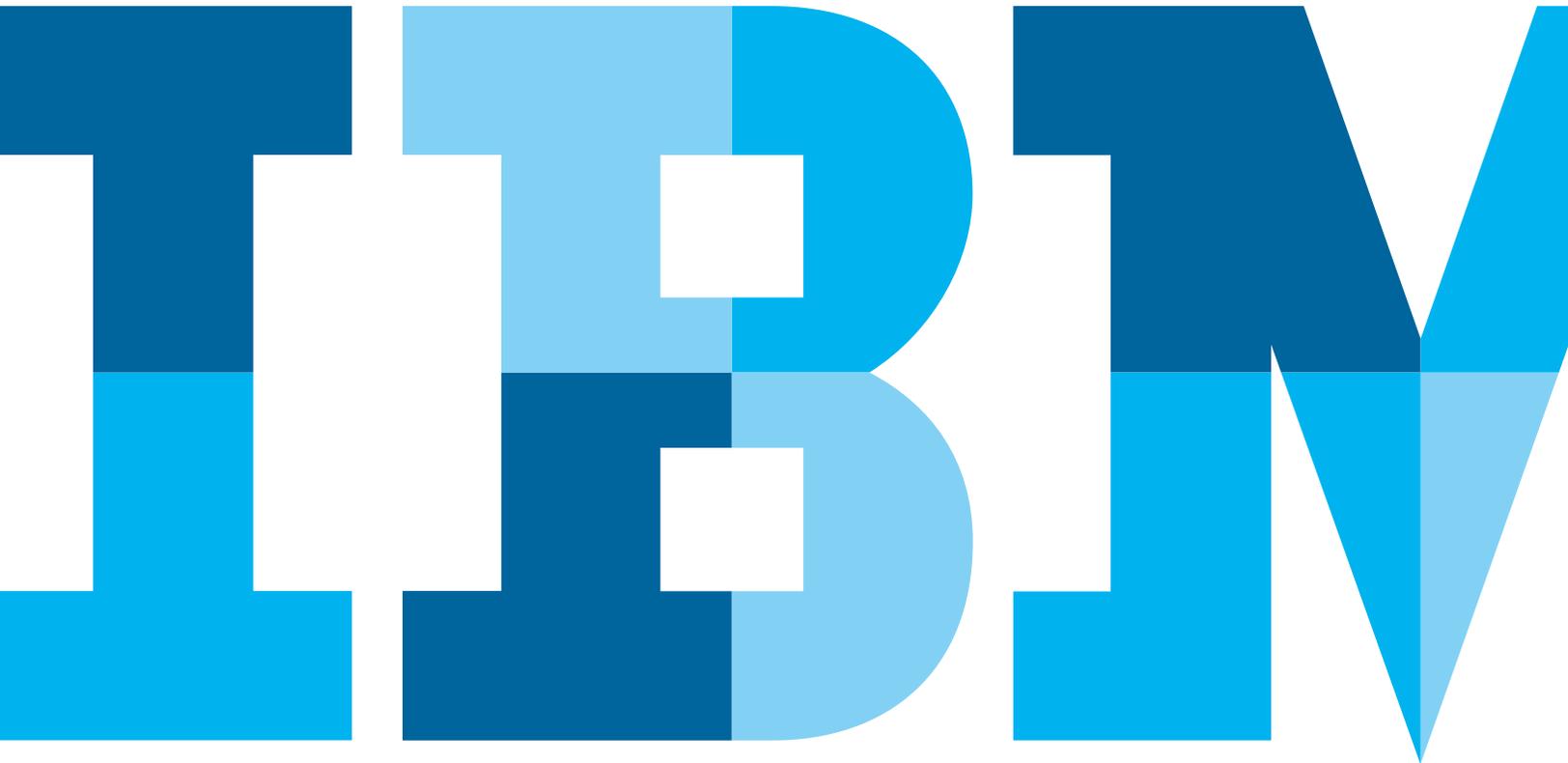


Are You Ready For a New Era in B2B Collaboration?

*Defining characteristics of modern B2B collaboration and ways in which
successful companies are approaching this challenging new era.*



The fundamental requirements of business-to-business collaboration are changing dramatically. Companies in all industries are recognizing that they can no longer support an approach to collaboration that doesn't address the demands of a growing global trading partner network and the need for a much more responsive value chain.

Traditional approaches such as overnight batch processes, lengthy onboarding times and taking down a trading partner network for maintenance no longer satisfy the demands of the modern enterprise. Today's value chains must be faster, more agile and more reliable than ever, capable of delivering real-time processes and actions 24 hours a day, seven days a week, 365 days a year.

There are many important trends driving this paradigm shift in business-to-business (B2B) collaboration, in particular:

- **Globalization:** Near-ubiquitous connectivity means your company and its trading partners need to be always on, always available and always reacting to opportunities and/or challenges.
- **Consumerization:** Individuals in the consumer world can place an order online and get immediate response and actions. Why should their expectations be any less in the business world? They aren't.
- **Mobility:** Customers and partners expect to access information from any location, using a wide range of devices, at any time. This not only raises their expectations in terms of services, but it also provides opportunities for businesses to reach out in innovative ways to enhance business agility.
- **Machine-to-machine communications:** Even if people aren't interactively engaged with value chain processes at all times, machine-to-machine communications never stop, meaning the infrastructure supporting a company's value chain must be robust, resilient and reliable. Within the next five years, electronic B2B interactions will outnumber non-electronic ones, according to analyst firm Gartner.¹
- **Big data analytics:** Companies are starting to use big data analytics to gain new insights into customer behavior and respond to opportunities in real time. The value chain has to support the capacity, speed and responsiveness required for companies to reap the myriad benefits associated with big data.
- **Regulatory requirements:** The ability of companies to collaborate is being increasingly influenced by adherence to ongoing changes in regulatory compliance. Standardized formats for the exchange of data strengthen security and reliability, making it easier to conduct business across enterprises. However, as new compliance rules are rolled out—and new formats and templates are adopted—IT processes and systems must be adapted, which can be costly and time consuming if the right technology platform is not in place.
- **A wider range of deployment models:** The availability of cloud computing and Software as a Service (SaaS) options is giving organizations more flexibility. Companies can use a cloud provider to get a particular service or solution up and running quickly, and they can use service providers to offer massive scale at a much lower cost than in-house solutions. They can also increase agility and reduce costs by using combinations of cloud services — private, public and hybrid — to address challenges and opportunities in enterprise-to-enterprise collaboration.

The New Era in B2B Collaboration

This fundamental shift in expectations for value chains is leading many companies to rethink critical aspects of multi-enterprise process collaboration and the underlying technology that drives it. Increasingly, companies are turning to solutions that deliver the speed, agility, high-availability and resilience necessary to deliver the performance demanded by various lines of business and their trading partners.

In fact, the most progressive companies around the world are taking the position that the underlying technology driving multi-enterprise process collaboration can and should be a competitive differentiator and not just viewed as IT infrastructure.

Whether they build those solutions themselves, collaborate with an outsourcing partner or employ a combination of both approaches, these companies are deploying B2B collaboration solutions that dramatically improve productivity, enhance customer service, drive new levels of profitability and enable significant competitive advantage.

According to a research study by Vanson Bourne, 36percent of line-of-business respondents consider B2B integration strategic to their operations, confirming that progressive-minded companies recognize the value of the technology that underlies their B2B collaboration efforts.²

So just what is this new era of B2B collaboration all about? And what should a company do to transform its approach into a more modern one that will not only drive improvements in profitability, but also lift the performance of trading partners and customers throughout the entire chain?

In this white paper, we examine some of the key considerations defining the future of B2B collaboration and the underlying technology that will affect your business.

Enterprise-to-Enterprise Collaboration

As noted, globalization is playing a huge role in this new era of B2B collaboration. Because of the ubiquity of connectivity and the always-on nature of today's businesses, your partners and suppliers can be anywhere, operating around the clock. The logistics of geography and time zones are much less important factors in choosing partners than they have been in the past.

This means your business can and should work with a broader and less homogenous trading partner network. It means you will likely have more trading partners than ever before. It also means there will be a significant increase in the types and volume of documents you exchange electronically.

For both line-of-business managers and IT decision makers, this growing emphasis on enterprise-to-enterprise collaboration creates challenges that must be addressed in managing and deploying their value chain. These include:

- **Faster onboarding of new trading partners:** Time to value is critical for line-of-business managers. Therefore, getting new partners up and running quickly has a clear impact on the bottom line. The average large company enables 25 new trading partners every year, according to research from IDC.³

- **Seamless integration of technology platforms:** Cross-enterprise technology integration can be one of the biggest challenges for IT organizations. In choosing technology partners, you want to consider companies that can enable integration across multiple platforms and multiple enterprises, as well as those that support open standards.
- **Automated and secure document exchange processes/ technologies:** Data has to be exchanged quickly and securely in order for your value chain to run efficiently. You want to make sure you are using solutions that enable business users to transfer documents quickly, while allowing the IT organization to apply best practices in B2B integration for governance, security and reliability. The importance of secure document exchange can't be overstated: Line-of-business managers cited the security and sensitivity of documents and transactions exchanged with trading partners as their No. 1 challenge in the Vanson Bourne survey.⁴

An Always-On Trading Partner Network

Businesses today are always on, never off. This means interactions with customers, partners and suppliers (i.e., sales and customer support) are happening at all times—which requires your trading partner network to be always up, always available and always responsive. The technology foundation for this new era of B2B collaboration has to be built with the following characteristics in mind:

- **Speed:** Patience is a virtue, but not in B2B collaboration. Customers are accustomed to quick responses without any lag time, and your systems must be up to the task. This may

mean investing in on-premise B2B integration capabilities, or turning over large portions of value chain operations to an outsourcer and/or a cloud services provider.

- **Real-time responsiveness:** Business today happens in real time, so it's not just about rapid response to opportunities—it's also about gathering information in real time and across multiple enterprises to take advantage of new opportunities that may be coming through social media, sales collaboration, customer relationship management or other sources.
- **Real-time visibility:** In this new era of B2B collaboration, visibility into internal processes is no longer sufficient. Your value chain must enable and deliver visibility across enterprises. For example, when an order comes in, a wide range of information has to be visible to every relevant participant in the value chain, from partners to employees to business managers to customers, including:
 - Has the order been acknowledged?
 - Which fulfillment center received it, and when?
 - Is it in stock?
 - When will it ship?
 - When will it get delivered?
 - Are there issues that may cause a disruption?

And then, of course, there is also all the follow-up information as the order gets fulfilled and the customer experience is monitored. This type of visibility is an absolute requirement: The line of business is demanding it because customers, suppliers and partners are demanding it. Real-time visibility is central to this new era in value chain management.

- **Elastic scalability:** Your infrastructure has to be able to handle the peaks and valleys of business cycles without disruptions. The obvious example is in retail during the Christmas season. You need to be able to scale up quickly to meet demand and—if you can—to scale down to save money and resources when demand dies down. This is one of the areas where working with cloud providers can be very useful, because they will have the capacity to scale up and down and you won't have to potentially over-provision precious technology resources to handle peaks in demand.
- **Support for business analytics:** Big data is one of the biggest trends in business and technology today. According to IDC, the combination of cloud computing, social networking, big data analytics and mobility will account for 80percent of IT spending growth between now and the end of the decade.⁵ Analytics is key to successful B2B collaboration: It gives corporate and line-of-business managers insight into what is happening throughout the value chain. The right platform can provide the right tools for individuals to take action on those insights in real time.
- **Always-on availability:** Downtime is just not acceptable anymore. According to one report, a single minute of downtime cost Amazon \$66,240 in 2013.⁶ In building your B2B collaboration platform for this new era, make sure your platform—or your partner's platform—is robust and resilient. As noted earlier, it is no longer acceptable to take down your partner trading network for any reason. Ever.

Increased Mobility and Consumerization

Mobility is an irresistible force in business and technology today. Your value chain must support mobility throughout: In machine-to-machine collaboration; in providing customer service and real-time information to customers and partners, wherever they are; and in potentially using mobility to alert employees to problems so they can take necessary actions.

The other irresistible force in business is what is often referred to as “the consumerization of IT.” The basic premise is that everyone—your trading partners, customers and employees—is, as an individual, a consumer of technology. And as consumers of technology, they have come to expect certain characteristics from their experience, including:

- Ease of use and simplicity, often requiring no training.
- Mobile applications that are designed for mobility, i.e., those that can be navigated easily with the click of a mouse or the swipe of a screen.
- Much faster access to new applications.
- Applications that are fully tested and ready to go, with no glitches, right from the beginning.
- Support on a wide range of devices.

The new reality in business is that all individuals within your value chain expect this same type of experience from their business applications. As you design your next-generation B2B collaboration platform, you want to make sure you place a strong emphasis on mobility and consumerization.

New Deployment Models and Cultural Challenges

Deployment models and cultural challenges go together because they often affect one another. The dramatic growth of virtualized IT during the past decade is giving way to new models of shared resource environments, epitomized by models such as cloud computing, SaaS or Platform as a Service, among others.

These new models provide companies with much more flexibility in choosing how to deploy their B2B collaboration platforms. By working with a managed services provider, for example, organizations can typically save significant amounts of money and improve time to value.

In fact, the economic impact of building a smarter, more responsive and more collaborative value chain can be significant. According to IDC, customers of IBM Sterling B2B Integration Services were able to realize \$3.57 in reduced costs, increased productivity and other business benefits for every dollar they invested.⁷

IDC found that the average large customer had 90 B2B trading partners across 175 locations and a midmarket company averaged 51 B2B trading partners at 51 locations. The research firm concluded that customers were able to improve reliability, disaster recovery and the overall business readiness of their B2B operations as a byproduct of shifting to IBM Sterling B2B Integration Services.

Successfully implementing new deployment models, however, also means overcoming some of the cultural challenges that can be a gating factor in facilitating collaboration. Many organizations still operate electronic data interchange processes separately from the processes used to exchange files with partners and customers. They then try to integrate everything with a separate B2B integration platform, which is both inefficient and costly.

Organizations have to work to overcome these types of silos that have solidified across their organizations, and they have to make sure to open up dialogues between those who will most benefit from this new era of collaboration, and those who will be charged with making sure the technology underpinnings are sound. Fortunately, there is a convergence of technology that now supports a more holistic approach to B2B integration so organizations no longer have to operate these types of siloed processes.

When it comes to enabling this new era of B2B collaboration, line-of-business managers, IT decision makers and logistics professionals are all in it together—which means they have to work together to enable successful collaboration across the entire value chain.

Conclusion

This new era in business-to-business collaboration is at hand. The technology to enable more successful and comprehensive real-time collaboration is available and being deployed by businesses every day. The new models, such as cloud and SaaS, are enabling companies to be innovative and creative in driving business initiatives and competitive differentiation. The trends at the forefront of this new era—globalization, mobility, consumerization—are now part and parcel of our everyday lives and experiences.

For businesses, this is both an exciting time and a challenging time. Those companies that act now and put in place the proper foundation for this new era of B2B collaboration will see immediate and long-term results. But they also have to make sure they are working with the right companies to deploy solutions that will deliver on all of the requirements they will demand, including those mentioned here: Speed, mobility, real-time visibility, elastic scalability, business analytics and always-on availability.

Are you ready to take that next step into a new era of B2B collaboration? Here's how to learn more:

1. Visit the IBM B2B integration page on IBM.com to learn more about how IBM can help you enable a new era of B2B collaboration: <https://ibm.biz/BdRKw5>
 2. Review the SWOT report from Ovum to get an in-depth analysis of IBM B2B Cloud Services: <https://ibm.biz/BdrHC8>
 3. Join the conversation on evolving B2B collaboration strategies on Twitter at #ibmb2bi.
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