

DATABASE BY DESIGN, INC.

Lift Your Profitability! Leverage Your Business-to-Business Transactions

Slow economic times call for focused business tactics:

Squeeze every ounce of productivity out of your existing computer and Internet resources to maintain or increase your profitability in economic downturns. With a properly designed system, your computer software can work for you day and night to **retain clients**, **reduce costs**, and **attract customers**. Focusing on your business-to-business transactions is a great place to start as you examine ways to leverage your information management systems.

Retain Clients: Make it easy for customers to do business with you via the Internet. Your customers are actually asking to work with you in this way.

“A new survey of senior business executives in the US by Forrester has found that the slowing economy is not dissuading them from doing business online.”¹

“The market for existing customers will be the bigger opportunity for sellers because they have already established trust with buyers -- many of whom are waiting for their favored vendors to move online...”²

Reduce Costs: Reduce your labor expenses by spending less time handling business transactions. Vendors save time by not having to re-key the order information. Customers save time by accessing your computer system which is optimized to meet their needs, 24 hours per day.

Attract Customers: It is important to have your business positioned to take advantage of the growth in online business-to-business transactions. It could mean the survival of your business over the coming years. Other businesses are looking to the Internet to attract customers and optimize their transactions. Are you?

“B2B ecommerce revenues in the US are expected to rise from \$336 billion [in 2000] to \$6.3 trillion by 2005”³

“A new survey from Dun & Bradstreet has found that two thirds of all small businesses in the US have Internet access and about half of those have a website. Sixty percent of those with Internet access plan to increase their online use in the near future... Seven in 10 say the amount spent on their website is justified in terms of sales and customer service...”⁴

How to start developing a business to business e-commerce solution:

The best way to take advantage of the business-to-business technology that exists today is to move your transactions to online activities. You can get your customers to use online methods of ordering by asking these questions:

- √ How do I receive orders from my customers?
- √ What are the steps for placing an order with my company?
- √ How do customers get their order status?
- √ Do you have high volume customers that would benefit from collaborative planning efforts?
- √ Look at these same questions in regards to your vendors.

Typically these opportunities are accomplished with a web-based solution that is powered by a customized database. The database collects the order information from the web site user and transfers the information to your internal system. However, if some of your customers are large organizations, they

may have an existing technology infrastructure with which you can integrate. This can be accomplished by having a custom interface created for your computer system that matches the configuration of your customers' system. You can apply these same steps towards working online with your vendors.

Online Business-to-Business Applications - Purchasing Here are some ways to allow customers to buy your products from your web site 24 hours per day:

- ***New Customers*** - Develop a user friendly system to allow customers to purchase your product online by specifying the attributes of the finished product. Let the customer decide the color, product attributes, extended warranties, etc. Have the web site confirm to the customer what the finished product will contain and what it will look like.
- ***Existing Customers*** - A portion of the company web site can be designed for existing customers, requiring an access password. Based on the log-in information provided, the products offered are tailored to the needs of the user.
- ***High Volume Customers*** - Allow your customer's supply management system to place an order directly to your order entry system via the Internet. This will allow for efficient order entry and reduction in errors, lowering costs to both businesses.

Online Business-to-Business Application - Collaboration:

A more advanced method of implementing e-commerce involves active management of resources by both parties of the business transaction. An integrated approach like this requires two organizations that have a long-term relationship established because of the nature of the information that is shared.

Collaboration is accomplished when two systems work together to optimize ordering and production on both sides of the transaction. When a vendor is able to monitor inventory levels of its customers, it can make better production planning decisions. By understanding its customers' production cycles, the vendor can be in a better position to supply the customers' needs. This results in lower costs for the customer and better management for just-in-time inventories. When a customer is able to monitor production cycles of its vendors, it can optimize its ordering practices. By recognizing ordering opportunities, the customer can take advantage of lower cost production runs. In addition, this can result in maximized revenues for the vendor because they are able to utilize more of their production capacity.

This type of system can also be useful in situations where resources are contracted or scheduled instead of sold. For example, a construction equipment supply company could make its schedules available online to its premier customers. Each party in the transaction can then optimize the coordination of the equipment resources in a proactive manner. This would lower the possibility of delays which would keep expenses down for everyone involved.

At Database by Design, Inc., we can help you take advantage of your online business-to-business opportunities. Contact us so we can help you analyze your options.

Database by Design, Inc.
info@mycustomdatabase.com
<http://www.mycustomdatabase.com>
(503) 579-4638

Next Month's Topic: Creating a Paperless Office - How a database can eliminate paper usage.

References

¹ http://www.nua.ie/surveys/?=VS&art_id=905356624&rel=true.

² http://cyberatlas.internet.com/markets/b2b/article0,1323,10091_706471,00.html.

³ http://www.nua.ie/surveys/?=VS&art_id=905356089&rel=true.

⁴ http://www.nua.ie/surveys/?=VS&art_id=905357090&rel=true.