



TradeForms B2B – A New Model for SME's to Adopt B2B

There have been some very real challenges for SME level companies in adopting Business-to-Business electronic processes to date. This obvious fact is evidenced by the relatively low uptake of B2B by SME's, even in industries that have active initiatives in electronic commerce.

This should not be surprising given that, from the SME's point of view, the solutions on offer to them have been inappropriate at best, and often counterproductive to their business.

Some of the factors that have been expressed by SME's in commenting on why they have not embarked on B2B initiatives are as follows:

- Too expensive. SME's demand excellent ROI because they operate often on slim margins and cannot afford long payback periods. They also recognise that fast moving technology may require serial investments that are capitalised directly from bottom-line profits, and the total investment over a 3 to 5 year period is often an unknown that raises their risk assessment. They cannot afford to get involved in "black hole" IT projects.
- Too complex. A suitable system for these companies must match their operational abilities. Typically they do not invest heavily in intensive competency based training programs for their staff. Complex B2B and middleware systems that are suitable for the Tier 1 corporate market are inappropriate for SME's with limited IT resources. And "cut down" corporate solutions that attempt to gain acceptance in the SME market are often still very demanding on the SME in terms of implementation time, complexity and cost.
- Too "fragmented". A major inhibitor to SME B2B uptake is the perception that there are too many different ways for them to "do B2B" and that the different B2B systems "don't interact". There has been a lack of solutions that offered interoperability and scalability. That is, there has been a tendency for solution vendors to lock in their customers to systems that limited their ability to trade electronically with their wide and varied trading community. These point to point solutions require usually expensive software components at both ends to handle the transactions, with the logical conclusion that the entire trading community must have the same solution, which is clearly unrealistic unless it is "driven" by an industry association, or industry "captain" that demands compliance. But what happens when there are two or three of these "captains", who happen to adopt different technology? The SME must then comply with several differing technologies in order to trade with the major players. And do these solutions help the SME trade with many of their SME peers?

There are three trends in the field of e-Business with respect to B2B, integration and interoperability.

The first is the problem identified above, that is, multiple disparate B2B transaction solutions that do not easily exchange transactions. This trend is being addressed by adoption of standards such as XML, UBL, ebXML that promise some degree of interoperability.

Secondly, the expectation that websites would solve these problems has proven to be an unrealistic expectation. The idea that transactional websites help trading partners

is only true if the trading partners only trade exclusively with the company with the website! As soon as many companies use this approach, the “swivel chair” integration problem raises its head whereby it becomes necessary to visit many websites in order to place orders or, even worse, download invoices. The website model does indeed solve the problem for the company who has the website (hence its wide adoption), but actually creates more work for the trading partners using the website and creates the “double data entry” syndrome. And it really does not address the integration issue adequately at all. Those who embark on transactional website development projects should ask themselves how they would like to log onto the websites of **all** their suppliers. How easy is it? How fast is it? (How many suppliers does your company have?) Now imagine having to log onto the website of all your customers to retrieve a purchase order? What is the logical conclusion of this model of B2B? The transactional website model is suitable for B2C, but ultimately counterproductive for B2B.

The third trend is for companies to join a trading community to specifically solve these issues, namely e-Marketplaces, industry portals, trading gateways, etc. They are known by many names but they all attempt to add value by unifying the trading community, usually by the broad adoption of standards. But again, unless all your trading partners belong to the same e-Marketplace, the SME will be forced to use different messaging standards, data standards, transaction choreography standards in order to trade with a wide range of companies. How does the SME manage all of this with their existing legacy ERP or other IT systems?

The main issue for the SME is how to implement and maintain all these different flavours of e-Business given the constraints of limited budgets and staff resource skill levels and availability. It is a very daunting task for SME’s when they look at the e-Business landscape with the techno jargon and bewildering variety of “solutions” that are presented. Small wonder they point to their fax machine and say “There is our e-Business strategy!”

What seems to be needed is some way for SME’s to begin their e-Business journey down the “information super highway” with confidence that they will not take an off-ramp to a technology dead-end, or find out that they can’t finish the journey because all the destinations are too expensive or beyond their ability to “stay on the road”. One thing is sure; many SMEs do not have an e-Business roadmap and therefore are reluctant to start their journey.

The TradeForms 10 point Model for SMEs

✓ Low cost	✓ Fast implementation
✓ Secure	✓ Flexible
✓ Intuitive	✓ Integrated
✓ Easy	✓ Collaborative
✓ Functional	✓ Interoperable

Making the complex easy, and the previously expensive now low cost were the ambitious aims of the TradeForms development project.

Driving this development was the belief that unless the majority of SME’s could participate in e-Business as equals with their larger trading partners, their competitive position would be eroded as large organisations demanded more efficient business practices with their trading partners, and sought out trading partners that could complement their e-Business initiatives. The fax would no longer be good enough. And SME’s needed a solution that was appropriate to their needs in all respects before there would be broad adoption. And perversely, without broad adoption, the large organisations trading with SME’s would be forced to maintain expensive manual processes to interact with faxes, phone calls and emailed document attachments.

TradeForms is a product-focused approach to wide spread B2B for SME's that brings together common standards, Java technology, Web services, SOAP, security, and a single user interface to trade with many trading partners. Best of all, this B2B solution has been architected to be intuitive to use, highly flexible and the TradeForms Client is available for about the cost of a fax machine! It can be thought of as the "fax killer" B2B solution for SME's who wish to achieve significant savings on their operational costs and improve their trading relationships.

The TradeForms solution consists of a TradeForms Partner Server (TPS) that communicates securely with multiple TradeForms Clients (TFC). A company with a TPS can send to and receive from many trading partners a wide variety of business documents such as purchase orders, change orders, acknowledgements and responses, ASN, invoices, statements, pricelists, export documents, Investor Relations information, etc. The TPS can be easily integrated to backend systems, even when those systems have no e-Business capabilities and can produce only unstructured data such as spool files, print files, text reports etc. The TPS can securely send XML or EDI messages over the Internet to the TFC's and will incorporate changes in broadly adopted standards such as AS/2 for EDIINT.

The low cost TFC provides exceptional flexibility and business benefits based on the Java Core and Plug-in architecture. It provides the SME with a single view to all trading partners with the TPS, unlike multiple websites. And unlike websites, users can work offline as well as online. Companies can maintain their competitive advantage by offering their trading partners sophisticated value added functionality in the TFC plug-ins. This technology is suited to widespread distribution and incorporates:

<ul style="list-style-type: none"> ✓ Auto download to/from all partners ✓ Wizard driven partner registration ✓ Auto version control ✓ Auto document updates (eg. pricelist) ✓ Auto installed plug-ins 	<ul style="list-style-type: none"> ✓ Full search capability ✓ Transaction choreography & collaboration ✓ Flexible integration options ✓ Trading partner management ✓ Standards based for interoperable interaction
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TradeForms is rapidly and easily implemented as a supplier enablement solution for buying organisations. It is just as applicable to a supplier as an alternative to a transactional website, so that customers can order from the suppliers pricelist on the TFC and return a validated, accurate sales order for easy integration to the suppliers order entry system.

All companies are both suppliers and customers to varying degrees, and the TradeForms technology provides an appropriate solution to trading securely with a wide range of trading partners at low cost. It is used on both the buy side transactions and the sell side transactions as a solution that can assist SME's become enabled for e-Business processes.

This lets SME's lower their costs and comply with the e-Business requirements of their larger trading partners, and TradeForms provides larger organisations with a viable means of enabling large numbers of their SME trading partners to participate in their e-Business processes.

This win-win situation will get SME's on the e-Business highway, and safely guide them to their destination, which is ultimately increased profits and more trading within their business community of trading partners.

For more information refer to the XML Yes website at www.xmlyes.com

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