Collaborative Commerce

Collaborative Commerce (C-Commerce) is considered to be the replacement of E-Commerce and hence the next stage in the development of electronic business solutions. It is defined as ´"an application of an interorganization information system for electronic collaboration between business partners and organizational employees" [1]. Among all parties that are participants of the Value_chain (customers, suppliers and trade partners), a C-Commerce solution forms a joint platform to design, create, manage and administrate real-time data.

C-Commerce in practise:

The Supply Chain Management of a globally organised company has become a Competitive_advantage [2]. The next step to being ahead of competitors is an integrated and cooperative value chain. "Point-to-point" relationships via Interfaces will develop to a "many-to-many" crosslink in the New_Economy which takes place on an Electronic_trading_platform."[3]

The objective is to open up companies for a flexible integration of partners which means that also mid-sized companies can participate in electronic trade group without having to invest substantial amounts of money. A company among others is then to be seen as part of a community which strives for mutual goals: ability to adapt quickly to market changes, achieve sales increases and Productivity goals by providing real-time access to production plans and inventory situations.[4]

A synchronization of planning processes plays a major role when speaking about C-Commerce. This refers to: Order Collaboration, Capacity Collaboration, Inventory Collaboration and Transportation Collaboration.[5]

Advantages and Disadvantages:

Companies that are willing to implement C-Commerce will experience streamlined business processes, new cost efficiencies, greater customer satisfaction and loyalty, and greatly expanded revenue potential.
On the other hand this means that companies are obliged to share databases, Intellectual_capital, and Core_competencies.
A desired result is full transparency which allows improving business processes and the development and implementation of cost saving measures. This however requires a Paradigm_change in the company`s culture.

Conclusion and Evaluation:

C-Commerce is a realistic new business option which is already taken into account when planning new business models by the most progressive and innovative companies. The largest problem is the lack of standards. Projects that were launched by the Collaborative Planning, Forecasting & Replenishment (CPFR®) Committee are still in their infancy. Hence the approach needs to be evaluated cautiously. Another very important aspect that needs to be taken into consideration is the massive changes that need to occur within the organisation. The human factor and the necessary change management methods are to be planned carefully.

Supply Chains that are very complex require a substantial effort in integrating the suppliers. Not all suppliers perform accurately and meet the requirements. A failure has a strong effect on the entire value chain (Bullwhip_Effect)

Data sharing comes along with advantages but also bears risks of sharing intellectual information which gives other companies the opportunity to look into your company.[6]

A Case Study:

An example of a working C-Commerce solution is the company www.transora.com.br. Consisting of 49 companies (e.g. Coca-Cola, Kraft_Foods, Sara_Lee_Corporation, Proctor_%26_Gamble and Unilever) transora is a global trading community of Manufacturers, Retailers and GS1 Member Organisations with the objective to develop technology solutions to lower supply chain costs.

Further readings:
Supply Chain
Supply Chain Management Systems
E-Commerce
ebusiness_law
Collaborative Commerce
Market places

Further references:
http://www.investopedia.com/terms/c/ccommerce.asp
http://www.techrepublic.com/article/preparing-the-enterprise-chain-for-c-commerce/1052219
http://www.vics.org/committees/cpfr/
http://www.gs1us.org/1sync

Companies that can help with C-Commerce Solutions:
www.oracle.com
www.ariba.com
www.aspentech.com
www.sap.com

— *Christian Reinhold* 2011/05/13 02:19

[1]

Margherita Pagani; Encyclopedia of Multimedia Technology and Networking; Idea Group Inc (IGI), 2005, p. 279

[2)]

Winning at collaboration commerce: the next competitive advantage; Butterworth-Heinemann, 2005; p. 31

[3)]

E-Supply-Chain-Management; Helmut H. Wannenwetsch; Gabler Verlag, 2004; p. 10

[4)] [6)]

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InfoWorld 23. Apr. 2001, p. 53

[5)]

Informationstechnologieeinsatz im Supply Chain Management: Eine konzeptionelle und empirische Untersuchung zu Nutzenwirkungen und Nutzenmessung; Gabler Verlag, 2009; p 82-83

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