

Overview of Contents

1	Introduction – Chances and Challenges in Business Networking	1
Part 1: Building the Foundation.....		15
2	Enterprise in the Information Age	17
3	The Networked Enterprise.....	55
Part 2: Business Concepts		87
4	Strategies for Business Networking	89
5	Business Networking Lessons Learned: Supply Chain Management at Riverwood International	111
6	Electronic Commerce and Supply Chain Management at ‘The Swatch Group’	121
7	Knowledge Enabled Customer Relationship Management	135
Part 3: Information System Concepts.....		153
8	Future Application Architecture for the Pharmaceutical Industry	155
9	Overview on Supply Chain Management Systems	175
10	Electronic Commerce in the Procurement of Indirect Goods.	193
11	Templates: Standardization for Business Networking	211
12	eServices for Integrating eMarkets.....	229
Part 4: Key Success Factors.....		247
13	Key Success Factors for Business Networking Systems.....	249
14	Towards a Method for Business Networking	265

15	Application of the Business Networking Method at SAP.....	289
16	Architecture Planning for Global Networked Enterprises.....	305
17	Business Networking - Summary and Outlook.....	323
	List of Abbreviations	331
	Glossary	335
	References.....	345
	Index	379
	Authors	395
	Questionnaire for Networkability Assessment	397

Table of Contents

1	Introduction – Chances and Challenges in Business Networking	1
1.1	Networked Enterprise: The Vision	2
1.1.1	Business Networking and the New Economy	2
1.1.2	Five Phases Towards Business Networking	2
1.2	Networking the Enterprise: The Transformation	4
1.2.1	Closing the Gap Between Strategy and Reality	4
1.2.2	Achieving Networkability	5
1.2.3	Part One: Building the Foundation	6
1.2.4	Part Two: Business Concepts	7
1.2.5	Part Three: Information System Concepts	8
1.2.6	Part Four: Key Success Factors	8
1.3	Research Approach	9
1.3.1	Applied Research: Providing Practical Guidelines	9
1.3.2	Action Research: Balancing Rigor and Relevance	10
1.3.3	Competence Centers in Business Networking	11
	Part 1: Building the Foundation	15
2	Enterprise in the Information Age	17
2.1	Challenge of the Information Age	18
2.2	Imperatives of Business in the Internet Age	19
2.2.1	Coverage	20
2.2.2	Partnering	20
2.2.3	Critical Mass of Customers and Suppliers	20
2.2.4	Position in the Business Network	21
2.2.5	Focusing	21
2.2.6	Process Efficiency	22
2.2.7	Networkability	22
2.2.8	Change Management	23
2.3	Seven Trends	23
2.3.1	Enterprise Resource Planning	24
2.3.2	Knowledge Management	28
2.3.3	Smart Appliances	32
2.3.4	Business Networking	36
2.3.5	Electronic Services	43
2.3.6	Customer Process Support	45
2.3.7	Value Management	51

3	The Networked Enterprise	55
3.1	Introduction.....	56
3.2	Business Networking Case Examples	57
3.2.1	Dell: Supply Chain Management and Customer Relationship Management.....	57
3.2.2	Amazon.com: Supply Chain Management and Customer Relationship Management.....	59
3.2.3	Avnet Marshall: Supply Chain Management and Customer Relationship Management	61
3.2.4	SAP: Customer Relationship Management.....	62
3.2.5	MarketSite.net: Procurement and Sales	63
3.2.6	UBS: Procurement	65
3.2.7	Migros Cooperative: Development.....	66
3.2.8	Commtech: Procurement, Finance, Real Estate and Taxes.....	67
3.3	Networked Business Processes	69
3.3.1	Networking Through Coordination.....	70
3.3.2	Collaborative Processes	71
3.4	Model of a Networked Enterprise	75
3.4.1	eServices	75
3.4.2	Standards.....	76
3.4.3	Model.....	76
3.5	Networkability as a Competitive Factor.....	77
3.5.1	Concept and Design Objects of Networkability.....	78
3.5.2	Approaches to Measuring Networkability	79
3.6	Consequences for Management: Design for Networkability.....	81
3.7	Conclusions.....	84
	Part 2: Business Concepts	87
4	Strategies for Business Networking	89
4.1	Introduction.....	90
4.1.1	Strategic Relevance of Business Networking	90
4.1.2	Overview of Strategies.....	91
4.2	Organization Strategies	92
4.2.1	Outsourcing – Externalizing Non-core Competencies.....	93
4.2.2	Insourcing – Strengthening Existing Competencies	94
4.2.3	Virtual Organizing – New Segments with Cooperation Partners	95
4.2.4	Developing New Business Segments.....	96
4.2.5	Summary of Organization Strategies	98

- 4.3 Networking Strategies.....99
 - 4.3.1 Electronic Commerce – Transaction Perspective.....101
 - 4.3.2 Supply Chain Management – Flow Perspective104
 - 4.3.3 Customer Relationship Management – Relationship Perspective107
 - 4.3.4 Summary of Networking Strategies108
- 4.4 Interaction of Business Networking Strategies109
- 4.5 Conclusions110
- 5 Business Networking Lessons Learned: Supply Chain Management at Riverwood International 111**
 - 5.1 Business Networking Is Customer and Supplier Integration.....112
 - 5.2 Establishing the Business Networking Vision113
 - 5.3 Implementing the Business Networking Vision.....114
 - 5.4 As the Tide Comes In All Boats Go Up.....115
 - 5.5 Shaping Competitive Advantage.....116
 - 5.6 Creating the Coordination Backbone117
 - 5.7 Becoming Part of the Business Networking Infrastructure118
- 6 Electronic Commerce and Supply Chain Management at ‘The Swatch Group’ 121**
 - 6.1 Introduction.....122
 - 6.2 Comparison of Concepts122
 - 6.3 Case Study: EC and SCM at ETA SA.....124
 - 6.3.1 Goals of EC and SCM at ETA SA.....124
 - 6.3.2 Initial Problems at ETA SA124
 - 6.3.3 Phase I: Re-engineering the Supply Chain.....125
 - 6.3.4 Phase II: Introduction of a EC Solution126
 - 6.3.5 Complementarity of Concepts and Implementation.....128
 - 6.4 Critical Success Factors at ETA SA.....129
 - 6.4.1 Master Data Management as ‘Hidden Success Factor’129
 - 6.4.2 Strategic Alignment with Marketing Strategy130
 - 6.4.3 Reciprocity of Benefits130
 - 6.4.4 Common Basis for Communication.....131
 - 6.4.5 Method for Structured Procedure.....132
 - 6.5 Conclusions and Next Steps.....133

7	Knowledge Enabled Customer Relationship Management.....	135
7.1	Introduction	136
7.1.1	Business Trend: Customer Centricity	136
7.1.2	Technology Trend: Tools for Marketing, Sales and Service Automation	137
7.2	Case Study: LGT Bank	139
7.3	Managing Customer Knowledge.....	141
7.3.1	Knowledge Management	141
7.3.2	Relationship Marketing	142
7.3.3	Knowledge Enabled Customer Relationship Management.....	143
7.4	Towards a CRM Reference Model.....	144
7.4.1	Business Processes.....	145
7.4.2	Knowledge Structure	148
7.4.3	Knowledge Infrastructure	150
7.4.4	Knowledge Measurements.....	151
7.5	Knowledge in Business Networks.....	152
	Part 3: Information System Concepts.....	153
8	Future Application Architecture for the Pharmaceutical Industry	155
8.1	Introduction – New Business Models Are Emerging.....	156
8.2	From Business Model to Application Architecture.....	157
8.3	Future Business in the Pharmaceutical Industry	159
8.3.1	Elements of the Business Model.....	160
8.3.2	Relevance of the Seven Trends for the Pharmaceutical Industry	162
8.4	Application Architecture of the Information Age	164
8.4.1	Flexibility.....	165
8.4.2	Networking - Capability of Integration.....	165
8.4.3	Standardization	166
8.5	Components of the Application Architecture.....	166
8.5.1	Future Application Architecture Areas	166
8.5.2	‘Extended’ Make-or-Buy Decision	168
8.5.3	Application Architecture Components.....	170
8.6	Summary and Outlook	173

9	Overview on Supply Chain Management Systems.....	175
9.1	Introduction.....	176
9.1.1	Objectives	176
9.1.2	Supply Chain Pyramid	177
9.2	Planning Processes and Planning Horizons.....	179
9.3	Software Concepts for Supply Chain Management	180
9.3.1	Transaction and Planning Systems.....	180
9.3.2	Material Requirements Planning (MRP I)	181
9.3.3	Manufacturing Resource Planning (MRP II)	181
9.3.4	Advanced Planning Systems.....	183
9.4	Brief Overview on Advanced Planning Systems	185
9.4.1	Functionality and Modules.....	185
9.4.2	Rhythm Solutions of i2 Technologies.....	188
9.4.3	Manugistics6 of Manugistics	189
9.4.4	APO of SAP.....	189
9.4.5	Numetrix of J.D. Edwards.....	190
9.5	Conclusions.....	190
10	Electronic Commerce in the Procurement of Indirect Goods	193
10.1	Challenge in Indirect / MRO Procurement.....	194
10.1.1	Introduction.....	194
10.1.2	Current Procurement Scenarios	195
10.1.3	Relevance of Indirect / MRO Procurement.....	197
10.2	Vendors of Desktop Purchasing Systems.....	198
10.2.1	Ariba Operating Resources Management System.....	198
10.2.2	Commerce One BuySite / MarketSite.....	199
10.2.3	iPlanet BuyerXpert / ECXpert	199
10.3	Overview of System Components and Functionality	200
10.4	Process and Workflow Functionality	201
10.4.1	Catalog and Sourcing Services	201
10.4.2	Purchase Requisition and Order Placement	202
10.4.3	Delivery and Receipt.....	203
10.4.4	Payment and Booking.....	204
10.4.5	Process Management	204
10.5	Content Management	204
10.5.1	Content Classification.....	205
10.5.2	Content Aggregation.....	205
10.5.3	Content Personalization	206

10.6 System Administration.....	207
10.7 Integration with Legacy / ERP Systems.....	207
10.8 Potential Savings of Desktop Purchasing Systems	208
11 Templates: Standardization for Business Networking	211
11.1 Introduction.....	212
11.2 Definition and Approaches to Standardization.....	213
11.2.1 Definition and Dimensions of Standardization	213
11.2.2 Requirements of Inter-process Integration.....	214
11.2.3 Approaches to Close the ‘Organization Gap’	215
11.3 Template Handbook	216
11.3.1 Idea of a Template Handbook.....	217
11.3.2 Components of a Template Handbook.....	217
11.3.3 Activities in Template Design and Roll-out.....	218
11.3.4 Who Should Design and Use a Template Handbook?	219
11.4 Template Handbook at the Robert Bosch Group	220
11.4.1 Development of the Template Handbook	220
11.4.2 Overview and Experiences.....	221
11.4.3 Example Documents	223
11.5 Benefits of Templates in a Pharmaceutical Company.....	225
11.6 Conclusions.....	227
12 eServices for Integrating eMarkets.....	229
12.1 Business Networking and ERP Integration.....	230
12.2 eMarkets and eServices in Business Networking.....	231
12.2.1 Evolution and Market Potential	231
12.2.2 Benefits of eMarkets	231
12.2.3 Benefits of Process Integration	232
12.2.4 Integration Requirements.....	232
12.3 eServices for Integration - Case of Triaton	234
12.3.1 newtron and Triaton – eMarket and System Supplier.....	234
12.3.2 Considerations on eMarket Integration Potential.....	235
12.3.3 Triaton eService ‘A2A e-Link for eMarkets’	236
12.3.4 Cooperation newtron and Triaton	237
12.3.5 Business Process Support and Benefits.....	239
12.4 Implementation and Architecture of A2A e-Link for eMarkets.....	240

12.5 Digression: Solution Enhancement Potentials with IBM tpaML.....	243
12.6 Conclusions and Outlook	246
Part 4: Key Success Factors.....	247
13 Key Success Factors for Business Networking Systems....	249
13.1 Challenges in Designing Business Networking Systems	250
13.1.1 Adoption-lag of Interorganizational Systems	250
13.1.2 Gap Between Business and IT Issues.....	251
13.2 Characterization of Business Networking Systems.....	252
13.2.1 Types of Transaction-oriented Business Networking Systems	252
13.2.2 Specifics of Business Networking Systems	253
13.3 Key Success Factors in Designing Business Networking Systems	255
13.3.1 Cases for Business Networking Systems	255
13.3.2 Setting-up Partner Profiles	257
13.3.3 Reciprocity: Creating Win-Win Situations	260
13.3.4 Networking Projects are Business Projects.....	261
13.3.5 Nucleus and Rapid Diffusion: 'Grow by Chunking'	261
13.3.6 Standards and System Integration as a 'Conditio Sine Qua Non'.....	262
13.4 Conclusions.....	263
14 Towards a Method for Business Networking.....	265
14.1 Challenges of Making Business Networking Happen.....	266
14.1.1 Relevance of a Method for Business Networking.....	266
14.1.2 Existing Approaches and Requirements	266
14.1.3 Benefits of an Engineering Approach.....	268
14.1.4 Focus and Procedure Model of the Method	270
14.2 Case I: eProcurement at Deutsche Telekom AG.....	272
14.2.1 Business Context of Deutsche Telekom AG.....	272
14.2.2 Options for Organizing Procurement	272
14.2.3 Steps Undertaken at Deutsche Telekom	274
14.3 Case II: Supply Chain Management at Riverwood International	275
14.3.1 Supply Chain Scenario at Riverwood International	275
14.3.2 Steps Undertaken at Riverwood International	277

14.4 Towards a Method for Business Networking.....	280
14.4.1 Design Areas of a Method for Business Networking.....	281
14.4.2 Meta Model.....	282
14.4.3 Role Model.....	283
14.4.4 Procedure Model and Techniques.....	283
14.5 Conclusions and Outlook.....	286
15 Application of the Business Networking Method at SAP .	289
15.1 Distinction Between Business Networking Strategies.....	290
15.1.1 Overview.....	290
15.1.2 Interaction of Strategies From the Customer Perspective.....	290
15.2 A Method for Implementing Supply Chain Modules.....	292
15.2.1 Goals of the Method.....	292
15.2.2 Business Networking Systems and Methods of SAP.....	292
15.2.3 Accelerated SAP (ASAP) Roadmap.....	293
15.2.4 Strategic Blueprint of ASAP for APO 2.0a.....	294
15.3 Reference Case for the Strategic Blueprint: Woodbridge, Int.....	295
15.4 Conclusions and Next Steps.....	302
16 Architecture Planning for Global Networked Enterprises	305
16.1 Introduction.....	306
16.1.1 Challenge of Architecture Planning.....	306
16.1.2 Goals of Architecture Planning.....	307
16.2 Business Architecture.....	309
16.2.1 Organization Profile.....	309
16.2.2 Process Architecture.....	311
16.3 Application Architecture.....	313
16.3.1 Distribution Concepts in Packaged Software.....	313
16.3.2 Integration Areas at the Application Level.....	313
16.3.3 Structure of Application Architecture.....	314
16.4 Methodological Procedure.....	316
16.4.1 Existing Approaches.....	316
16.4.2 Deficits of Existing Methods.....	318
16.4.3 Proposed Method.....	318
16.5 Conclusions and Outlook.....	321

17 Business Networking - Summary and Outlook.....	323
17.1 Bottom Line of Business Networking.....	324
17.1.1 Improving Business Efficiency and Creating New Opportunities	324
17.1.2 Goals of Business Networking.....	325
17.1.3 Changing Face of Business Networking Systems.....	326
17.1.4 Model of Business Networking.....	327
17.2 Next Steps in Business Networking	328
17.2.1 Advent of Process Portals and eServices	328
17.2.2 Networking Smart Appliances and Real-Life Assets.....	330
List of Abbreviations	331
Glossary	335
References.....	345
Index.....	379
Authors	395
Questionnaire for Networkability Assessment.....	397