

Why Report Electronically?

Let's face it: Electronic Commerce is exciting. It's captured the imaginations of the business world. Is all of this simply "hype"? Electronic Commerce is only important if it enables *real business value*. And it does.

Organizations find business value in two ways:

- Improvements in efficiency
- Transformational changes that result in value creation

Improvements in Efficiency

In the business-to-consumer market, cost reduction is dramatic. In the business-to-business market segment, the potential to increase profits and to reduce costs is compelling. Additionally, in the business market segment, Electronic Commerce is necessary to remain competitive.

- Immediate return on investment, usually in the form of reduced cycle time costs
- Significant cost savings
- Business-to-business process integration
- Fosters alliances and cooperation among Business Partners

Early electronic reporters have realized strong results, particularly in the areas of:

- cost reduction
- fewer data errors
- last minute reporting
- automated receipts
- secure data transmissions

Transformational Value Creation

When organizations move beyond improvements in efficiency, they will find that the eEconomy is creating other value.

The Enterprise: Value creation begins at the enterprise level, within the key elements of an organization:

- Strategy: an eCommerce-enlightened strategic intent
- Technology: an Internet-enabled technology
- Process: virtualized or "e" processes
- People: an "e"-enabled workforce

The Extended Enterprise: Here, the focus of value creation moves to relationships with trading partners. As the enterprise becomes e-enabled, the elements of strategy, technology, process and people extend out to cover these new relationships. The extended enterprise will

find new opportunities in:

- Service innovation
- More powerful and efficient communication channels
- Customer relationships
- Enhanced employee performance and flexibility

Electronic Commerce Transformation: Electronic Commerce seems to be everywhere these days. It's nearly impossible to open a newspaper or magazine without coming across an article about how Electronic Commerce is going to change our lives. Businesses of all sizes are bombarded with adverts that seem to imply that any company not investing in E-Commerce will be left behind. The problem for many small businesses is that while they appreciate the potential of doing business on the Net, it is difficult to determine the best way to start.

RMP's Electronic Commerce Program

The Royalty Management Program (RMP) approach is based on utilizing Commercial Off The Shelf (COTS) software, buying what you can, building what you have to. RMP chose to utilize an Electronic Commerce Service (EC Service) to provide a methodology for collecting electronic report data from RMP reporters.

The EC Service interfaces between RMP and the reporters to provide various reporting solutions. The EC Service forwards RMP a single electronic data input stream, eliminating the need for RMP to support and maintain multiple reporting solutions. Some advantages of utilizing an "EC Service" are:

- No, or low cost to reporters
- Data integrity through the use of industry standard ANSI ASC X12 EDI
- Confidentiality
- Security including user authentication, non-repudiation, and data encryption
- Ability to upscale and progress technology
- Automated audit trail
- 7 x 24 support

Reporters submit electronic documents through the EC Service. Reporters are immediately notified of any errors following data integrity checks. Once errors are resolved, documents are transmitted to RMP in an ANSI ASC X12 EDI file format. RMP retrieves the EDI report files and transfers the data to internal application systems.

RMP has received regulatory report data in a variety of ways including floppy diskettes, magnetic and cartridge tapes, template software, email attachments, X12 EDI and paper. Utilizing an EC Service allows RMP to consolidate and streamline this infrastructure, thereby eliminating multiple input processes and the maintenance of rapidly changing and obsolete technology.