

# eCommerce



## in the Wood Products Industry

Presented by:

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# The Promise of the Internet

Communication

Connectivity

Community

Collaboration

Content

Collapsing time  
and space

Cost savings



# What is eBusiness?



Where organizations connect electronically to existing information technology systems and business competencies via the Internet and the World Wide Web.

Deloitte & Touche

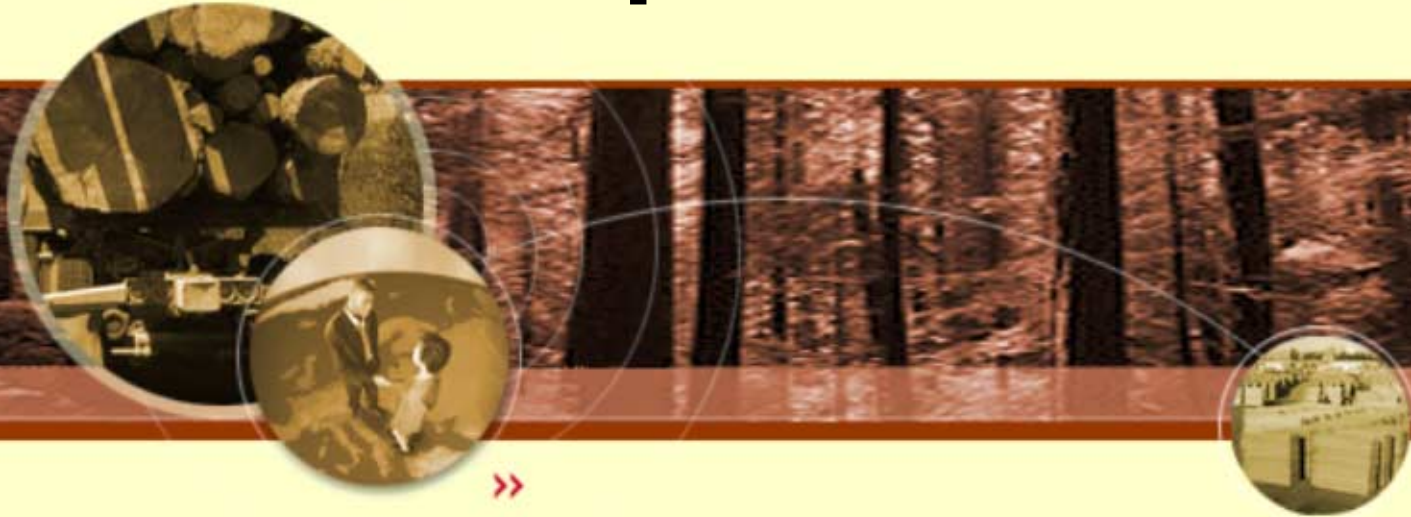
# What is eCommerce?



The process by which organizations conduct business electronically with their customers, suppliers and other external business partners, using the Internet as an enabling technology.

The Information Systems Audit and Control Association (ISACA)

# Marketplace Friction



- Search Costs
- Contracting Costs
- Coordination Costs

# eCommerce Value Propositions



- Reliable and real time product price reporting
- Connecting, communicating and collaborating with your trading partners electronically (E2E)
- Improving channel selection
  - Another point of market entry for buyers
  - Another sales channel for suppliers
- Improving transactional processing efficiency



# eCommerce Value Propositions



- Supply chain optimization: shifting traditional inventory, sales, and supply chain strategies:
  - buy-hold-sell
  - sell-source-service
- Shipping and order tracking
- Industry news, information and statistics
  - Credit checking
  - Online payment



# Types of eCommerce Providers

- Content Aggregator
- Match-maker
- Auction
- Collaboration Hub
- Translation Hub
- Third Party Exchange or Net Exchange
- Private Exchange



# Understanding a Third Party Exchange

An Exchange is Just Another Business Tool

## Types of Third Party Exchanges

- Disintermediary
- Reintermediary
- Utility Provider
- Market-maker



# Considerations in Choosing an eCommerce Provider

Domain Expertise

Staying Power

Open - Not a Disintermediator

Deep Integration (E2E)

Best of Breed Technology

Intuitive Process

Shipping & Order Tracking

Enhance Relationships

Community & Content

Supply Chain Collaboration

Low Fees and Costs



# Concerns Expressed



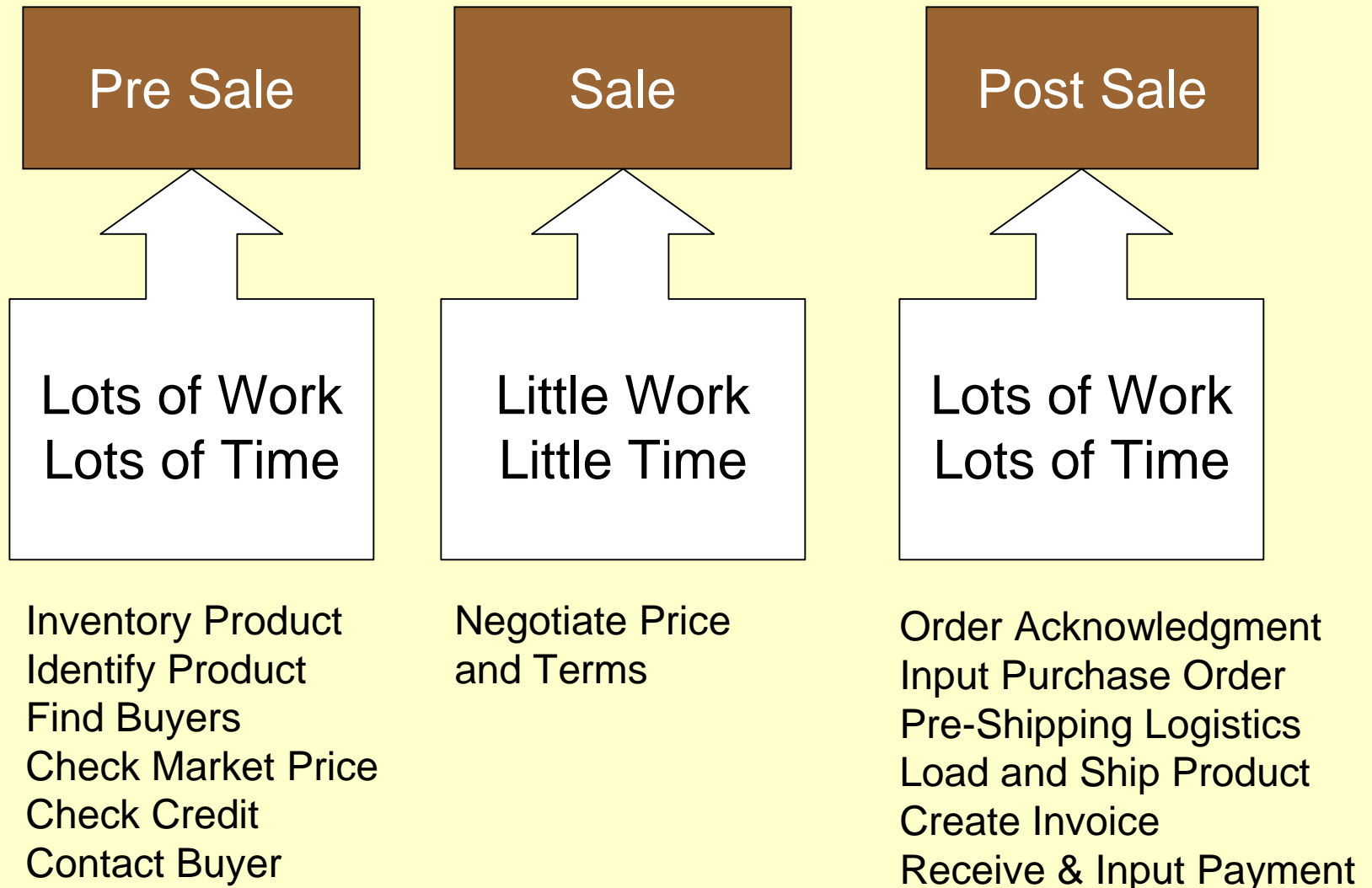
- Loss of personal relationships
- Price compression
- Security of information
- Negotiation process is too slow



# Buy Side Transaction Process



# Sell Side Transaction Process



# What Products Are Best Suited?

- Standardized products are low touch
- Custom products are high touch
- Move low touch products to low cost channels

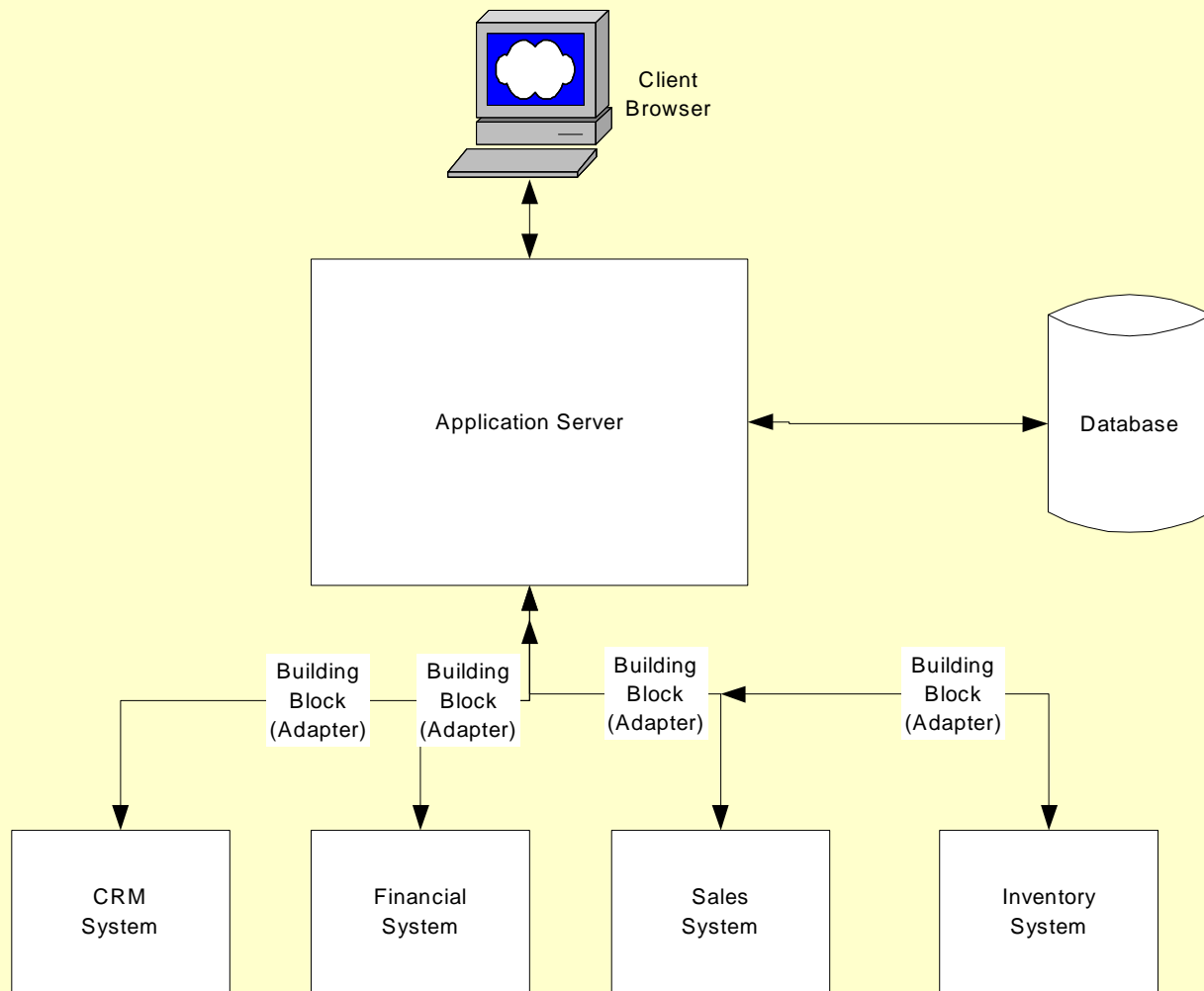


# What Industry Sector is Best Suited?

- Primary Producers get only one bite out of the apple
- Secondary Manufacturers, Wholesale Distributors and Dealers can take advantage of both sides of the transaction.



# Application to Application Integration (A2A)



# Disparate Back Office Systems

Manufacturers



Wholesalers



Dealers



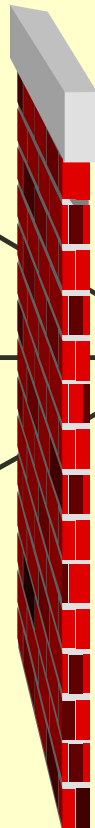
Wholesalers



Contractors



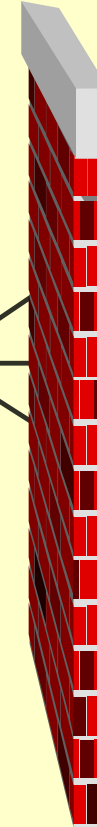
Secondary  
Manufacturers



content



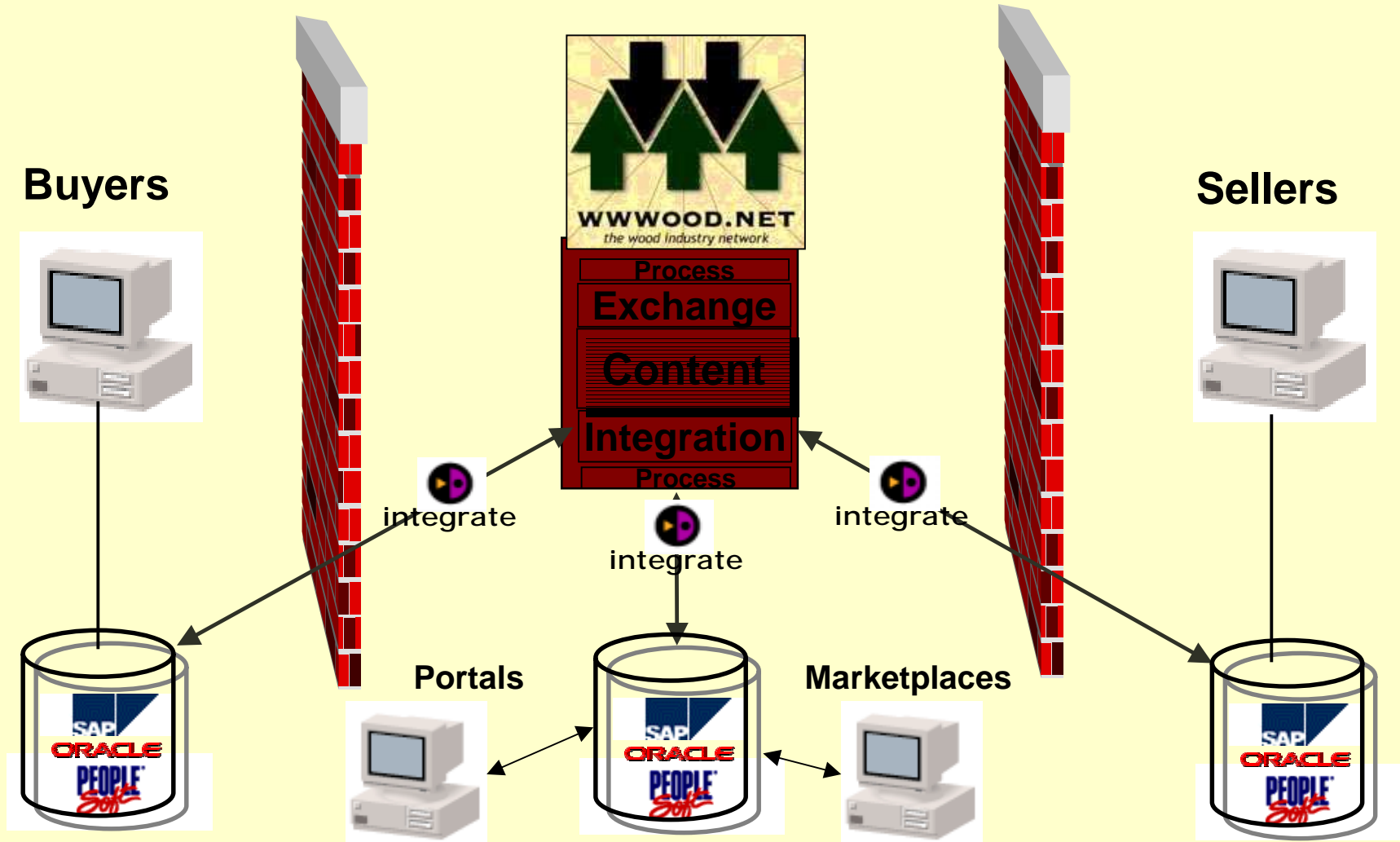
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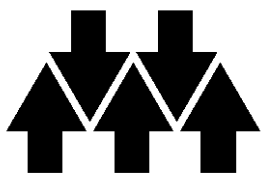
# Enterprise to Enterprise (E2E) Integration



# Do What You Do Best



# And Buy The Rest



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# Conclusion



- The Right eCommerce Provider Can Deliver the Promise of the Internet
  - Connectivity is the key
    - It's Not Enough to be a Match-Maker
      - Supply Chain Optimization & Integration is key