



CommerceNet

Together, We're Building the World's
Electronic Marketplaces



Purchasing Standards in Electronic Commerce

NAPM - ATC
Electronic Commerce '98
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Bio - Patrick Gannon

- **Vice President Strategic Programs**
CommerceNet Consortium
- **Executive Director**
Open Buying on the Internet Consortium
- **Sr. Project Leader**
RosettaNet Consortium
- **President & C.E.O.**
Internet Shopping Directory, Inc.
- **Author**
“Building Database-Driven Web Catalogs”
McGraw-Hill & CommerceNet-Press



TOPICS

➔ **Open Buying on the Internet**

➔ **RosettaNet**

➔ **CommerceNet**

➔ **eCo Framework Project**





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OBI Status



Open Buying on the Internet Specification

***A common architecture to guide
companies and vendors in
implementing interoperable
Internet-based purchasing
systems***

Catalog Models



● Buyer Model

- Large Buying Organizations
- In-house collection of supplier items
- In use for 10 to 15 years

● Supplier Model

- CD-ROM & Internet made these popular
- Suppliers keep information current

● Intermediary Model

- Offers Consistent User Interface
- Aggregates multiple supplier products



OBI CONSORTIUM MEMBERS



- 3M
- Affymax Research Institute
- Alldata Corporation
- American Express
- Applied Industrial Technologies
- Ariba Technologies
- Avnet
- BASF Corporation
- BOC Gases
- Boise Cascade Office Products
- Chemdex Corporation
- Commerce One
- Commonwealth of Massachusetts
- CompuCom Systems, Inc.
- CONNECT, Inc.
- Corporate Express
- Dell Computer Corporation
- DMR Consulting Group, Inc.
- Dun & Bradstreet
- EPIC Systems Inc.
- First Union National Bank
- Fisher Scientific
- Ford Motor Company
- General Electric Global Services
- Graybar Electric
- Harbinger Corporation
- Hewlett Packard
- Hoffmann - La Roche
- IBM
- Intelisys Electronic Commerce LLC
- InterWorld Corporation



OBI CONSORTIUM MEMBERS



- Johnson & Johnson
- Lexmark International, Inc.
- Lockheed Martin
- MasterCard International
- Microsoft Corporation
- National Semiconductor
- NEC Corporation
- Netscape Communications
- Office Depot
- Open Market
- Oracle Corporation
- PartNET
- Perot Systems
- Premier Industries/Newark Electronics
- Requisite Technology
- Rohm and Haas Company
- SAIC/Bellcore
- SAP
- SciQuest
- Sempra Energy
- Sigma Aldrich Corporation
- Software Spectrum, Inc.
- Staples, Inc.
- Texas Instruments
- United Technologies Pratt & Whitney
- United Technologies Research Center
- Vallen Safety
- Visa
- VWR Scientific Products Corporation
- W.H. Brady Co.
- W.W. Grainger, Inc.
- Xerox



Why a Standard?

- **Buying Organizations Want Freedom of Choice**
 - **Buying Organizations want the ability to select trading partners based on business value (ie. price, service, quality, etc.)**
 - **This decision should be independent of the technology used**
 - **Buying organizations want to implement solutions at reasonable cost without significant impact on existing systems**



Why a Standard?

- **Selling Organizations Want to Respond to Customers' Needs In A Cost-Effective Way**
 - **Selling organizations want standard, cost-effective methods for conducting electronic commerce.**
 - **Selling organizations want to eliminate unique, custom solutions.**
 - **Selling organizations want a way to differentiate themselves from competitors based on core competence and services.**



Objectives of the OBI Standard



- **Standard solutions**
- **Customer choice**
- **Healthy competition**
- **Open, vendor and platform neutral architecture**
- **Interoperability among vendor solutions**
- **Based on public documents**
- **Possible to implement in 1998**

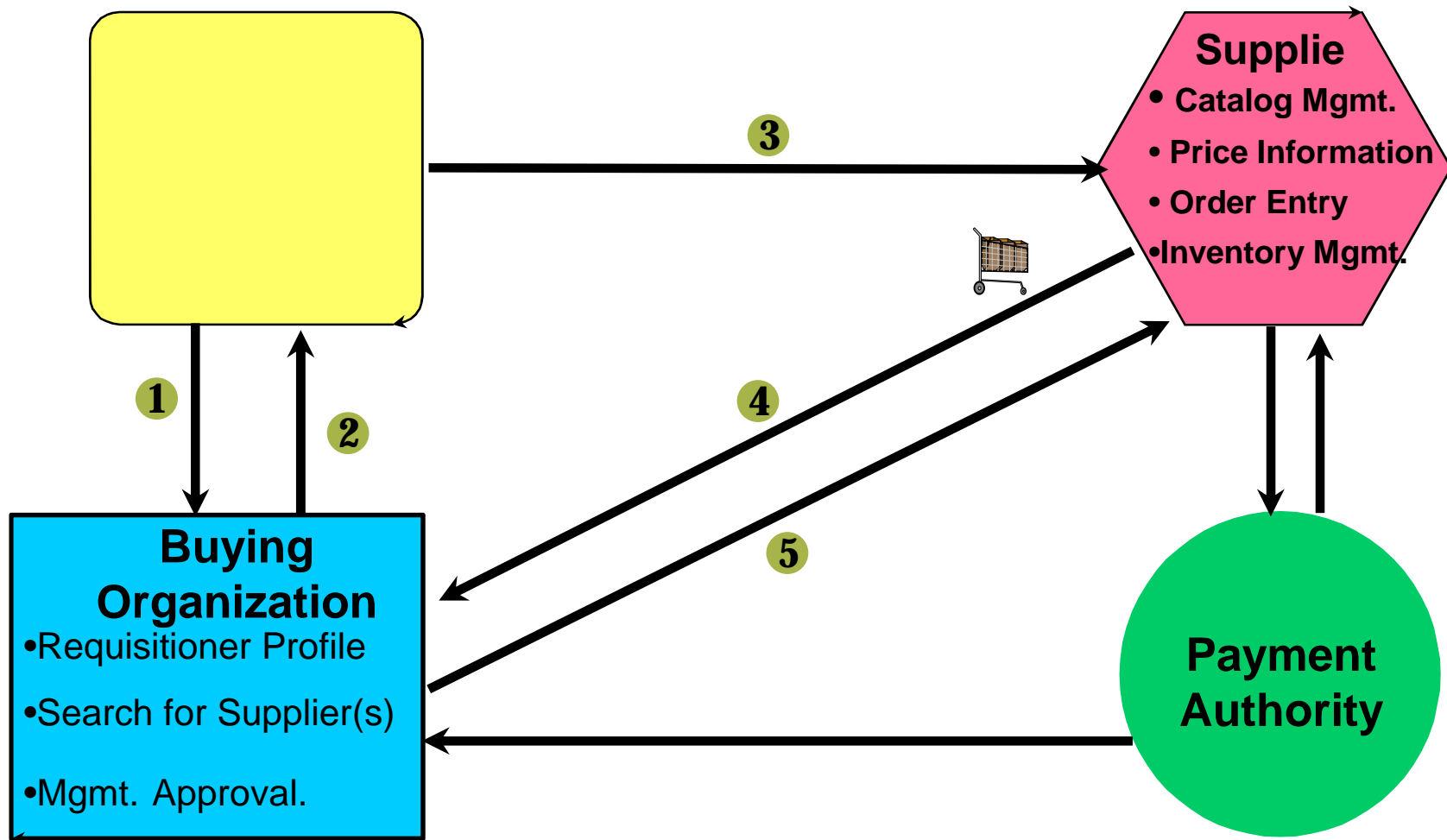


Key Assumptions

- **End-user is a requisitioner**
- **High volume, low dollar goods and services**
- **Trading partner relationships**
- **20-30 targeted trading partners per company**
- **Leverage Internet, intranets, WWW**



OBI Transaction Flow



Importance of OBI to E-Commerce



- **Developed by people who understand the business process.**
- **Allows trading partners to focus on business details instead of technical details.**
- **Benefits will accrue as the standard is adopted and a dynamic, inter-operable trading web emerges.**



Importance of OBI to E-Commerce



- ***"Protocols such as OBI, which promote interoperability among industry vendors, ultimately provide customers with the widest array of options for transforming their operations into successful e-businesses."***

Karl Salnoske, general manager, Electronic Commerce, IBM Software Solutions.

- ***"What's exciting about the OBI standard is that smaller companies can now take advantage of the Internet to gain the kinds of efficiencies larger trading partners have experienced previously with Electronic Data Interchange (EDI)."***

Jeremy Allaire, vice president, Allaire Corporation



Open Buying on the Internet



- **CommerceNet management of consortium began June 1**
- **Conducted Quarterly Roundtable Meeting June 28-30**
 - **Active Working Groups**
 - **Presentation of OBI @ Work**
- **Developed comprehensive Marketing Plan**
- **Interoperability Showcase at Internet Commerce Expo Sep. 23-25**



Open Buying on the Internet



- **Developing Certification Program**
 - **Software Compliance/Certification**
 - **Buyers/Sellers Website Certification**
 - **OBI Process Certification**
- **Developing Profile of OBI Pilot Projects**
- **Preparing Implementation Guidelines**
- **Developing Member Case Studies**



Expansion of OBI Spec.



- **Maintain focus on Business Process**
 - Other types of purchase scenarios
 - Other types of trading partners
- **Additional EDI transactions**
 - PO Acknowledgement
 - Purchase Order Change
 - Advanced Ship Notice



Expansion of OBI Spec.



- **Interoperable Catalog Searches**
 - Uniform view for requisitioner across supplier catalogs
 - Enables vendor differentiation
- **Use of XML**
 - Will it enable searching of supplier catalogs from buyer-defined input forms?
 - Will it enable use of a common transaction framework?



Expansion of OBI Spec.



- **Identification of Globalization Issues**
 - **Regional Business Practices & Culture**
 - **Cross-Regional Trading Partners**
 - **Currency, Taxes & Customs**
 - **ANSI X12 vs. UN/EDIFACT EDI**
 - **International Cross-Certification Process**

<http://www.openbuy.org>





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Alliance Management Services

RosettaNet Status

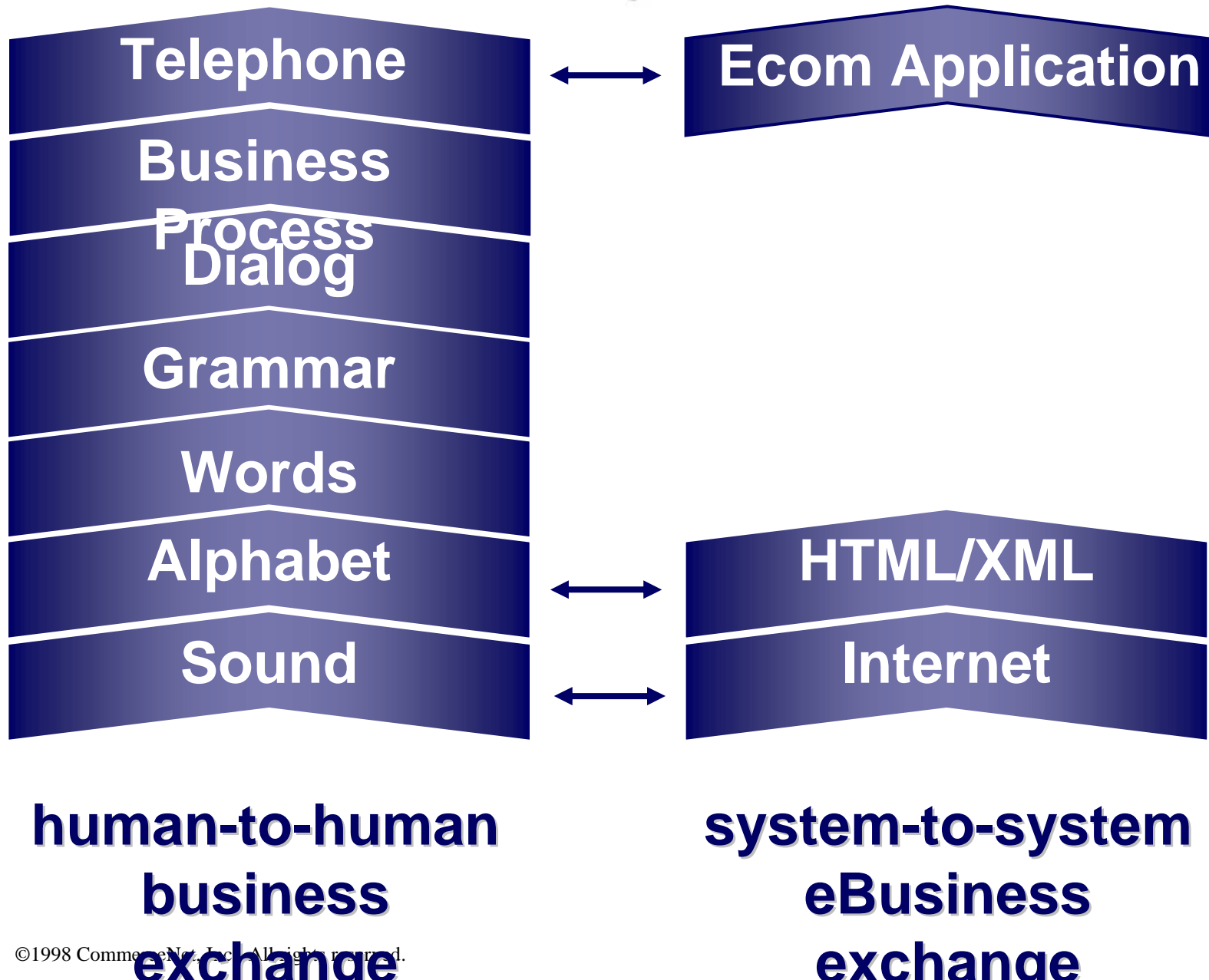
- **RosettaNet** is a global consortium dedicated to the adoption and implementation of common business interfaces & processes, and is the IT industry's response to the needs for greater efficiency in the supply chain.
- **CommerceNet Supports RosettaNet as:**
 - Execution Partner
 - Research
 - Project Leadership
 - Website Maintenance
 - Coalition Partner
 - Advocacy

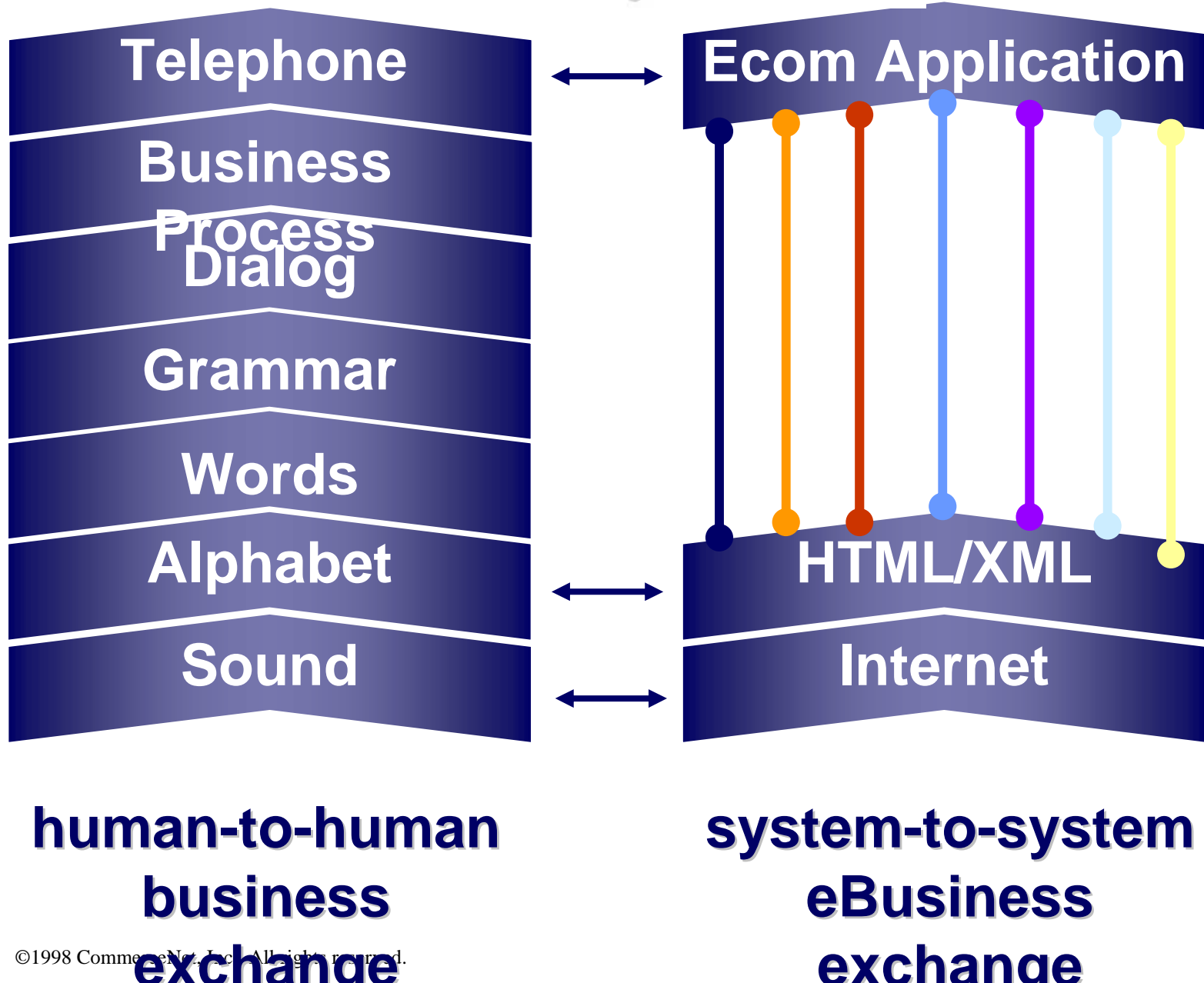


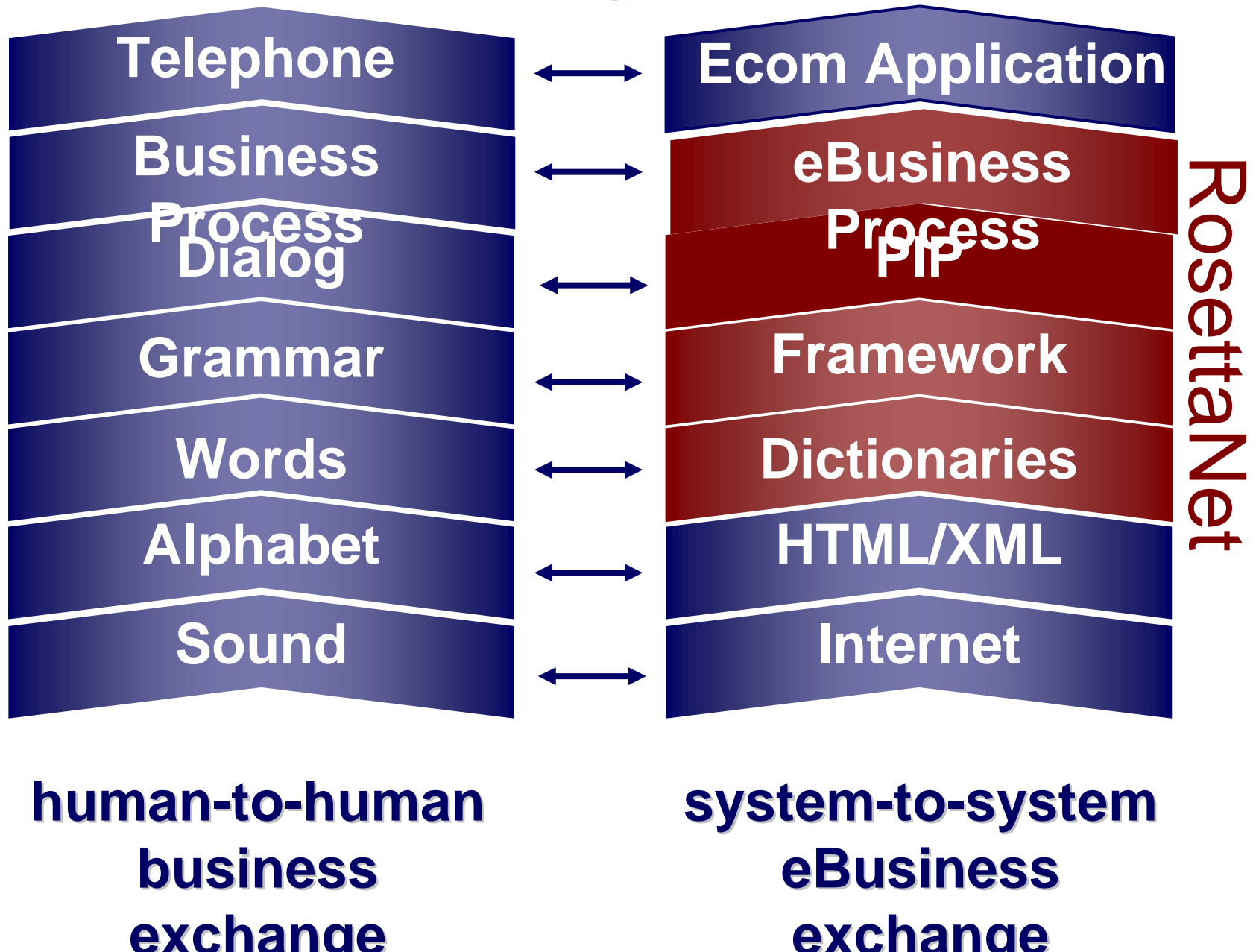


**human-to-human
business
exchange**









- **Completed 4 projects Mar.-May 1998**
 - **Catalog Information**
 - **Software Technical Specification**
 - **Memory Technical Specification**
 - **Laptop Technical Specification**
- **Used Rapid Standards Development Process**
 - **Initial Research & Gather Participants Source Data**
 - **Preliminary Analysis - Prepare Matrix of Source Data**
 - **Project Teams meet & agree on Property Names & Definitions**
 - **Prepare draft specification, review and vote**
 - **Project Teams Focused for 4 to 6 weeks**



Catalog Data Standards

Catalog Information

Product Name

Product Description + Features, Benefits, Positioning, Compare

Product ID (UPC/EAN)

Product Classification (UN-SPSC, HTS, etc.)

**Product Dimension (Length, Width, Height, Weight -
Piece, Package, Carton, Pallet)**

Company Information

Company Name

Company Address

Company ID (DUNS, ?)

Capabilities



Product Data Standards

Laptop Computer - Technical Specifications

- **Battery Life**
- **Battery Re-Charge Time**
- **Battery Technology**
- **Cache Storage Capacity**
- **Central Processor Unit**
- **Clock Rate**
- **Color Depth**
- **Data Bit Rate**
- **Data Port Standard**
- **Display Technology**
- **Fax Bit Rate**
- **Hard Disk Storage Capacity**
- **Liquid Crystal Display Technology**
- **Maximum External Display Resolution**
- **Maximum Internal Display Resolution**
- **Modem Type**
- **Operating System**
- **Optical Drive Speed**
- **Optical Drive Technology**
- **Pointing Device**
- **Processor Technology**
- **Slot Standard**
- **System Memory Storage Capacity**
- **Video Adapter Standard**
- **Viewable Image Diagonal Length**



- **Implementing new projects**
 - **Catalog Information v2**
 - **Categorization**
 - **General Business Profiles**
 - **Interchange Format (XML)**
- **Fast Track Technical Specifications**
- **Future Business Transaction Projects**
- **Pilot Project - “New Product Introduction”**

<http://www.rosettanet.org>





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Building Interoperable Communities

CommerceNet Proposition

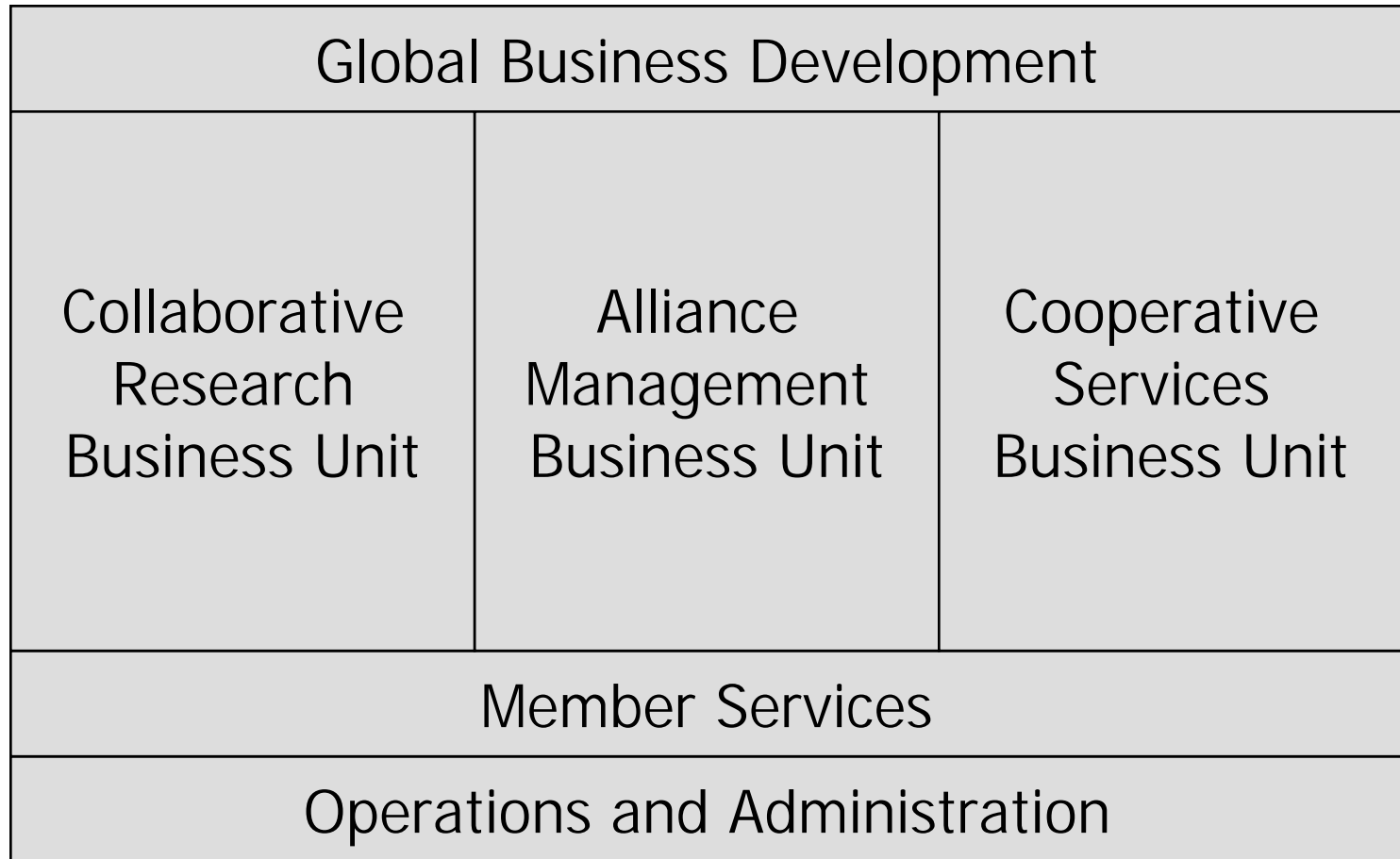
CommerceNet is a global non-profit membership organization that establishes new approaches to interoperable electronic commerce and prepares its members to capitalize on emerging Internet-based communities of commerce.

It accomplishes this through

- high-quality collaborative research programs,
- creation and management of industry alliances and
- development of cooperative eCommerce services.



CommerceNet Business Approach



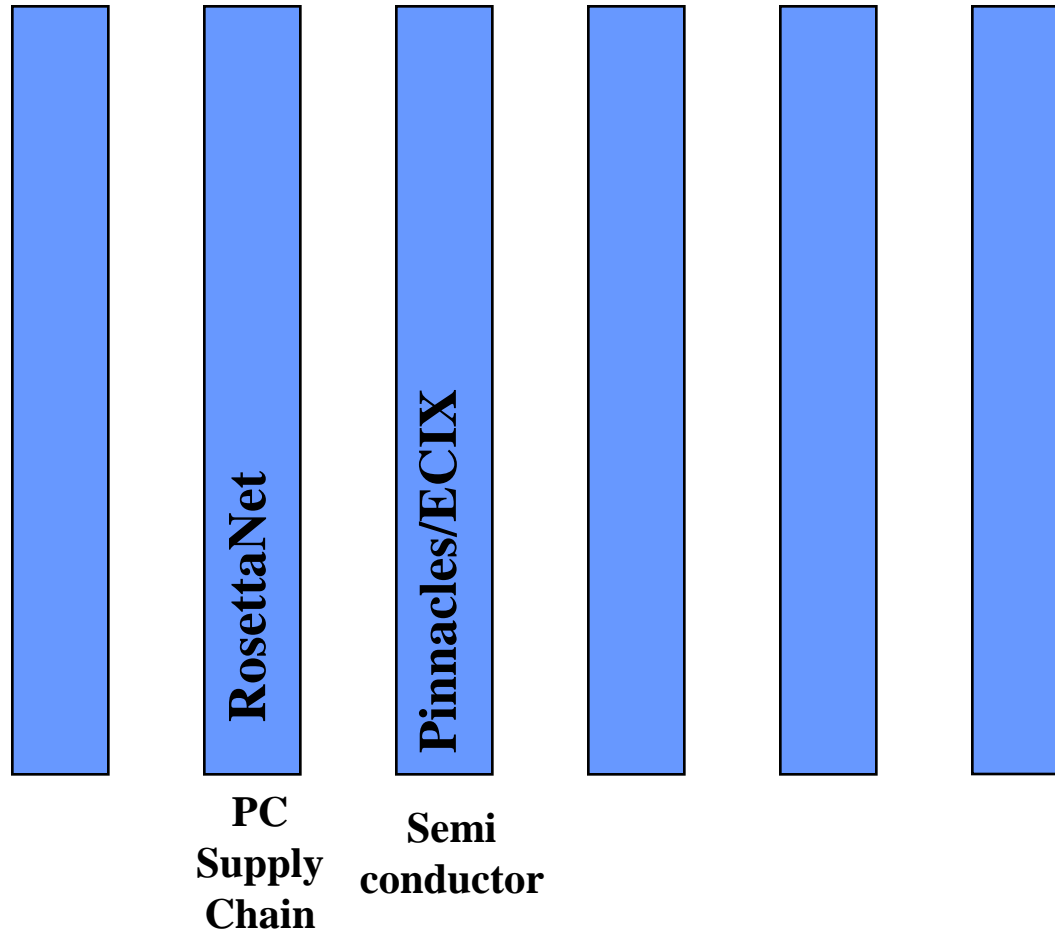
Global Deliverables

- **Collaborative Research**
 - Global research studies
 - Localized research studies
 - Multi-national projects
- **Alliance Management**
 - Multi-national consortia
 - Shared taxonomy development
- **Cooperative Services**
 - Localized services for certification, registries, etc.



Electronic Commerce Standards

INDUSTRIES



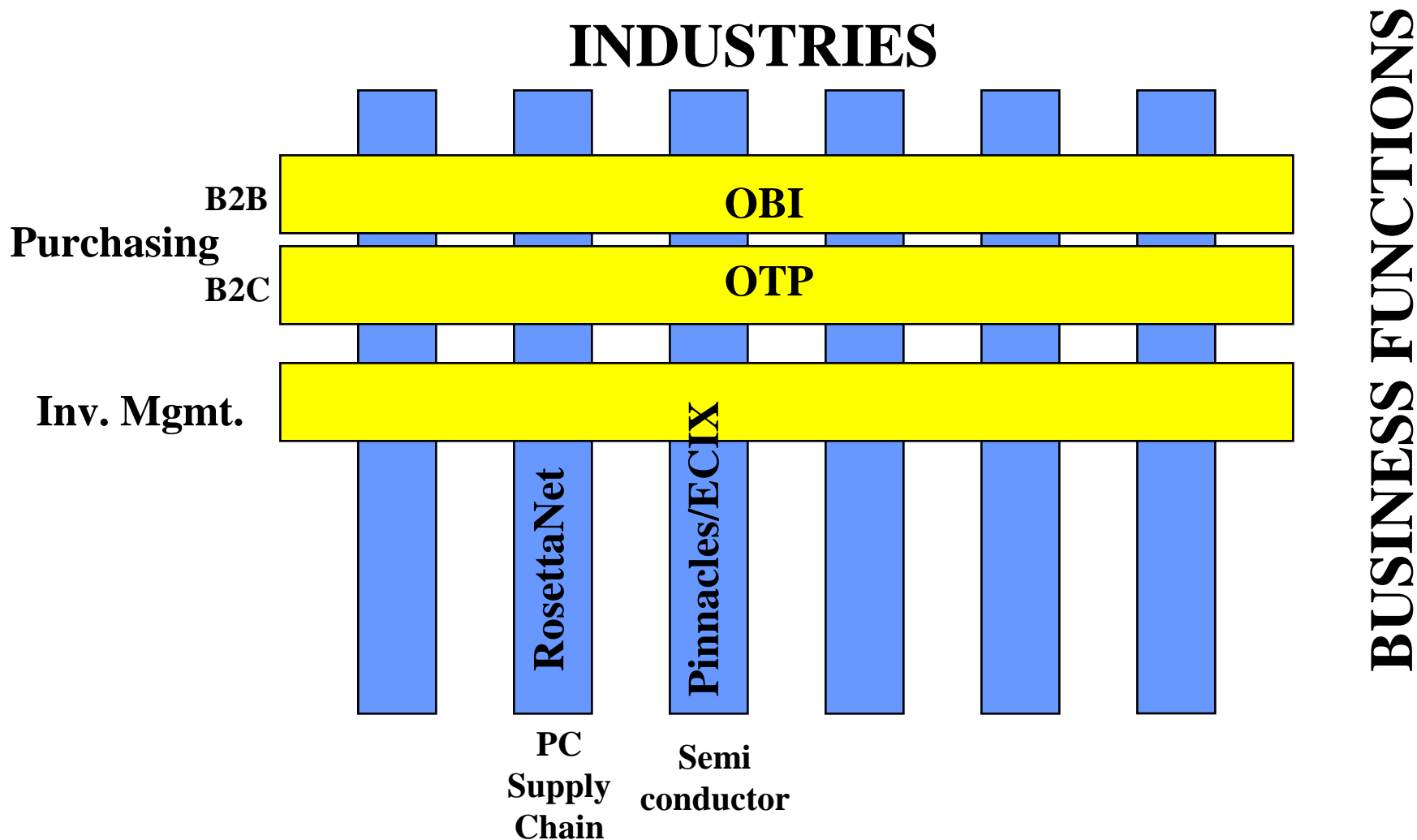
Electronic Commerce Standards

Purchasing	B2B	OBI
	B2C	OTP
Inv. Mgmt.		

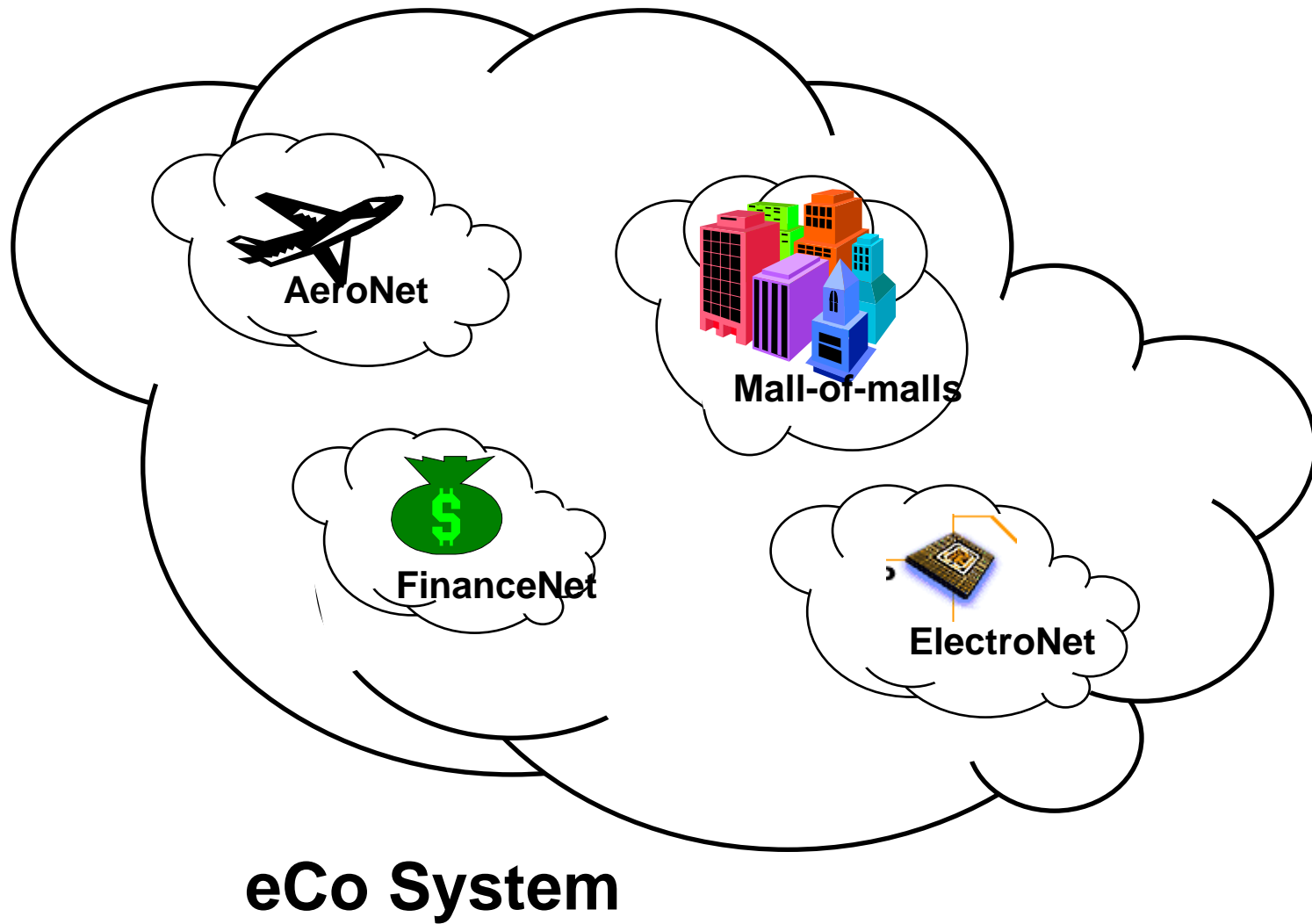
BUSINESS FUNCTIONS



Electronic Commerce Standards



The *eCo* Vision



Next-Generation Infrastructure

- **A means of transforming Internet services into components**
- **An extensible semantic framework for component integration**
- **Scaleable, distributed registry services**
- **An agent-based execution environment**



eCo System Framework

- **Adds structure and semantics to the Web**
 - Common language for information exchange
 - eXtensible Markup Language
 - Core meta-data
 - Component registries
- **Facilitates aggressive interoperation**
- **Accelerates natural selection**

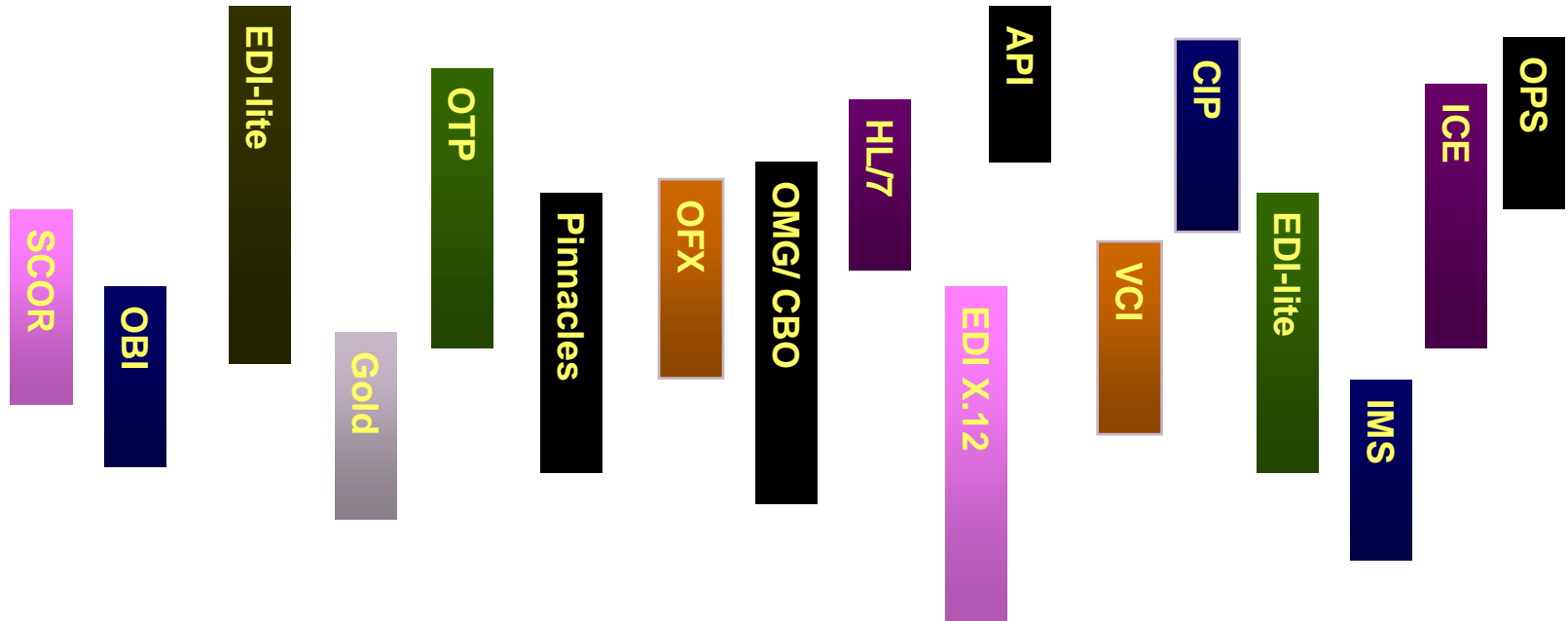


Who's Using XML

- **CBL - Commerce Business Language**
- **OTP - Open Trading Protocol**
- **ICE - Internet Content Exchange**
- **OFX - Open Financial Exchange**
- **Catalog Interoperability Pilot**
- **RosettaNet**
- **CommerceNet's eRegistry Service**
- **EDI/XML - Studies & Pilots**



Digital Anarchy - *stovepipe protocols*

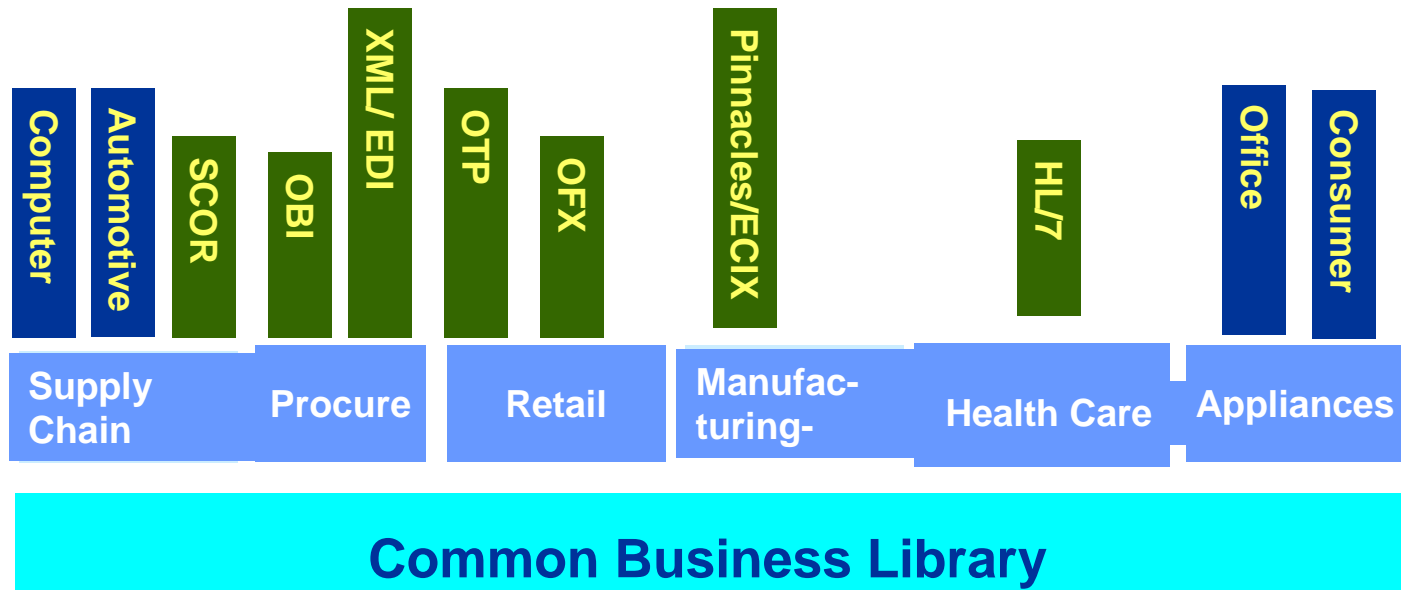


- Narrowly defined
- Semantic conflicts
- Redundant development and implementation



Open framework for commerce

- Shared Semantics
- Extensible and “aggressively interoperable”



eCo XML Framework Project

- **Objective: Create an open framework for interoperability between XML based application standards and various electronic commerce environments**
- **Open to members from CommerceNet and representatives from OTP, ICE, OBI, RosettaNet, NIST, DISA (EDI), ANSI X12, EAN Int'l, CEFAC & ISO**
- **Endorsed by US Federal Government and European Commission**



eCo XML Framework Project

- **Aligning Content Names & Definitions**
 - **Common Business Library**
 - **CommerceNet/X12 EDI Names in XML**
 - **RosettaNet Property Names**
 - **OTP & ICE Element Names**
- **Unifying Transaction Frameworks**
 - **OTP, ICE, EDI, OBI & RosettaNet**
- **Identifying Common Software Framework**



SUMMARY

- **OBI is Purchasing Function Business Model Focused Standard Across Industries**
- **RosettaNet is IT Industry PC Supply-chain Focused Business Interface Rules**
- **CommerceNet provides global support for Electronic Commerce Growth through Interoperable Communities**
- **eCo Framework WG is developing Common Semantics & Transaction Framework**



Purchasing Standards in Electronic Commerce

CommerceNet Consortium

Alliance Business Management

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