

IN THE EVER-CHANGING WORLD OF BUSINESS, AN ORGANIZATION'S SUCCESS DEPENDS ON CONSTANTLY MEETING NEW CHALLENGES AND ADAPTING TO THE MARKETPLACE. I'M GREG GUMBEL. FROM E-COMMERCE TO INVESTING, BUSINESS STRATEGIES TO HUMAN RESOURCES, JOIN ME AS WE TAKE A CLOSER LOOK INSIDE THE WORKINGS OF THE MODERN GLOBAL ECONOMY. WELCOME TO THE ECONOMIC REPORT.

WITH THE RISE OF THE INTERNET, IT HAS BECOME ONE OF THE FASTEST GROWING AND IMPORTANT FIELDS IN BUSINESS. LET'S SEE WHERE IT'S HEADED NEXT.

IT ALL SEEMS LIKE COMMON SENSE TO THE AVERAGE PERSON PUT THE RIGHT PRODUCT...IN THE RIGHT PLACE...AT THE RIGHT TIME....AND PEOPLE WILL BUY IT. BUT THE REALITY IS "SUPPLY CHAIN MANAGEMENT" --- AS IT IS KNOWN IN BUSINESS CIRCLES -- CAN BE A FRUSTRATINGLY DIFFICULT TASK.

Devendra Mishra, Pepperdine University Professor:

The problem lies in the links of the supply chain from the manufacturer, to the wholesaler, distributor, retailer and finally to the consumer. The manufacturer wishes to produce in volume. The retailer, on the other hand, has one objective, maximize dollars per square foot. You can very well see the disconnect between the two stakeholders of the industry.

HISTORICALLY, DEALING WITH THE SUPPLY CHAIN DILEMMA MORE CLOSELY RESEMBLED AN ART FORM THAN A SCIENCE MUCH OF THAT HAS CHANGED THANKS IN PART TO THE INTERNET AND ALSO TO A SOPHISTICATED NEW GENERATION OF INTELLIGENT SOFTWARE.

LOS ANGELES-BASED WEBCONCEPTS IS A LEADING PROVIDER OF THE SYSTEMS USED TO MANAGE SOME OF CORPORATE AMERICA'S MOST COMPLEX SUPPLY CHAINS.

Ray Young, Founder and Chairman of Web Concepts:

I started WebConcepts a decade ago working as a consultant for Hollywood Studios building applications to support BMI solutions for Wal-Mart. I was frustrated with the fact that there was lack of available solutions in the marketplace to support that effort.

THE NEED FOR MORE PRECISE SUPPLY CHAIN MANAGEMENT TOOLS WAS BEING FELT THROUGHOUT THE INDUSTRY.

David Stritzinger, Chief Technology Officer, Brightstar Corporation:

A large percentage of our products are shipped to retailers with hundreds of doors and multiple footprints. As one of the largest providers of wireless products, we needed a tool that's able to exactly predict what goes where on what day. The WebConcept tool allows us to know exactly which product to what store, in which zone, on which shelf and in places where we ship to small kiosk locations we have to get that shipment right. This tool lets us do it.

WEBCONCEPTS' FOCUS ON CONSUMER GOODS SUPPLY CHAINS HAS MADE IT A LEADING PROVIDER OF "SOURCE TO SHELF" SOLUTIONS FOR THE HOME ENTERTAINMENT, VIDEO GAMES, CONSUMER ELECTRONICS AND APPAREL INDUSTRIES, TO NAME JUST A FEW.

Ray Young:

On the simplest level, it's about balancing supply and demand. What changed is the heightened level of collaboration between supplier and retailers. What our solution allows the retailer to do is to collaborate with their supplier in a way that you get the right product in the right store at the right time at the right price to optimize profitability.

WEBCONCEPTS ROBUST SYSTEMS OFFER A PREDICTIVE CAPABILITY AS WELL.

Ray Young:

IRIM allow integration of product life cycle demand planning with intelligent and accurate forecasting capability. This allows our customer to be able to appropriately plan new product launches, allocating those quantity to the right place as well as planning promotions based on business rules. These kind of capabilities are not currently available in the marketplace today.

WEBCONCEPTS' SYSTEMS HAVE BECOME AN INDUSTRY STANDARD CONTROLLING BILLIONS OF DOLLARS OF PRODUCT SHIPPED FROM MAJOR FORTUNE 100 COMPANIES TO THE LARGEST RETAILERS IN NORTH AMERICA AND EUROPE.

RECENTLY, THE COMPANY TURNED TO LONG-TIME STRATEGIC PARTNER TO FACILITATE GREATER ACCESS TO ITS SOLUTIONS.

Ray Young:

For customers with limited IT resources, we now offer a new and less complex way to deploy and manage our solution thru IBM Smart Business. IBM Smart Business offers the implementation and maintenance capabilities of a software service yet provide the security control and integration ability of on-premise solutions.

WHILE WEBCONCEPTS' CUSTOMERS FALL ALMOST ENTIRELY ON THE SUPPLY SIDE OF THE EQUATION, THE BENEFITS OF AN INTEGRATED SYSTEM ARE FELT THROUGHOUT

Ray Young:

Our foremost objective is to enable our customers to improve performance of their products at retail.

ULTIMATELY, THE REAL WINNERS MAY BE CONSUMERS

Devendra Mishra

The customers want two basic things. Number one, to find the product in the store when they want, where they want it, and secondly, to buy it at the most favorable price. So, it really becomes an overall supply chain management challenge to synchronize all the stakeholders who deliver that value to that customer.