

# Forest Products e-Commerce



## An <sup>>></sup>Oxymoron or Wave of the Future

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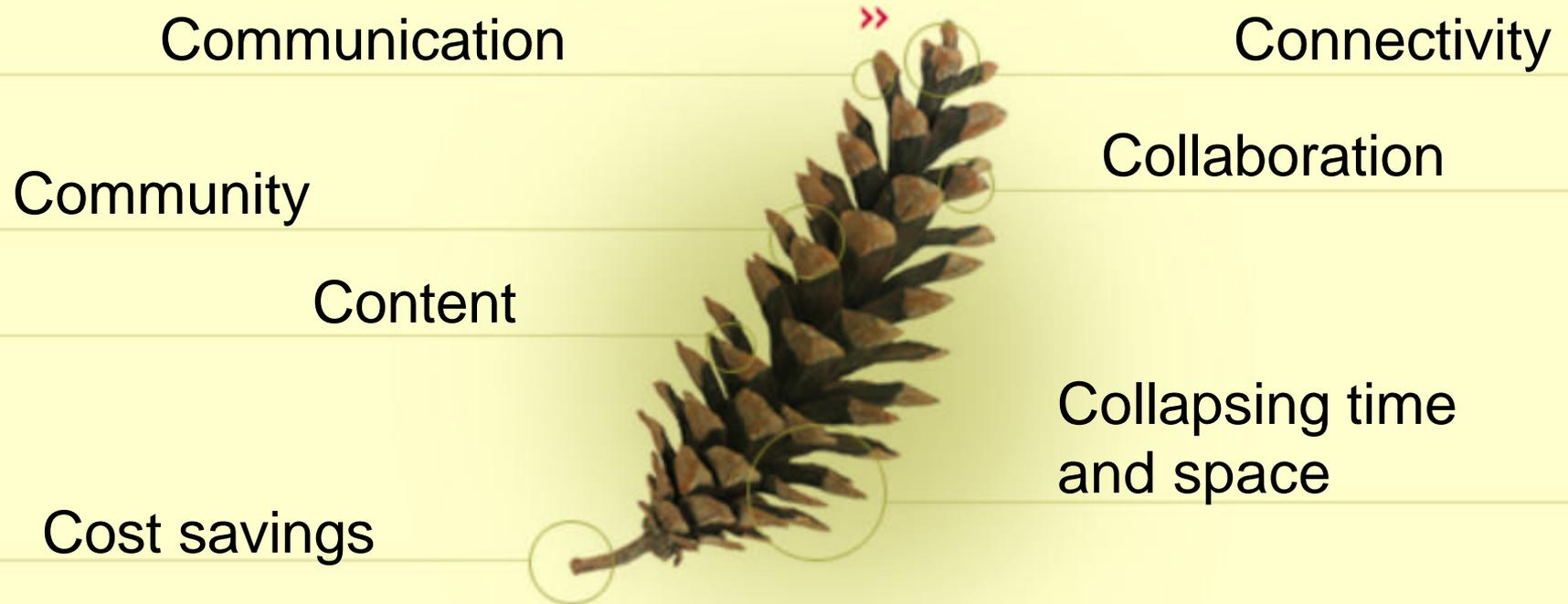


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# The Promise of the Internet

A Delivery Mechanism



# 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)

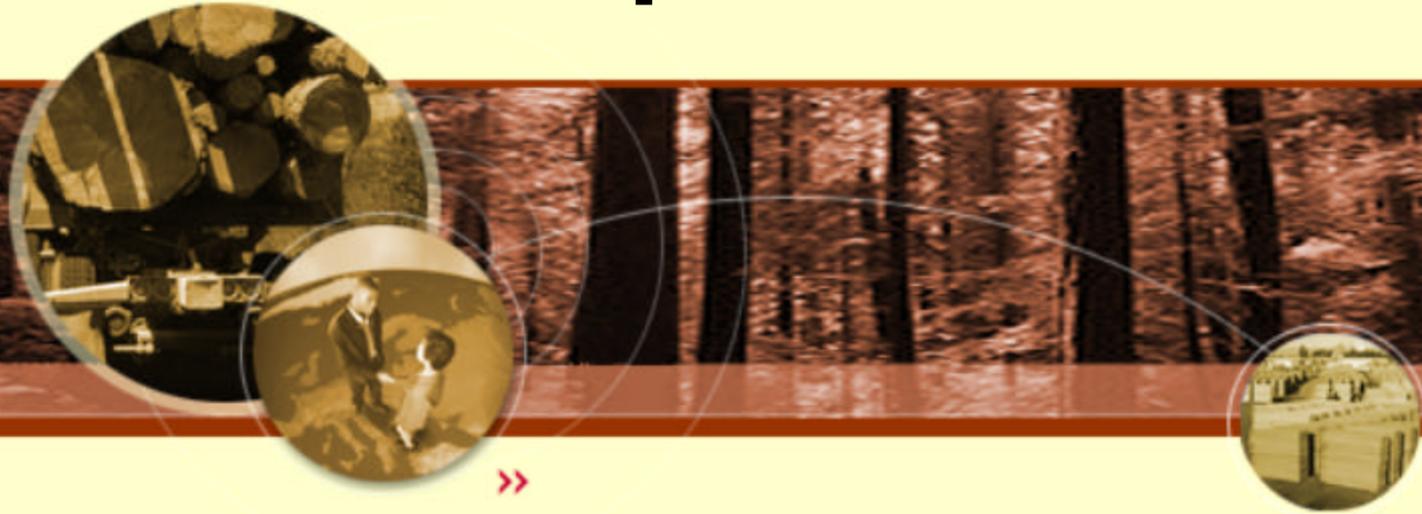
# Concerns Expressed



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



# Marketplace Friction



- Search Costs
- Contracting Costs
- Coordination Costs

# e-Commerce Value Propositions



- Connecting, communicating and collaborating within your Enterprise (EAI) and between Enterprises (E2E) electronically
- Streamlining the Business Process
- Improving channel selection
  - Another point of market entry for buyers
  - Another sales channel for suppliers
- Increasing transactional processing efficiency
  - Reliable and real time product price reporting



# eCommerce

## Value Propositions



- Supply Chain Optimization: shifting traditional inventory, sales, and supply chain strategies:
  - Buy-Hold-Sell
  - Sell-Source-Service
  - Supplier Managed Inventory (SMI)
- Supply Chain Event Management
- Shipping and Order tracking
- Procure to Pay
- Electronic Document Exchange
- Industry news, information and statistics



# Types of eCommerce Providers

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



# 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.
- What about Timber and Timber Products?



# Conclusion



- The Right e-Commerce Provider Can Deliver the Promise of the Internet
  - Connect Once
    - Supply Chain Optimization & Integration is Key
      - Drop the “e”