

MIS 3537: Internet and Supply Chains

WEEK 3: ELECTRONIC MARKETPLACES

LEARNING OBJECTIVES:

What are Electronic Markets Like?

Understand the idea of an eMarketplace

Identify the critical success factors for an electronic marketplace

Key challenges in synchronizing supply chains using eMarketplaces



MARKETPLACES – Where Trade Occurs

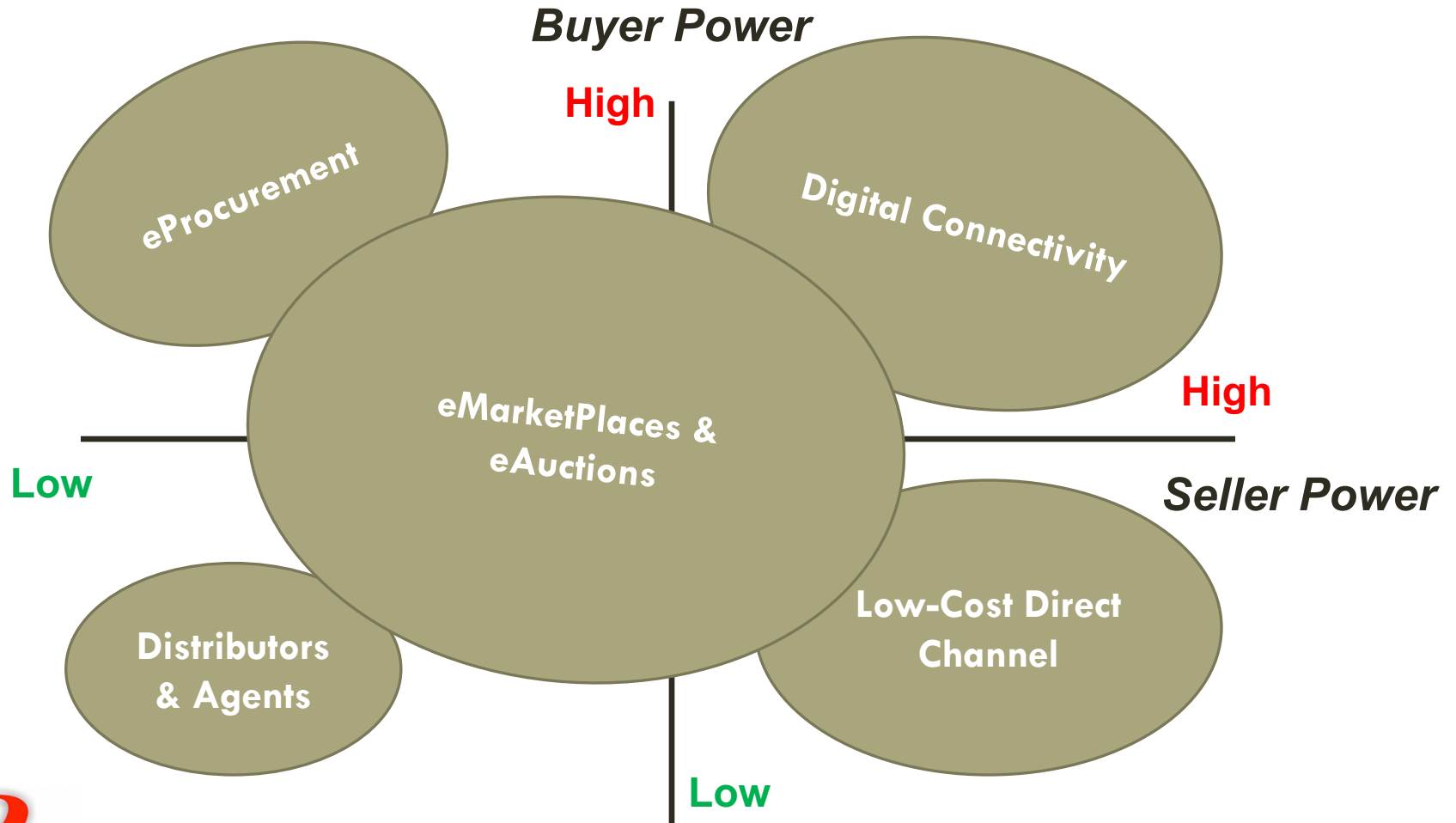
Why do we need a marketplace at all?



A marketplace is a common ground for buyers and sellers

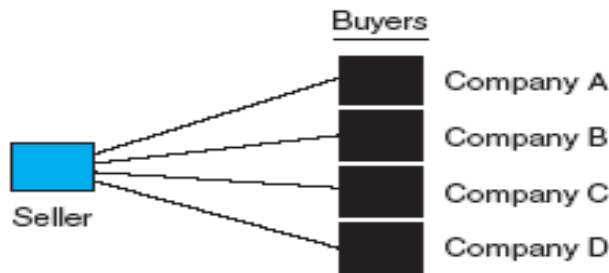
Neither side has considerably more power than the other

MARKETPLACES – Who has the Power?

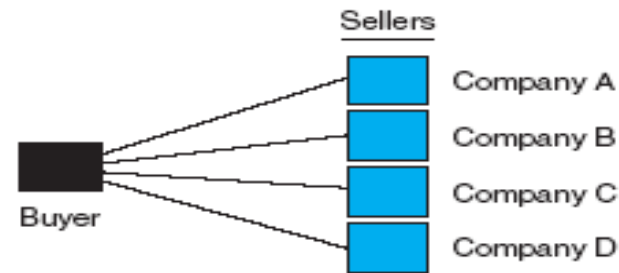


Concepts, Characteristics, and Models of B2B EC

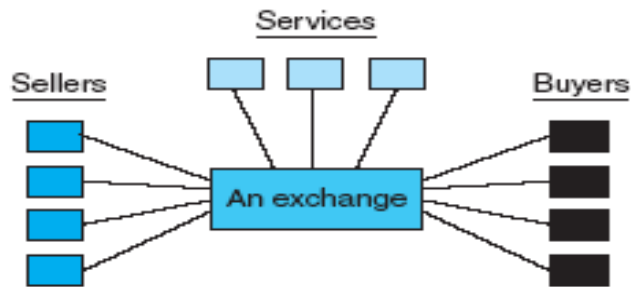
EXHIBIT 5.2 Types of B2B E-Commerce



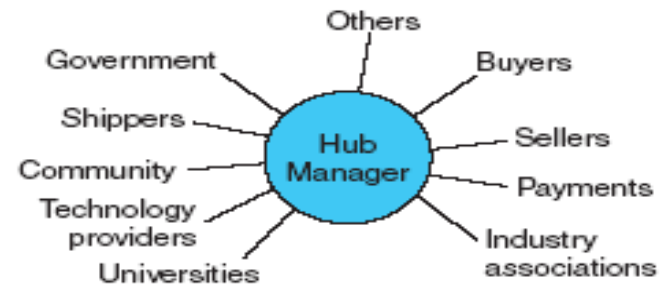
(a) Sell-Side B2B



(b) Buy-Side B2B



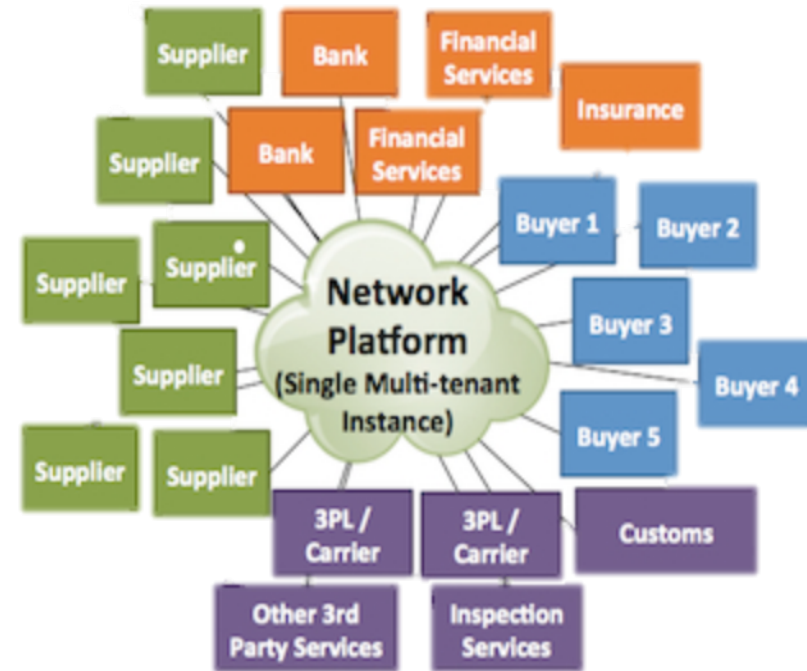
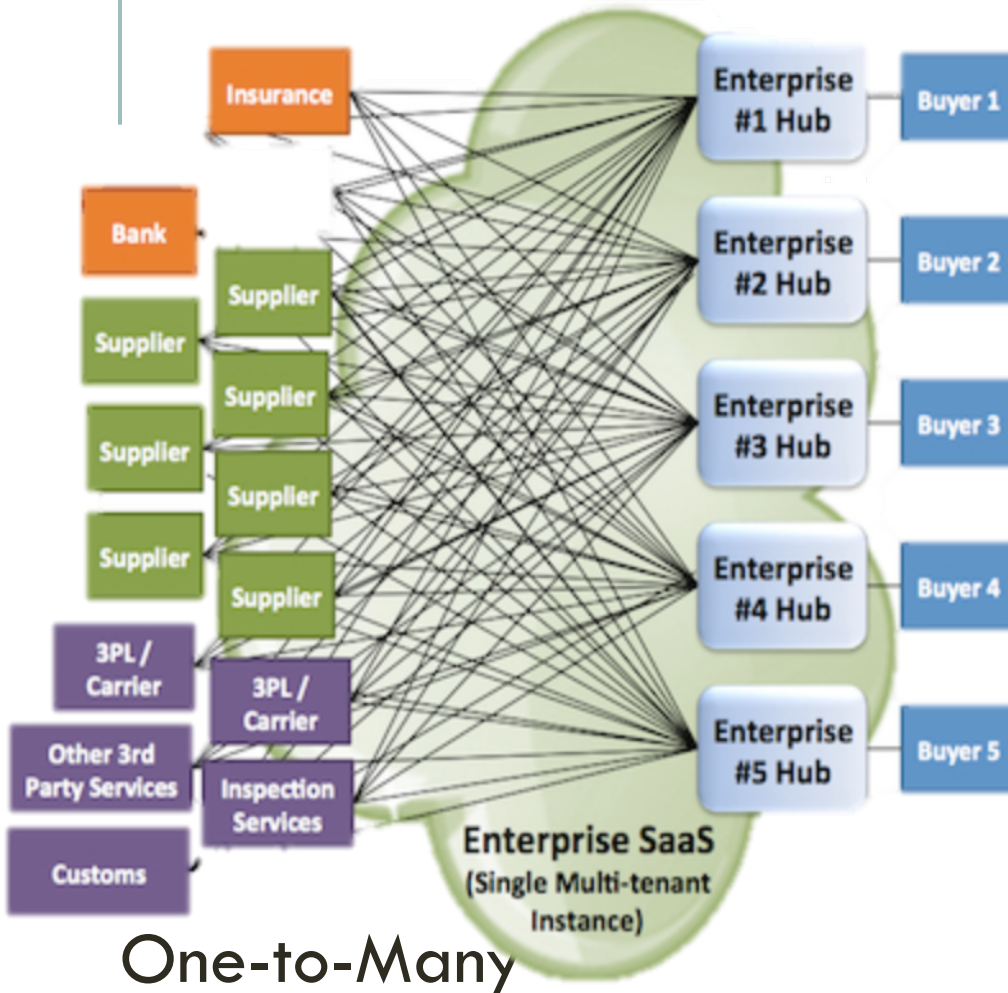
(c) Electronic Exchange



(d) Supply Chain Improvements and Collaborative Commerce

COMPARISON

Many-to-Many
Network of all,
eMarketplace



One-to-Many
Buyer or Supplier
Centric

ELECTRONIC MARKETPLACES

Electronic marketplaces serve as **platforms** that connect organizations and transact in areas with little distinctive power in relationships

Why a platform?

- ❖ A marketplace should allow for new entrants
- ❖ The more entities joining the marketplace, the more valuable it becomes (critical mass)



EVOLUTION OF ELECTRONIC MARKETPLACES

Stage 1

- Dotcom companies
- In the chemicals industry, a lot of new players – eChemicals, Chemdex, CheMatch and – were born



Stage 2


- The established players strike back
- Companies like Dow Chemical, Du Pont and BASF – big, existing players – setup their own eMarketplace



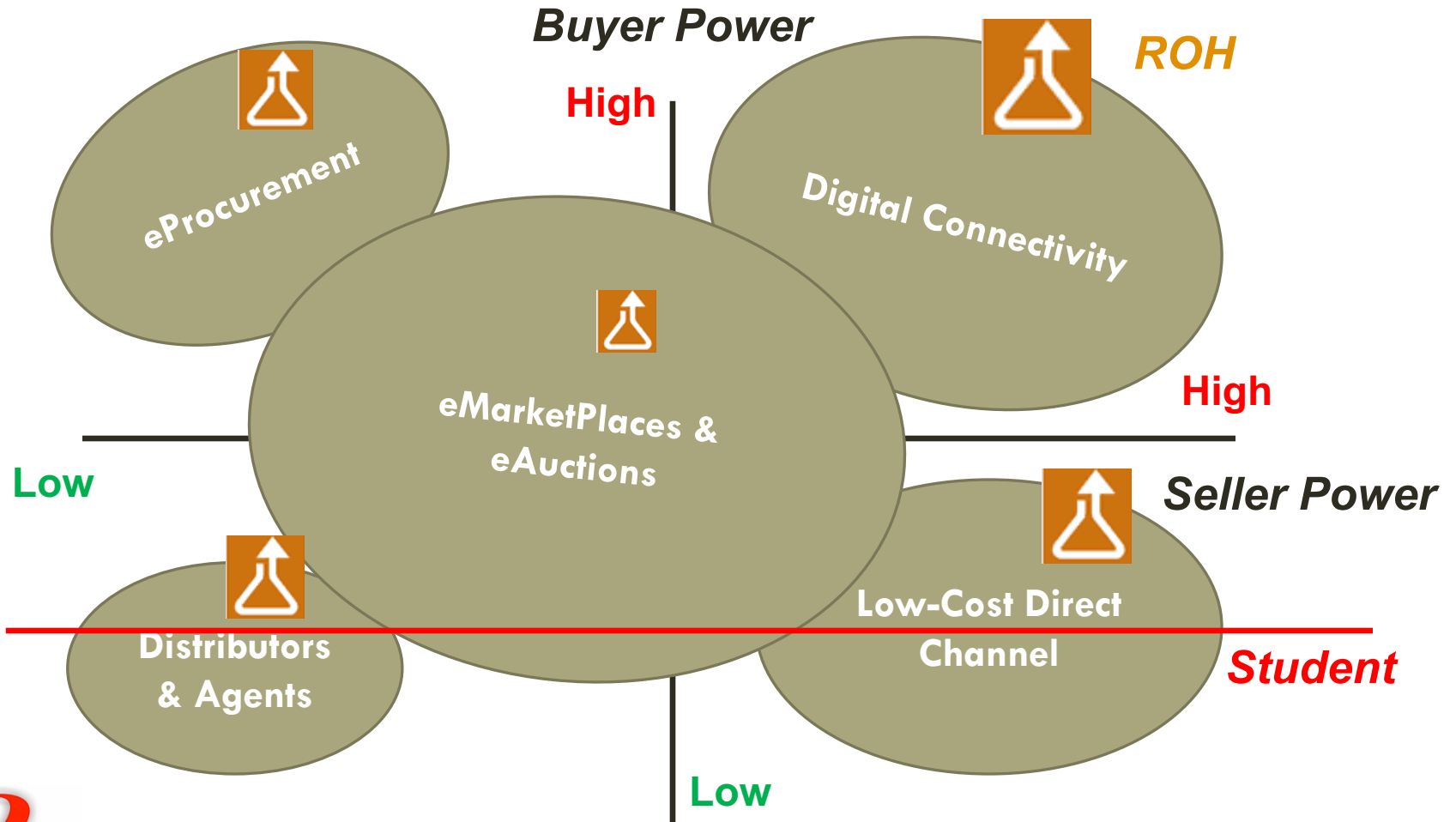


EVOLUTION (CONTD.)

Stage 3

- The best of both worlds meet
-  **ChemConnect**[®]
 - ❖ The leading industry players partnered with
 - ❖ Existing players took between 5 and 10% of the equity share
 - ❖ Has become the established industry standard
- Other players – eChemicals, CheMatch – have been marginalized

MARKETPLACES – Who has the Power?



OTHER INDUSTRIES

A similar trend can be seen in other industries

E.g. In the retail industry, **amazon** growth and success has spurred existing retailers to setup efficient supply chain, powered by electronic marketplaces such as WorldWide Retail Exchange (WWRE) and GlobalNetXchange (GNX)

OTHER INDUSTRIES

Automobile

- *Covisint* – Ford, GM and DaimlerChrysler



Food & consumer-packaged goods

- *Transora* – Unilever, P&G, Nestle, General Mills



Plastics

- *Omnexus* – Dow, Du Pont, Bayer, Ticona



Mining, minerals and metals

- *Quadrem* – Alcoa, De Beers, Rio Tinto etc.



THREE TYPES OF EMARKETPLACES

Vertical eMarketplaces

- The eMarketplace is focused on one industry, trade, profession (group of similar customers)
- e.g. vertical – retail, chemicals, plastics
- Examples:




ChemConnect®

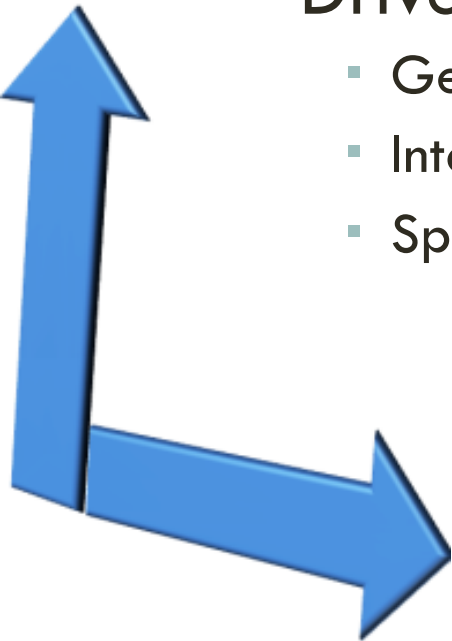
 covisint®
Connect. Engage. Collaborate.


Q U A D R E M

TYPES OF EMARKETPLACES

Horizontal eMarketplaces

- Provides related services e.g. procurement
- Driven by:
 - Geographical circumstances
 - Inter-industry activity
 - Special Practice, Products



TYPES OF EMARKETPLACES

Branded private marketplaces

- Really big organization can setup an exclusive eMarketplace



built its own: Global eXchange Services  – one of the world's largest B2B eCommerce networks

- Spun off in 2002, acquired by OpenText in 2014
- **accenture** & **verizon** use to provide managed services to their customers



LEARNING OBJECTIVES

Understand the idea of an eMarketplace

Critical success factors for eMarketplaces

Key challenges in synchronizing supply chains using eMarketplaces

CRITICAL SUCCESS FACTORS

Sustainable business models & realistic expectations

- During the dotcom boom, a lot of eMarketplace providers had high valuations because of future expectations
- As the industry consolidated, few providers remained in business and were profitable
- Long-term viability is critical
- Ability to form and sustain relationships



CRITICAL SUCCESS FACTORS



Rapidly build key capabilities

- A successful eMarketplace should become a one-stop shop
- Must provide a range of transactional and value-added services
- Breadth of services is a key success factor
- Services include security, workflow, reporting, fulfillment, billing and settlement, supplier management etc.

CRITICAL SUCCESS FACTORS



Integration of activities with major stakeholders

- The platform should be flexible enough to accommodate diverse needs of stakeholders
- Degree of integration determines long-term success
- **Onboarding:** Getting companies to build the interfaces to participate in the eMarketplace
- ,  ARIBA[®] and  created eMarketplace solutions that can interface with each other

KNOW
THE
RULES

CRITICAL SUCCESS FACTORS

Management of regulatory relationships

- In 2000, MyAircraft, an eMarketplace consortium of **Honeywell**, **UNITED**  &  accused of price fixing
- The European Union ruled in favor of MyAircraft, declaring that it was just another business entity
- eMarketplaces across country and continental boundaries must comply with requisite regulations



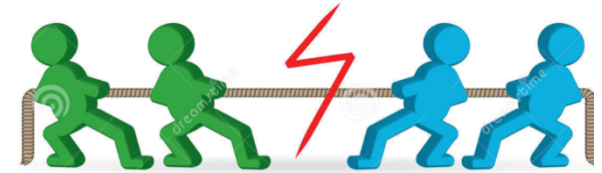
LEARNING OBJECTIVES

Understand the idea of an eMarketplace

Critical success factors for eMarketplaces

Supply chain synchronization – Challenges

COMPETITION



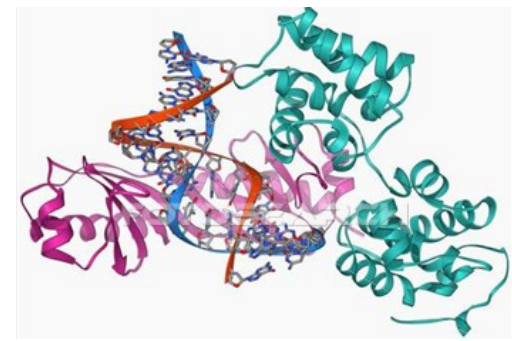
CHALLENGES

Inter-marketplace competition

- Different industries have setup their own marketplaces
- Communication across these marketplaces is a challenge
 - Different business models, financial structures, technical standards
 - Different business processes / practices with different expectations



CHALLENGES



Managing high levels of complexity

- Each participant in an electronic marketplace brings his / her own:
 - Set of problems, values
 - Business processes / practices
- Integrating each participant properly into the marketplace is critical
- Juggling multiple business models, financial structures, technical standards and business practices



CHALLENGES

Sunk costs , lower margins

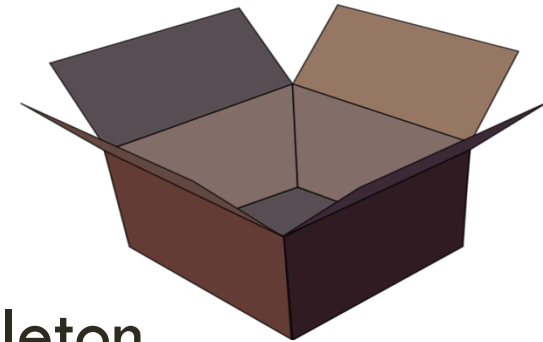
- The eMarketplace provider has to make significant investments upfront
- While buyers and suppliers might profit, the provider might have to operate with low margins

Building and sustaining relationships are key challenges facing the provider



EMERGING TRENDS

“eMarketplace in a box”



Single turnkey solution that offers a skeleton eMarketplace structure

Consists of a pre-selected suite of best-of-breed solutions

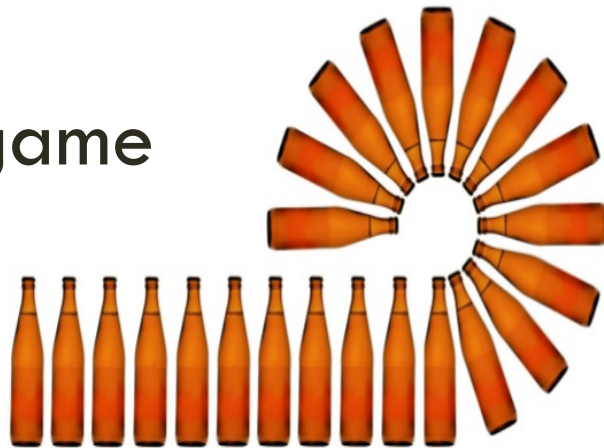


used this way by **accenture** & **verizon**[>]

NEXT WEEK...

WWT/Clear Orbit® Case

Beer game

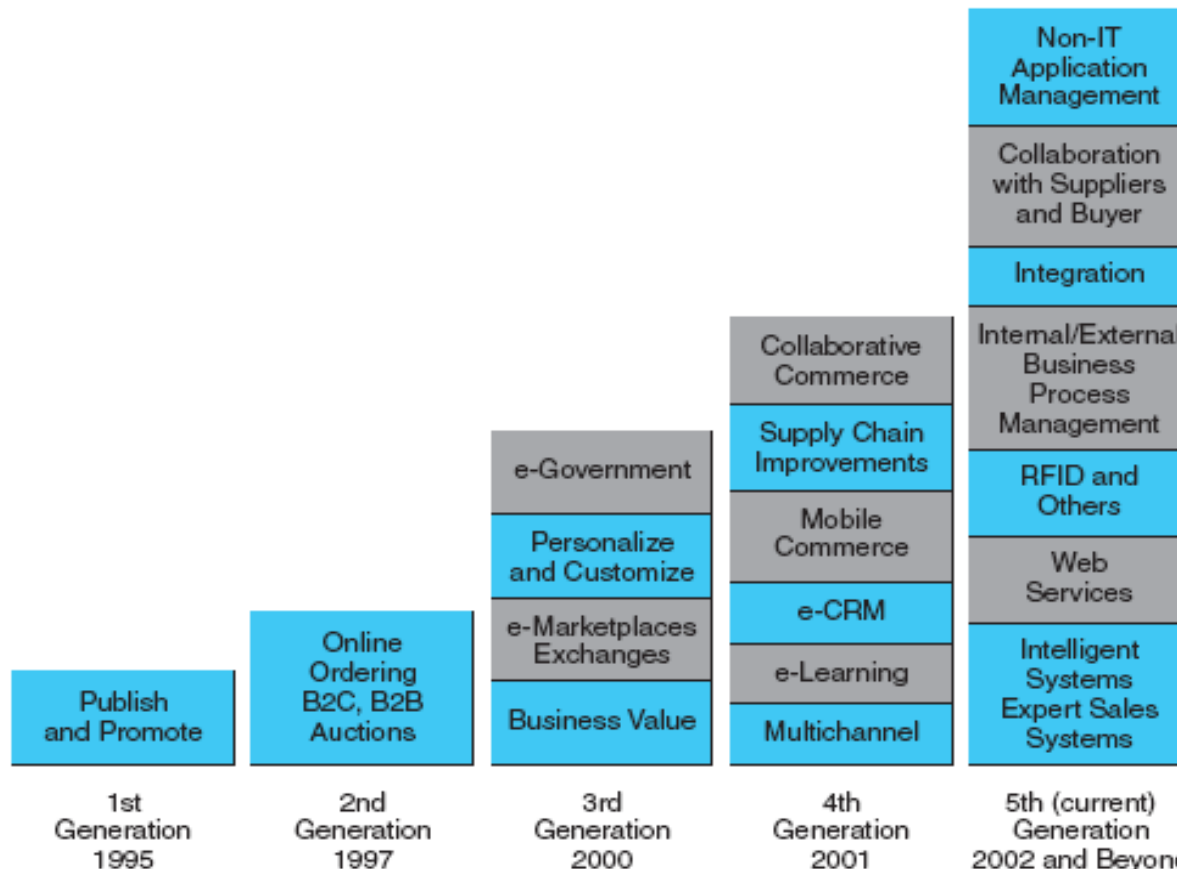


Preparation

EXTRA SLIDES

Concepts, Characteristics, and Models of B2B EC

EXHIBIT 5.1 Generations of B2B E-Commerce



OTHER INDUSTRIES

Automobile

- *Covisint* – Ford, GM and DaimlerChrysler



Food & consumer-packaged goods

- *Transora* – Unilever, P&G, Nestle, General Mills



Plastics

- *Omnexus* – Dow, Du Pont, Bayer, Ticona



Mining, minerals and metals

- *Quadrem* – Alcoa, De Beers, Rio Tinto etc.



Q U A D R E M

Energy industry - **Dead ~ 2000**

- *Trade-Ranger* – Royal Dutch Shell, BP, Conoco, Phillips, Statoil, Unocal, Tosco etc

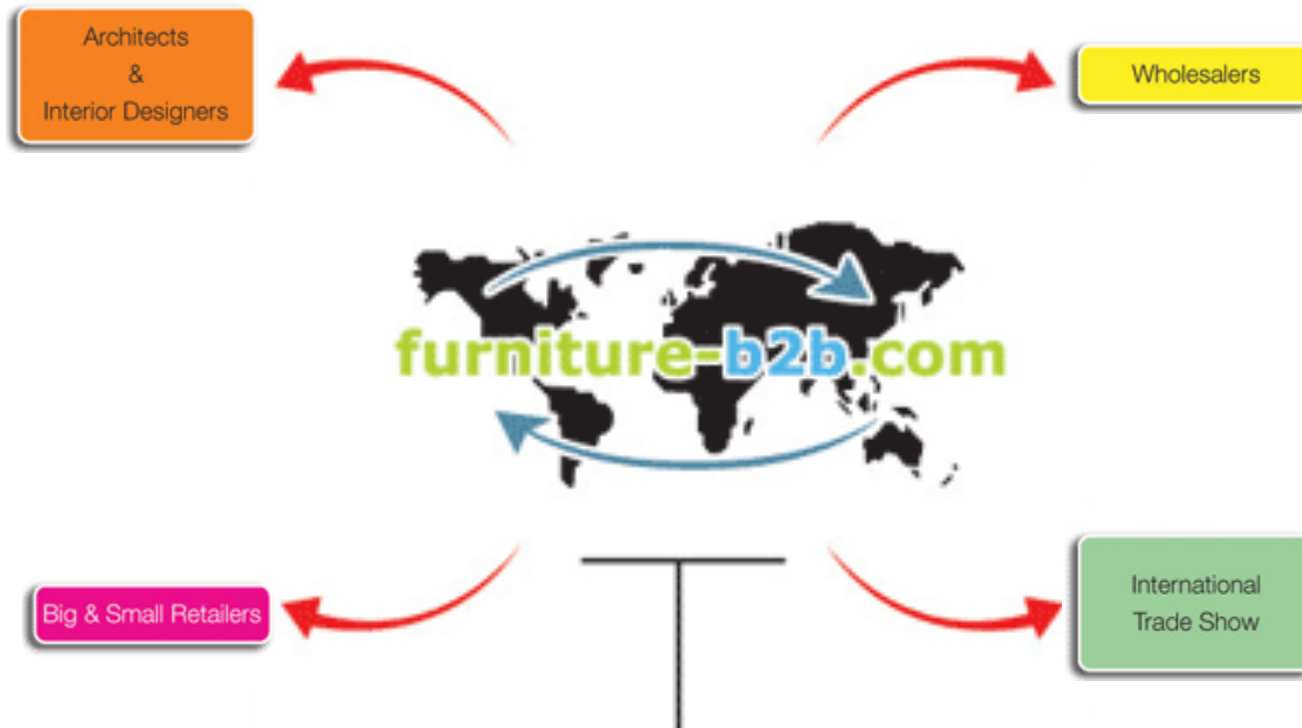


A SYNCHRONIZED WORLD

Current eMarketplace solutions aim to synchronize supply chains

In the future, eMarketplaces might communicate among each other!

FURNITURE



CHEMICALS

Global Chemical Portal and Chemical Search Engine - ChemNet.com - Windows Internet Explorer

http://www.chemnet.com/

File Edit View Favorites Tools Help

Search Share Check Translate AutoFill

Favorites Blackboard Learn Suggested Sites Free Hotmail Web Slice Gallery

Global Chemical Portal and Chemical Search Engine - C...

Page Safety Tools

Member ID: password: sign in Join Now!

China Business Portal ChinaChemNet KoreaChemNet

ChemNet
Global Chemical Network

Sodium Cyanide
Cyanuric Chloride

Diethyl Malonate
Dimethyl Malonate

BTA TTA

TEBUCONAZOLE
EPOXICONAZOLE
S-FENVALERATE

Home | Products | Suppliers | Offer to Buy | Offer to Sell | Chemical News | REACH | CAS | Resource

Please Enter Product Name,CAS No.or Molecular Formula Product Search search Hot Products: Tolytriazole PTFE Tert-Butyl-carbazate 4-Nitroanisole

Lambda-cyhalothrin
Lambda-cyhalothric Acid



Dicyandiamide



essence Imidacloprid
Niclosamide

Product Category

Adhesives and Sealants

Agrochemicals

Chemical fertilizers

Fungicide

Herbicide

Insecticide

Catalyst & Auxiliary

Plastic Auxiliary Agent

Rubber Auxiliary Agent

Surface Active Agent

Textile Auxiliary Agent

Water Treatment Chemicals

Dyestuffs and Pigments

Acid Dyes

Direct Dyes

Disperse Dyes

Pigments

Reactive Dyes

Solvent Dyes

Vat Dyes

Food and Feed Additives

Fragrances and Aroma c...

Inorganic chemicals

Intermediates

Pharmaceutical intermediates

Agrochemical intermediates

Dyestuff intermediates

Chemical News

more>>



Exclusive: OPEC to discuss oil policy Feb 22 in Riyadh
The Organization of the Petroleum Exporting Countries is under pressure to raise output and rein in oil prices now near \$100 a barrel. Energy ministers from OPEC are scheduled to gather on February 22 in Riyadh with the...>>

- BASF increases prices for polymer dispersions, powders...
- China: Sinopec lifts Feb naphtha ex-refinery price by ...
- China: Zhoushan Century Pacific Petchem's 480,000-cu-m...
- China: Yantai port in Shandong starts trial run of fir...

Notice: China Chemical Weekly is in hot sale Chemical Resource

Isopropyl acetate
N-Propyl acetate

春晓农化
CHUNXIAOCHEM

Banner Sold

Nontoxic plasticizer series

Offer to Buy

more>>

JARI COVERING MACHINE FOR TEXTILE	2011-02-02
We buy Lead scraps and lead slag .	2011-02-01
We buy lead materiel.	2011-02-01
We buy Zinc scraps and zinc slag .	2011-02-01
We buy zinc materiel.	2011-02-01
Tin scraps.	2011-02-01
We buy tin slags and scraps.	2011-02-01
Nickel scraps and slags	2011-02-01

Offer to Sell

more>>

Benzenesulfonic Acid(LAB...	27176-87-0	2011-02-03
Hydrogen Peroxide	7722-84-1	2011-02-03
sodium formate	141-53-7	2011-02-03
Calcium Chloride	10043-52-4	2011-02-03
Cupric Oxide	1317-38-0	2011-02-03
paraffin 58-60	8002-74-2	2011-02-03
paraffin	8002-74-2	2011-02-03
Cupric Oxide industrial ...	1317-38-0	2011-02-03

1,2-Butanediol

D-Alaninol
(R)-(-)-2-Amino-1-Propanol

4th Independent Refineries China Summit

CAS Base

more>>

7549-43-1 quinine hydrochlor..... 128537-49-5 4-Chloro-1-methyl-.....

Gold Suppliers

more>>

NingBo YiDe Fine Chemical Co.,Ltd.

Internet

100%

FOOD

Buyers - Food - Buying Leads, Buy Offers - Foods & Beverages - China B2b Marketplace, B2B For T - Windows Internet Explorer

http://www.foodtradeholding.com/default.cgi?action/viewtradeleads/maincatid/04/classification/Food/type/2/

File Edit View Favorites Tools Help

Google Search Share Check Translate AutoFill Sign In

Favorites Blackboard Learn Suggested Sites Free Hotmail Web Slice Gallery

Edit P... Edit P... Trad... Inter... e-ma... TW Timb... Indus... http... Furni... Che... Buy ... Taiw... Worl... Worl... Chin... Raw ... Elect... Prod... B... x

Page Safety Tools

Browse by Sub Classification

Alcohol	Baby Food
Beverages, Spirits & Wine	Canned Food
Cocoa & Cocoa Preparations	Confectionery
Fast-Food	Food Additives
Food Ingredients	Food Processing Machinery
Frozen Food	Health Food
Miscellaneous Edible Preparations	Others
Preparation Of Cereals & Flour	Preparation Of Veggies, Fruits, Nuts
Prepared Meat, Fish & Crustaceans	Residues & Animal Feed
Snacks	Sugars & Sugar Confectionery
Tea	Tobacco & Tobacco Substitutes

Other Trade Leads

0 Buy	Sugar Posted on: 2011-02-03 from US - Florida Sugars & Sugar Confectionery	Lifestream Enterprises, LLC
0 Buy	Sugar Posted on: 2011-01-19 from US - Maryland Sugars & Sugar Confectionery	3T Construction
0 Buy	Corona 4x6 355ml Posted on: 2011-01-21 from UK - South East of England Beverages, Spirits & Wine	Aspire Trading
0 Buy	Heineken 500ml cans Posted on: 2011-01-19 from UK - South East of England Beverages, Spirits & Wine	Aspire Trading
0 Buy	Red Bull 250ml Posted on: 2011-01-16 from UK - South East of England Beverages, Spirits & Wine	Aspire Trading
0 Buy	Shark Energy drink Posted on: 2011-01-10 from UK - South East of England Beverages, Spirits & Wine	Aspire Trading
0 Buy	Coca Cola 330ml cans Posted on: 2011-01-10 from UK - South East of England Beverages, Spirits & Wine	Aspire Trading
0 Buy	Want to buy mineral water, canned food, mosquito nets, mosquito repellent Posted on: 2011-01-17 from Nigeria - Abia Beverages, Spirits & Wine	HWB Consulting Firm
0 Buy	Want to buy Natural Mineral Water, Fresh Tomatoes, Potatoes Posted on: 2011-01-19 from Nigeria - Abia Beverages, Spirits & Wine	HWB Consulting Firm
0 Buy	Sugar Posted on: 2010-07-15 from Singapore - All Sugars & Sugar Confectionery	GPC Tecsource Singapore Pte Ltd

Advertisement

Ads by Google

[SofLens® Daily Disposable](#)
Free Trial of SofLens® Disposable Contacts. The Ultimate Comfort!
Daily.SofLens.com/Fr...

What's New?

- > Companies
- > Products
- > Trade Leads
- > Buying Requests
- > Selling Offers
- > Opportunities

Popular Searches

- > food buyers
- > alcohol buyers
- > canned food buyers
- > fastfood buyers
- > frozen food buyers
- > edible preparations buyers
- > cereals buyers
- > flour buyers
- > meat buyers
- > fish buyers
- > crustaceans buyers
- > snacks buyers
- > tea buyers
- > beverages buyers
- > spirits buyers
- > wine buyers
- > cocoa buyers
- > food additives buyers
- > health food buyers
- > vegetables buyers
- > fruits buyers
- > nuts buyers
- > residues buyers
- > animal feed buyers
- > sugars buyers
- > tobacco buyers

Quick Links

STATIONERY

China Stationery, Stationery & Office supplies, Stationery Importers & exporters, stationery tr - Windows Internet Explorer

http://www.stationerytrade.com/


File Edit View Favorites Tools Help

Google Search

Favorites Blackboard Learn Suggested Sites Free Hotmail Web Slice Gallery

http://... Furni... Che... Buy ... Taiw... Worl... Worl... C... X

Page Safety Tools

Trade Leads	Companies	Wholesale
<p>School Stationery(1832) schoolbag/kitbag Paper Stationery Pen Bag Ink Book Holder ...</p> <p>Writing Instrument(1681) Pens.Gold Pens Ballpoint Pens Gel Ink Pens Sign Pens Pencils ...</p> <p>office supplies(1960) Calculator Stationery Set Book Holder Eraser Paperweight ...</p> <p>Office Equipment(446) Copiers Safety Binding Machine & Supplies Paper Cutter POS Machine ...</p> <p>Computer Accessories(797) Computers Digital Products USB Products Scan Apparatus Software ...</p> <p>Mapping Supplies(37) Rulers Triangle Rulers Rolling Rulers Scale Rulers Graphics Rulers ...</p> <p>Realia & Experimental(151) Writing Board Chalk Teaching Models Eraser Card.Badge.Cup ...</p> <p>Apparatus & Materials(197) Ink Pencil Lead Binding Material Writing Skill Mechanism Equipment ...</p> <p>Gifts(893) Sales Gifts Stationery Gifts Electron Gifts Holiday Articles Leather Gifts ...</p> <p>Accounterment(21) Vogue Accounterment Office Accounterment Other Accounterment</p>	<p>Notebook & Daybook(576) Notebook Memo Pads Daybook Letter Paper Stamp Albums ...</p> <p>File & Folders(826) Folder Lever Clip File File Tray File Box Report Cover ...</p> <p>Account Supplies(76) Stamper Account Book Receipt Books Abaci Money Box ...</p> <p>Consumable(720) Copy Paper Color Inkjet Paper Fax Paper Writing Paper Carbon Paper ...</p> <p>Drawing & Art Set(256) Frame Rice Paper Brush-Pencil Pigment Color Articles ...</p> <p>Photography & Optics(208) Optical Apparatus Photographing Material Glass Fittings Photo Frame Album ...</p> <p>Sporting & Leisure(373) Ball Chess Dart Blade Sport Protective Goods ...</p> <p>Craftwork(198) Metal Craftwork Jewelry Glass Craftwork Sculpture Crvstal Craftwork ...</p> <p>Toys(296) Healthful Toys Electromotion Toys Cartoon Toys Telecontrol Toys Novel Toys ...</p> <p>Others(558) Books General Merchandise Industry Services Other Commodity</p>	<p>Trade Leads Post My Products</p> <p> office set</p> <p> CD holder</p> <p> letter shelf</p> <ul style="list-style-type: none"> office set organizer CD holder letter shelf magazine holder Memo holder pen holder business card holder file trav Looking forward to buy Stati... Requirement of A4 Size paper... mechanical pencil Buy a4 80gsm printing paper Stationery items required fo... Crayon Wanted Buy Pens Buy calculators Wanted 1000 Pcs. min. Calc... <p>New Buying Leads>> New Selling Leads>></p> <p>Date: Mar.17-19.2011 Venue: Ningbo International Conference & Exhibition Center, Zhejiang, China</p> <p> Crayons Pencil Sharpener</p> <p>Asia Resource Stationery Expand your business Build up new relations Find new partners</p>

Internet 100%