



USING THE WEBMETHODS PRODUCT SUITE TO EXTEND BENEFITS OF EMALL

Challenge

The EMALL project offered the Department of Defense (DoD) employees a single entry point to acquire online finished goods (office supplies, hardware, software, etc.) from a variety of vendors. However, there was still a small percentage of purchases that had to be done by filling out forms or via phone because of a lack of connectivity to certain marketplaces. DoD needed an integration solution to interact with these marketplaces and integrate purchasing information directly into EMALL.

Solution

Using the webMethods product suite, EMALL can now punch out to the Ariba Commerce Services Network, which in turn connects directly into the Dell Computer corporate ordering Web site. Similar implementations were completed with other marketplaces as well.

Benefits

Prior to implementing EMALL, each paper-based purchase costed about \$140 per transaction. Purchases made using a government purchase card helped reduce costs to about \$25 per transaction. EMALL has gone much further—purchases made through EMALL now cost just \$11 per transaction.



With an annual budget of close to \$330 billion and a workforce that includes some two million people, the U.S. Department of Defense could easily be described as the nation's biggest business. While much of its spending is directed towards salaries, operations, and the purchase of military items procured through long established channels, DoD is also a big consumer of off-the-shelf finished goods.

Get there faster.™

“The main thing is it’s saving DoD and the supplier money. Beyond the cost savings, we’ve been able to offer the DoD customer a much broader selection of products and more alternatives.”

Dan O’Brien | Program Manager | DoD EMall

From paper requests to online procurement

In 1998, DoD embarked on an initiative to create an electronic ordering system for DoD employees to procure such materials as computer hardware and software, office supplies, food supplies, etc. This includes items stored in the Defense Logistics Agency (DLA) depots, as well as items secured through long-term contracts, and directly from vendor catalogs of its biggest suppliers.

The EMALL project has been highly successful in offering DoD employees a single entry point to find and acquire the finished goods they need. However, DLA’s Don O’Brien, DoD Program Manager for EMALL, said that while employees could access probably more than 95 percent of the items they needed through the system, there was still a small percentage of purchases that had to be done the old-fashioned way by filling out forms and picking up the phone.

The problem was that the remaining vendors operated their own marketplaces and DoD’s EMALL system did not have a means to connect into those marketplaces.

“Keeping our original vision in mind, we started looking for integration vendors that we could use to interact with these marketplaces and that could integrate the purchasing information directly into EMALL,” said O’Brien.

Connecting more than 30,000 vendors

After a detailed investigation, the DoD selected webMethods as their integration platform to connect 30,000 vendors. O’Brien says the decision was made for two primary reasons. First, after a technical evaluation, the DoD’s IT team felt the webMethods platform was best suited to the challenge.

Second, the first marketplace the DoD wanted to connect with was the Dell Computer corporate ordering site, and O’Brien says the engineering folks at Dell (a long-time webMethods customer) said the webMethods suite was “the way to go.”

DoD took advantage of PWC Consulting expertise with the DoD EMALL and webMethods and went live with the Dell connection to EMALL in March 2002. Using the webMethods suite, EMALL can now punch out to the Ariba Commerce Services Network (ACSN), which in turn connects directly into the Dell Computer corporate ordering Web site. To the end user, it appears as though they are in the Dell Web site environment, and the user is presented with items at DoD-contracted pricing. Once they choose their items, and go through the Dell checkout, all of the purchasing information is sent back through the ACSN and integrated directly into the EMALL system using Software AG technology.

“The exciting thing is, now that we’ve done this with Dell we can do it with any Ariba-enabled suppliers,” says O’Brien.

Substantial cost reductions

While the financial benefits are just starting to be realized, they will be substantial over time. Prior to implementing EMALL, the DoD estimated that each paper-based purchase cost the department about \$140 per transaction. Purchases made using a government purchase card helped reduce costs to about \$25 per transaction. EMALL has gone much further—purchases made through EMALL now cost just \$11 per transaction.

“The main thing is it’s saving DoD and the supplier money,” says O’Brien. “Beyond the cost savings, we’ve been able to offer the DoD customer a much broader selection of products and more alternatives.”

Future plans

Based on the results of the Dell marketplace integration, DoD plans to press ahead with other integration projects using Software AG technology. Work has begun to connect EMALL into Commerce One purchasing systems using the webMethods product suite as the integration backbone. Plans are also underway to connect EMALL into the Exostar aerospace exchange.

“This approach allows us to be open to any number of suppliers and not be limited by one platform or another,” adds O’Brien. “It also allows us to get the catalog data directly from the suppliers so we don’t have to deal with the costs involved in maintaining and updating catalogs.”

KEY COMPONENTS

webMethods Product Suite

The powerful B2B solution from Software AG enables DoD to integrate directly with vendors and marketplaces online, enabling employees to purchase a broad selection of products while enabling enhanced cost savings.

ABOUT SOFTWARE AG

Software AG is the world’s largest independent provider of Business Infrastructure Software. Our 4,000 global customers achieve measurable business results by modernizing and automating their IT systems and rapidly building new systems and processes to meet growing business demands.

Our industry-leading product portfolio includes best-in-class solutions for managing data, enabling service-oriented architecture, and improving business processes. By combining proven technology with industry expertise and best practices, our customers improve and differentiate their businesses – faster.

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