

# Inspired ASP solution

## *Softlab's launch of application hosting services*

Marty Weil, Contributing Editor

When U.K.-based **Softlab** approached Sun Microsystems about the possibility of Palo Alto, Calif.-based Sun providing the technology infrastructure for an application service provider (ASP) offering Softlab was considering as a new business initiative, it got more than answers to the technical questions it was asking. It got what Phil Dawson calls a "kickstart."

Dawson, portfolio manager for industry at Softlab, the U.K.-based subsidiary of **BMW Group's** Softlab GmBh, says Sun's encouragement helped to facilitate Softlab's launch of ASPLexicon, its new ASP service. "Sun saw the direction in which we were moving. They considered the move to be not only sound, but an absolute imperative," says Dawson. "To see that our thinking was highly aligned with an industry leader like Sun helped us a great deal in moving ahead."

## softlab



one of Europe's leading systems integrators for the industrial and financial sectors as well; and in 1992 it became a wholly owned subsidiary of automotive giant BMW. The company's presence in the U.K. expanded significantly in 1998 when it acquired AT&T's Rover Services division. As growth in the U.K. automotive market failed to keep pace with other industrial sectors in the late '90s, Softlab turned to other vertical markets for an increasing percentage of its business. This momentum was one of the factors leading them to develop an ASP offering.

### Launching ASPLexicon

According to Dawson, there were a number of factors leading to Softlab's ASP launch this year:

- In the U.K., Softlab had an outstanding track record of outsourcing, service provision, and systems integration. These competencies fit neatly into the ASP model.
- Softlab came to believe that "applications as a service" was an inevitable development in the rapidly growing, rapidly changing digital marketplace—a belief widely shared by industry analysts.
- Softlab recognized that industrial-strength IT solutions were imperative for enterprises competing in the industrial sector. They also saw that the high costs of entry often excluded smaller

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Phil Dawson, portfolio manager, Softlab, says Sun Microsystems gave its ASP initiative a needed "kickstart."

organizations from implementing such solutions—something that ASPs could effectively address.

"The idea of service provision as a concept wasn't new; after all, companies were sharing mainframes in the 1960s. But the explosion of digital technologies, along with the advent of the Web, moved the concept naturally—and rapidly—into software and the information technology (IT) sector," says Dawson.

Internet-based technologies provided both the reason for companies to seek application support, and a means to cost-effectively deliver that support. Unlike traditional outsourcing, often simply seen as shifting systems and personnel demands to

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Softlab was founded in Munich in 1971 as a software developer largely focused on the automotive industry. Over the years, it evolved to become



ASP initiatives will help automotive and other manufacturers concentrate on core competencies and preclude the need to build extensive IT resources, at a time when such resources are hard to come by.

another organization, ASPs complement internal information systems by enabling enterprises to focus on their core competencies.

“In smaller organizations—say, for example, automotive suppliers—there simply aren’t the IT resources on hand to assess, implement, and maintain the latest enterprise applications; and yet, the functionality provided by these applications are critical to a company’s competitive vigor,” says Dawson. “They have to get on board or get left behind.”

Getting on board used to mean making huge capital investments in IT staffing, software, and hardware—getting involved in the IT business as well as the business a company was in. To many companies, such a course seemed a huge and terribly costly dilemma—compounded by the speed at which it needed to be addressed.

ASPs like ASPLexicon solve the dilemma for many small and mid-sized

enterprises (SMEs) by allowing them to leverage outside expertise to deliver business applications faster, more smoothly, more predictably, and at less expense than they could if they attempted to do so internally.

“Using an ASP also assures that the latest versions of applications are available to users without having to incur the cost of site-by-site in-house upgrades,” says Dawson. It also means that the only software required on the user’s desktop is a Web browser, eliminating the need to manage client software on a desktop-by-desktop basis.

“Technology is moving so rapidly that implementing a solution in-house can lock a company into technology that’s out of date almost as quickly as it’s up and

running,” notes Dawson. “The ASP solution provides built-in access to the latest technology, so that advances can be leveraged as they emerge, and when they are needed.”

ASPLexicon is Softlab’s umbrella ASP service, under which a family of targeted ASP solutions will be launched over time. Two such solutions are currently offered, ASPKappa and ASPTheta.

## ASPKappa solution

The first offering under ASPLexicon, ASPKappa is based on Softlab-developed technology and framework software from **Extricity**, Redwood Shores, Calif., that enables the transfer and integration of electronic-data interchange-type data sets among manufacturers and their suppliers. ASPKappa automates, integrates, and speeds the flow of information into, through, and out of core business systems.

“One of the key functionalities delivered by ASPKappa is supplier broadcast communications,” says Dawson. “For those companies that need to send out the same or similar information to a large number of people and organizations, we provide the mechanism through Extricity and Softlab software to paste information such as schedules on secure Web pages that suppliers can easily access and use to improve efficiencies.”

There are multiple benefits to such a communications approach:

- Communication is automated. By eliminating phoning and faxing, less time and labor is spent in keeping suppliers posted on operations related to them.

By posting once instead of many times, the likelihood of manual errors is reduced, helping to ensure consistency of communication.

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- Communication is speeded, thereby improving response time. For example: In the U.K.,



many SMEs were still sending out information via the post—a process that typically takes four days. Using ASPKappa, that time has been reduced to minutes or hours.

ASPKappa accepts data from many sources and converts it into the target format required in batch or real time. Efficient translation between data formats is achieved using eXtensible markup language (XML) as a common data description language, and powerful translation tools quickly and efficiently convert between proprietary data formats for any platform. The solution easily moves messages to and from EDI mailboxes, including those based on X12, EDI-FACT, and ODETTE.

ASPKappa also supports real-time integration into enterprise systems including those from SAP, PeopleSoft, Baan, and Oracle, using published application programming interfaces. Says Dawson, “ASPKappa can directly integrate into a company’s existing infrastructure—or extend it by employing standard protocols over the Internet, private networks, e-mail, EDI, or dial-up connection.”

Other functionality includes intelligent routing, scheduling, and task initiation—and the solution’s modular design not only allows the reuse of data extracts to feed multiple systems but also permits back-end systems to be fed from multiple systems.

### ASPTTheta

The second service launched under ASPLexicon, ASPTTheta, is an enterprise application service based on IFS Applications 2000 from enterprise applications vendor IFS, Linköping, Sweden, recognized as one of the most flexible and customizable component-based business applications on the market. ASPTTheta is targeted at SMEs in the

manufacturing and automotive sectors.

“With the launch of ASPTTheta, the latest industrial-strength software and hardware is now within the reach of small to mid-sized enterprises at a reasonable price,” says Dawson. “It also answers the question of scale. Smaller companies can rent just five or six seats through ASPTTheta, whereas, if they chose to purchase an application, they would be required to purchase a minimum of 25 to 30 seats.”

To maximize flexibility for customers, ASPTTheta is available at three levels of functionality and with two optional components.

The cost varies according to the levels and options required. It’s based on an initial upfront cost that covers setup, integration, and training, with agreed-on monthly payments linked to the number of users.

- *Level One* provides entry-level functionality, with purchasing and inventory, customer order tracking, and MRP capabilities.
- *Level Two* introduces customer and supplier scheduling components and

can be integrated with ASPKappa to link externally to other customers and suppliers, streamlining information management across supply chains.

- *Level Three* provides an advanced master scheduling facility, including

shop floor reporting and ordering capabilities. With its constraint-based scheduling, it goes beyond standard MRP scheduling capabilities.

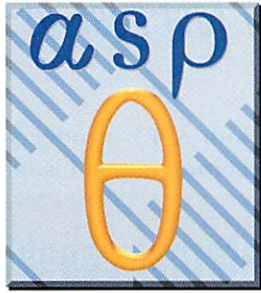
### No stopping now

Dawson believes that ASPKappa is likely to show the strongest early growth of the two programs. “After all, it’s easy to see the benefit of faster, more efficient, automated communications, whereas the enterprise system solution requires that a whole philosophy take root. Therefore, the concept-to-sales cycle is likely to be longer,” he says.

Currently, Softlab relies on eight Sun™ servers, including four netras, two 220’s, and two 440’s. “We gave our requirements of scalability, seamless growth, resilience, and security to Sun, and they helped us architect the solution,” says Dawson.

Softlab will be seeking out and assessing partners to provide new solutions under the ASPLexicon umbrella.

John Higgs, partner, management systems group at Sun Microsystems U.K., has the final word as to what Sun brought to the table. “I think that one of things that really hooked Softlab to Sun as a choice for technology infrastructure partner was Sun’s broad and deep connections to the dot-com world,” he says.



# THETA

**Application service providers (ASP's)-furnish applications to companies on a monthly or even on a per-transaction basis. Applications are housed on a remote server, saving companies the need for in-house IT resources.**

“As you’re building Web-based solutions such as ASPs, it’s a fact that you need to partner with organizations in order to build a value proposition for the outside world, whether it’s finance, automotive, manufacturing, or indeed any industry.”

# Build it and they will come

*American Petroleum Exchange leverages Sun resources  
for fast best-of-breed integration*

Rob Fellows

**A**merican Petroleum Exchange (APE) is a fully automated e-marketplace for the exchange of wholesale-refined petroleum products over the Internet, delivering full business-to-business e-commerce capabilities for seller and buyer companies. The traditional supply chain for refined petroleum is highly fragmented and inefficient. As a result, retailers, distributors, and manufacturers are seeking new ways to make their supply chain more efficient. Now, with the deployment of the APE's advanced systems, sellers can obtain the best market price—quickly and efficiently. Buyers will benefit from increased purchasing opportunities, enhanced product selection, and reduced costs.

Participants can interact with APE from any PC with an Internet browser. products transacted on the system, and is not controlled by any industry

**"Sun has phenomenal Internet capabilities and there is nothing else like the advice, resources, relationship, and support that Sun has provided."**

**Baron Dean Thrower, senior vice president and chief technology officer,  
American Petroleum Exchange**

Functions include price discovery, transaction matching, and aggregated bill presentment and payment, all built on best-of-breed technology. Like other true markets, the APE is neutral. It does not own any of the

participant. The APE is open to everyone involved in buying and selling commercial petroleum products in the United States. Products initially offered include low-sulfur diesel, heating oil, marine diesel, and regular, mid-grade, and premium gasoline.

The result is a neutral, efficient, real-time, secure system that brings together the tools and technology to help manage fuel costs more effectively.

"The technology Dream Team we've assembled allows us to rapidly deploy a comprehensive exchange solution that adds significant value to the refined petroleum marketplace," explains Baron Dean Thrower, senior vice president and chief technology officer.

Large fleet buyers, including Yellow Freight System, United Parcel Service, Wal-Mart, Ryder Transportation, Tyson Foods, American Freightways, Federal Express Ground, The Pantry, and Moran Towing have joined the Exchange as "Charter Members." Some of the registered refiners move well over three-million barrels a day in fuel.



The use of trade exchanges for commodity transactions will become increasingly prevalent in the energy industry in coming years. A secure hardware infrastructure is key to the efficient running of any exchange mechanism.