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ENHANCED MARKET ACCESS THROUGH ELECTRONIC COMMERCE

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By

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ENHANCED MARKET ACCESS THROUGH ELECTRONIC COMMERCE

- What is an efdex?
- E-Commerce Defined
- The Food Industry: Ripe for E-Commerce Solutions
- Market Opportunity: Size and Scope
- From Commerce to E-Commerce
- Benefits of E-Commerce



WHAT IS AN efdex?

- B2B Electronic Trading Community for the Food and Beverage Industries
- Global, Multi-channel
- Enables revenue growth and efficiencies across entire supply chain
- Live network in UK, US launch mid-2000

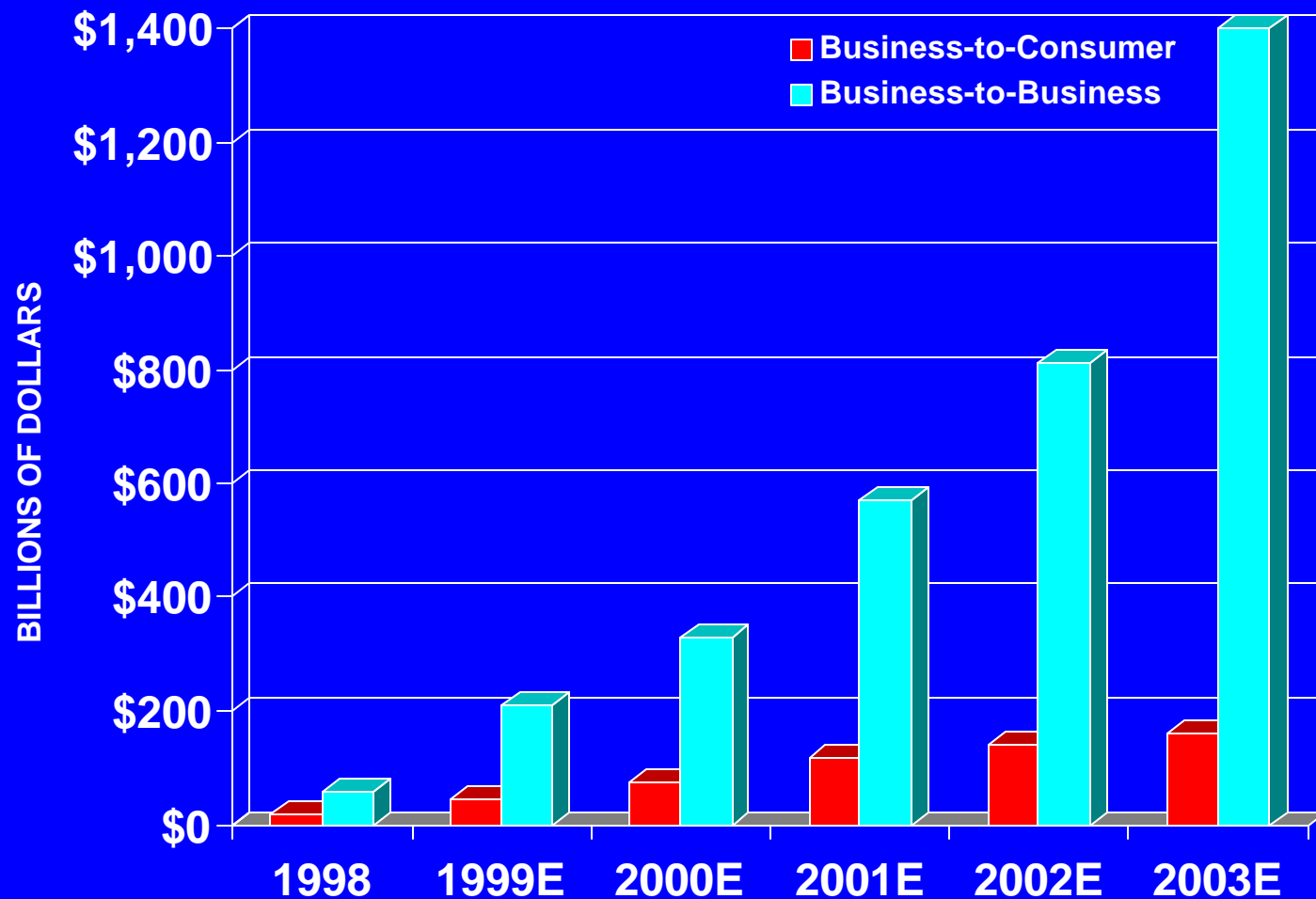


DEFINING E-COMMERCE

- Business-to-Business, real-time information exchange and transactions conducted over the internet
- Integrated end-to-end solutions: Demand Creation \Rightarrow Purchase Order Fulfilment and Invoicing \Rightarrow Inventory Management \Rightarrow Financial Systems
- Multiple potential interfaces
 - one-to-one
 - one-to-many
 - many-to-one
 - many-to-many
- It's about driving growth and profitability, not technology



BUSINESS-TO-BUSINESS OPPORTUNITIES DOMINATE E-COMMERCE



SOURCE: DELOITTE RESEARCH AND FORRESTER RESEARCH

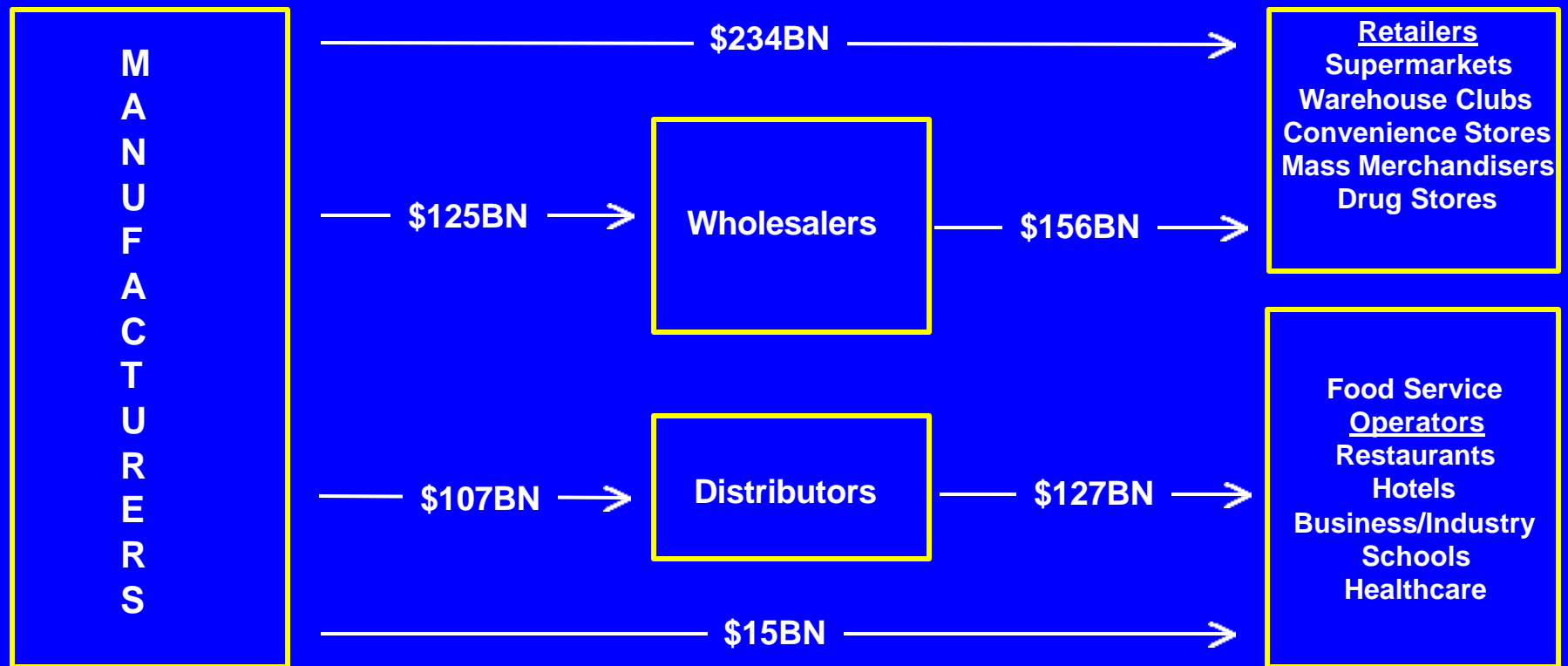


THE FOOD INDUSTRY: RIPE FOR E-COMMERCE SOLUTIONS

- The supply chain is highly fragmented
- Processes are inefficient and costs are high
- Competition is intense
- Margin pressure is intense
- Barriers to market reach/trading constraints exist
- Information flow and communications are constrained



US FOOD AND BEVERAGE MARKET OPPORTUNITY: SIZE AND SCOPE



TOTAL OPPORTUNITY = \$764 BILLION



FROM COMMERCE TO *E-COMMERCE*

COMMERCE

Paper product catalog and price book



Product and price changes, new product information faxed, mailed, or verbally communicated to trading partner



Promotion information mailed, faxed, verbally communicated



E-COMMERCE

Online catalog and price book

Product and price changes, new product information electronically communicated instantaneously, becoming data-of-record

Promotions communicated electronically, becoming data-of-record



FROM COMMERCE TO *E-COMMERCE*

COMMERCE

Manual, time delayed
tracking of product
movement



Paper purchase orders,
invoicing and record keeping



Constrained Market Reach



Sales calls focused on order
taking and invoice dispute
resolution



E-COMMERCE

*Product movement data captured
and tracked electronically, real
time*

*Electronic purchase orders,
invoicing and record keeping*

*Reach all networked current and
potential trading partners
simultaneously, instantaneously*

*Sales calls focused on strategic
selling, business development*



BENEFITS OF E-COMMERCE

- Improve market reach, grow revenues, gain market share
- Reduce costly inefficiencies: invoice errors/deductions, administrative processes
- Targeted, dynamic information improves decision-making
- Accelerate time to market and customer responsiveness



BENEFITS OF E-COMMERCE

- Improve market reach, grow revenues, gain market share
- Reduce costly inefficiencies: invoice errors/deductions, administrative processes
- Targeted, dynamic information improves decision-making
- Accelerate time to market and customer responsiveness
- Collaborate with trading partners in real time
- Accelerate inventory turns
- COMPETE MORE EFFECTIVELY
- IMPROVE PROFITABILITY

