



IBM T. J. Watson Research Center

Relying on Relationships in eBusiness: Automating Trust and Contract Mechanisms

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Product Lifecycle Management

Overview of Activities

- Industry Solutions
 - Automotive, Aerospace and Electronics
 - Chemical and Petroleum, Heavy Equipment
- Relationship Management
 - Partner relationship, consumer relationship
- Brand Management
 - Identity Management and Quality of Service
- Architecture
 - Solution design, patterns and reuse
 - Multi-vendor integration with contracts
 - Contract Terms/Conditions

Role of Relationship Management in Business and eBusiness

- Relationship Management
 - Partner relationship, consumer relationship
 - Estimated that 50-70% of products move through channels
- Brand Management
 - Identity Management and Quality of Service

Estimated that by 2010, indirect sales will account for 70% of revenue for the top 2000 companies. Indirect partners: Dealers, Distributors, resellers and others, connected over the Internet

Effectively managing value chain relationships requires support of long-standing trading relationships governed by business policies and contract terms and conditions.

Automotive Scenario

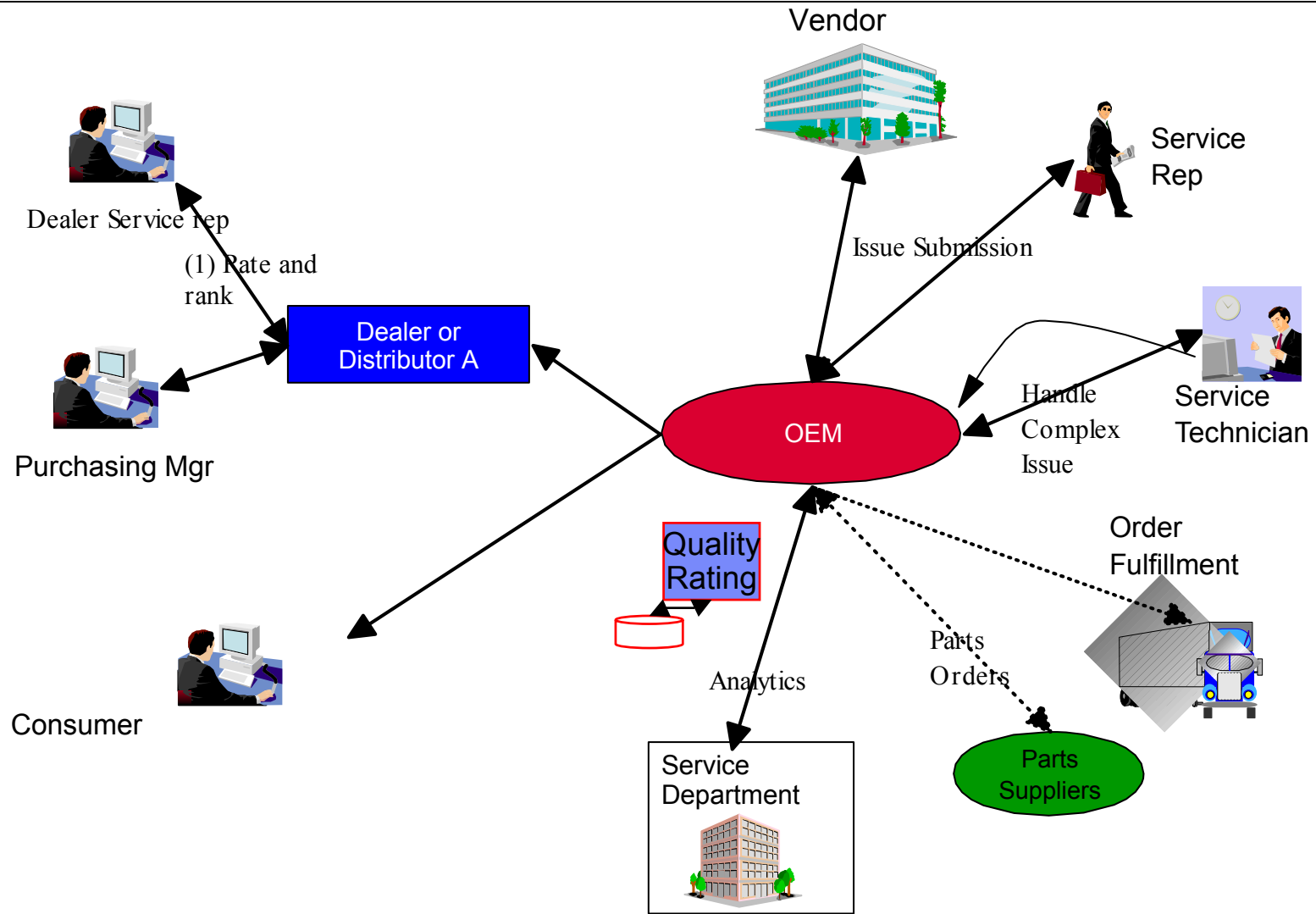
Key Drivers: Regulation, Customer Pains and Brand Identity

- Driven by key Business pains (manufacturer)
 - **Vehicle complexity** is increasing rapidly (electronics and mechanical)
 - 100s of multi-vendor systems in Enterprises for design/development/production
 - **Lost Sales** due to customer defections, bad quality, poor service
 - **Brand loyalty** deep in the demand chain
 - Availability and accuracy of information on parts
- Driven by consumer Safety and product Quality
 - Consumer safety and vehicle quality detection (early detection)
- Driven by Government Regulation (Regional)
 - US TREAD Act: reporting to NHTSA for consumer safety and product quality
 - EU Block-Exemption: dealer independence, better service and improved trust

Solution Components

- Relationship Management
 - Partner relationship, consumer relationship
 - Partner profile and history of activities
 - Brand Management
- Contract Mechanisms and Enforcement
 - Business Contracts
 - Terms and Conditions
 - Enforcement policies
- Policy Management and Access Control
 - Security, Access Control
 - Resource management and information protection
- Rating and Reputation Mechanisms
 - Partner rating in the value-chain
 - Quality of products and post-sale service
 - Network mechanisms (WoM, Propagation, independent rating)
- Audit Trails and Reporting
 - Aligning with government regulation
 - Reporting on purchasing, quality of products, quality of suppliers

Quality and Reputation for Customer Loyalty through collaboration



Multi-Tier Contracts and enforcement

Contracts to support diverse business terms and conditions with flexibility to account for business conditions, constraints and market structure

- Single Tier Contract Management
 - Dealer and Reseller Portals
 - Relationship Modeling and T&Cs
 - Delivery, quality, returns, warranty and others
- Multi-Tier Contract Management
 - Partner Relationship Management:
 - Partner contracts
- Quality Contracts, tracking and Multi-attribute rating of services
 - Rating of suppliers
 - Rating of order fulfillment
 - Rating of post-sale services

Benefits: Terms and Conditions enable a framework for agreements and automation