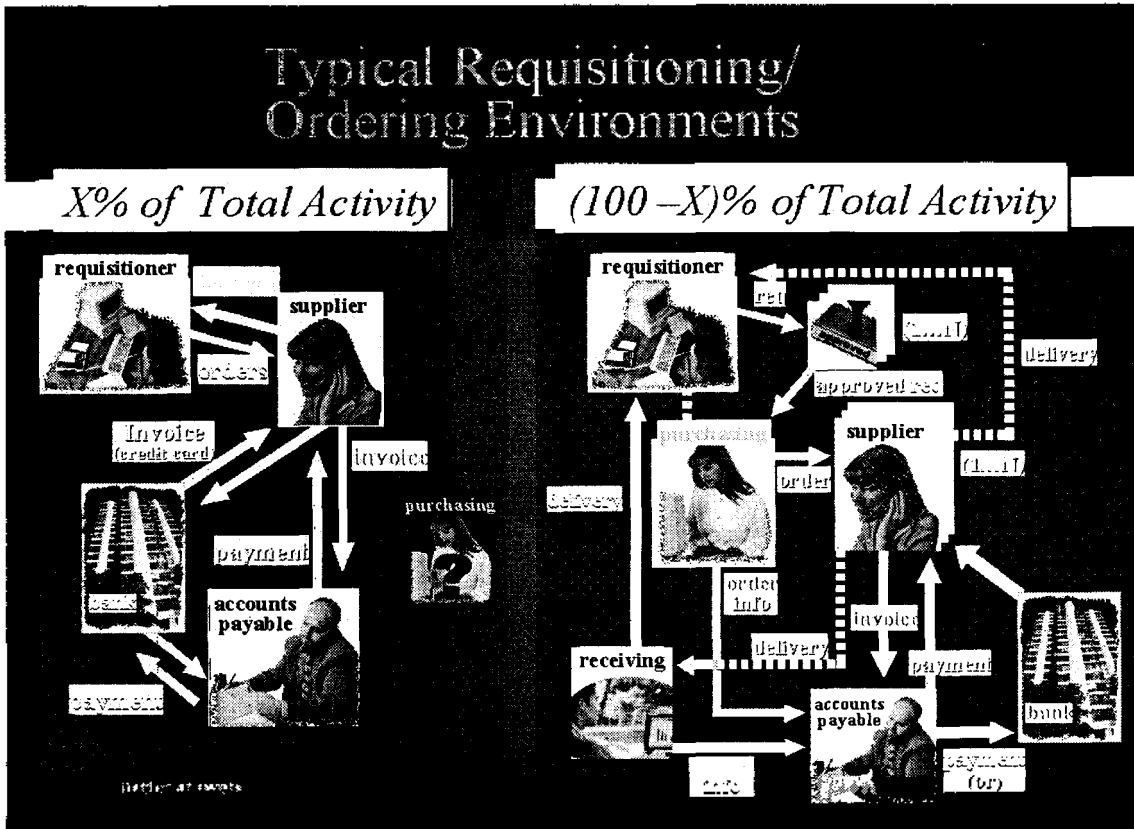
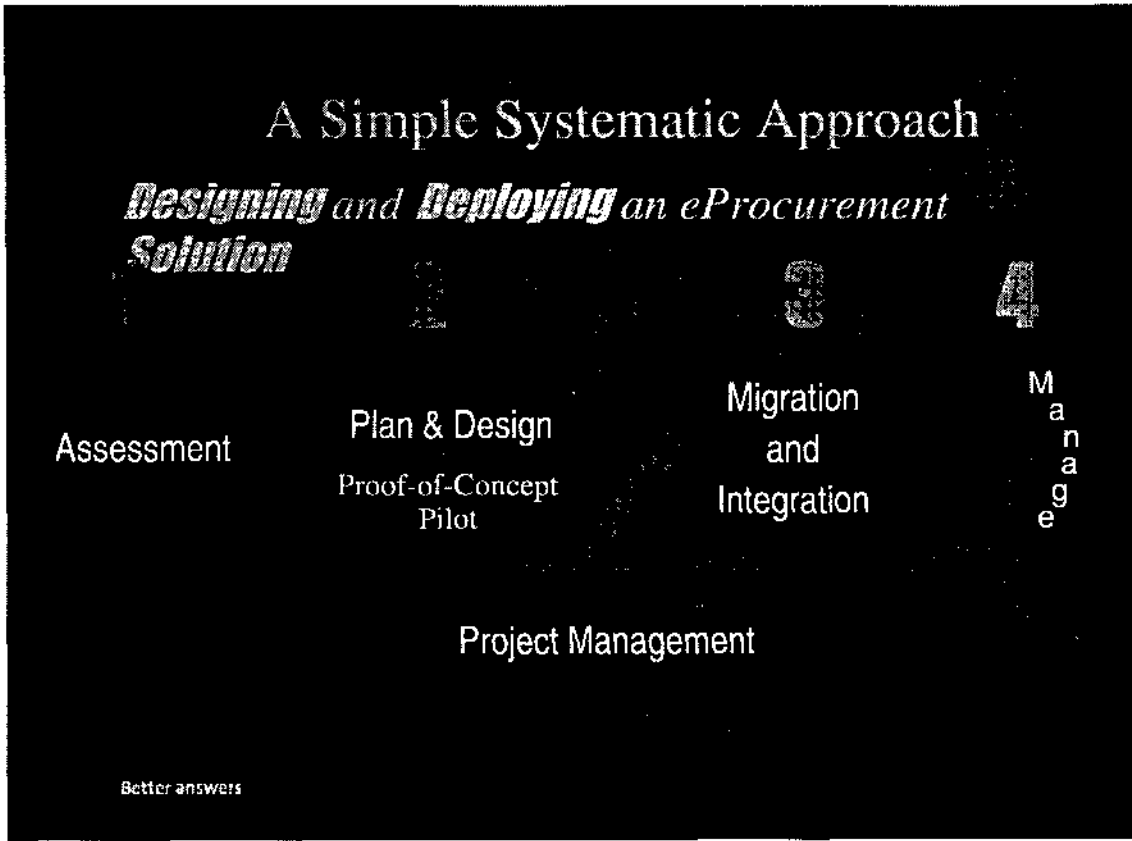
Communication Migration



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Characteristics of Buying Environments

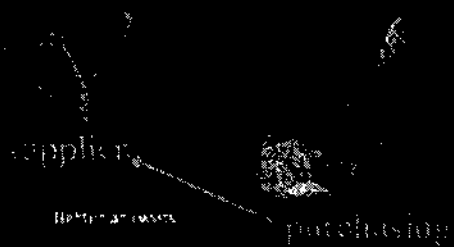
X% Rogue Buying

- ◆ Speed
- ◆ No business controls
- ◆ Perceived as non-critical
- ◆ Goes to any supplier
- ◆ Phone, email and Web purchases



(100-X)% Full Process

- ◆ High % still using some form of paper process
- ◆ Manage documents through approval process
- ◆ Purchasing controls suppliers



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eProcurement Solution

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Compaq eCommerce Solutions

- ◆ eProcurement Services
- ◆ eBusiness Security Services
- ◆ Electronic Data Interchange (EDI)
- ◆ Enterprise-scale Project Management and Accountability

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Total eProcurement Solution

Compaq Services
Assessment
Planning & Design
Pilot
Migration & Integration
Project Mgmt.

Microsoft Platform
NT Server
Site Server
Commerce Server
SQL Server

E-Procurement Software & Integration

Entrust
KyberPASS
Click
EDI
Business Bus
AltaVista
Checkpoint

Other Software ?

Applications Platform
DISA Architecture
2 CPU, 1 GB RAM, 10 GB DISK

Compaq Hardware

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The Commerce Chain Solution

- System implemented best practices
- Your Community delivered to every desktop
- Automated Buying & Selling—with seamless access to new services, portals & communities

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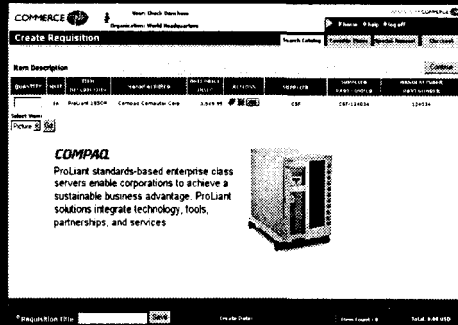
BuySite™ E-Procurement Application

- **Manages All Spending**
 - Goods
 - Services
 - Travel
 - Expense
- **Implements Exact Business Process - Work Flow and Business Rules architecture**
- **Real - Time Interactivity**
- **Seamless ERP Integration**

Enables All Employees

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BuySite™ E-Procurement Application



- ◆ **Managed Content Model**
 - ◆ The Content You Want
 - ◆ Instant Updates
- ◆ **Complete Functionality**
 - ◆ Multi-Supplier Catalog
 - ◆ Desktop Requisitioning
 - ◆ Approval Routing
 - ◆ PO Processing
 - ◆ Tracking & Receiving
 - ◆ Payment
- ◆ **Business Intelligence**

*Multi-Supplier Catalog
to EVERY Desktop*

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BuySite™ - For Indirect Procurement



- ◆ **Operating Goods & Services**
- ◆ **Capital Equipment**
- ◆ **Non-Catalog Ad hoc Buying**
- ◆ **Business Rules & Workflow**
- ◆ **Special Order Buying**
- ◆ **Managing Diverse Supplier Catalogs**
- ◆ **Interactions with a Broad Supplier base**
- ◆ **Desktop Receiving**
- ◆ **P-Card Payment & Reconciliation**
- ◆ **Auto Invoice Matching**
- ◆ **Travel Booking & Expense Management**
- ◆ **Control, Analysis & Reporting**

Better answers

BuySite™ - For Indirect Procurement

BuySite Features:



- Operating Goods & Services
- Capital Equipment
- Non-Catalog Ad hoc Buying
- Business Rules & Workflow
- Special Order Buying
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BuySite™ - For Indirect Procurement

Understanding The BuySite Process:



- User Logon
 - Browser based HTML
 - Could interface with ERP for logon data, CofA, etc
- Search and Select from Catalog
 - Restricted views based on contracts, security, etc
- Create Purchase Requisition
 - Multi Supplier Catalog
- Approval
 - Workflow based, internal or external
- Create Purchase Order
 - MarketSite or ERP System
- Dispatch
 - EDI, Email, Fax, Phone

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The MarketSite Platform— Electronic Commerce Engine

Single, Open Integration Point for Creating Business Marketplaces

- Auctions / Bid and Quote
- RFQ / RFP Services, Info Services (eg D&B)
- Invoice / Bill Presentment, etc...
- “Plug-Ins” by Commerce One & Partners
 - Taxation, Shipping, Payments
- Real-Time, B To B Transactions —via XML with your Business Rules
- Sharable Resource to All Trading Partners from Disparate Sources
- Secure, Internet / Intranet Connectivity

MarketSite.net™ — Premiere B to B Commerce Portal

- ◆ Processing 1,000s of transactions per month
...today!
- ◆ Content Available from 5,000+ Suppliers
In Any Format
- ◆ “Plug - In’s” for Complementary Services

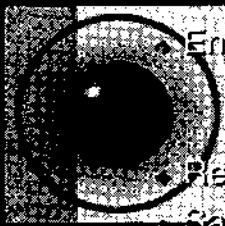
MarketSite.net™ — Complementary Services



- ◆ **Single integration point for commerce service providers**
- ◆ **Easier for trading partners to adopt new process**
- ◆ **Economies of scale**
 - Integrate once
 - Available to many

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Delivering Real Value to Suppliers



- ◆ **Enhanced Distribution Channel**
 - Increase Revenue per Customer, Gain New Customers
- ◆ **Reduced Transaction Costs**
- ◆ **Sample Success**
 - Cisco: PO with 112 line items
 - Software Spectrum: 92 PO's in one day, totaling \$1.4 Million
- ◆ **Complete Support for Small Suppliers too...**
 - Hosted Catalog and Order Management

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