

The Resource for e-Business and Application Integration

Gartner SYMPOSIUM/ITxpo 2000

Special Issue

October 2000

www.eaijournal.com



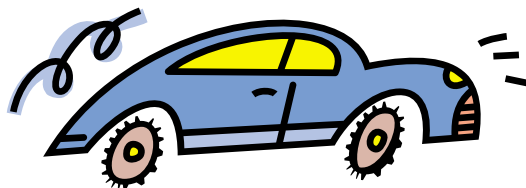
MITEM Presents:

Non-Invasive Integration
Speeds Auto Parts Net Market

By Rich Seeley

e-Business 2.0

Non-Invasive Integration Speeds Auto Parts Net Market



By Rich Seeley

Few industries are as ideally suited for business-to-business (B2B) Net markets as the auto repair and auto parts business.

As any car owner who has suffered the slings and arrows of a faulty fuel pump or an ailing alternator can testify, nothing beats finding an auto mechanic who can get the right part and install it quickly.

But since the early days of the automobile, finding a part, especially an unusual part not commonly in stock, has been a time-consuming process for garage mechanics. Locating a part requires making phone calls to various local suppliers, and for rare parts, calling around the state or country. Repeating part numbers over the phone, checking and verifying prices, and arranging delivery was not always a speedy process. Sometimes, it required multiple phone conversations and could take all day. Meanwhile, frustration levels mounted for the harried garage mechanic and impatient customer with the broken-down car.

In the best find-a-need-and-fill-it brand of capitalism, Rod Georgiu, former CEO and founder of ALLDATA, saw the benefits of connecting automotive and truck repair shops with their preferred suppliers via the Internet. In 1998, he assembled a team of leading automotive parts industry veterans to found AUTOVIA (www.autovia.net), the first

online network that allows automotive repair shops to quickly access multiple automotive and truck parts distributors in their area.

Based in Sacramento, CA, AUTOVIA's service is free to all repair shops and fleets. Through AUTOVIA's free integrated Web-based electronics parts catalog, automotive repair shops can choose from most nationally recognized brands. Any repair shop equipped with a Personal Computer (PC) and Internet connection can register and immediately begin ordering the automotive parts they need from their local distributors.

For example, a repair shop can access the AUTOVIA Internet site and enter all its automotive parts needs onto a single online purchasing form. The form is sent to AUTOVIA's server and distributed to multiple automotive parts distributors that the repair shop has designated as preferred distributors. Product availability and price information is sent back to the repair shop so it can decide which distributor best fits its needs. Once the shop orders the part, AUTOVIA establishes a delivery time and processes the transaction. Ordering parts through the AUTOVIA system has proven faster and more efficient in every step — from placing the order to receiving the parts.

“Reducing the time it takes to find the right part quickly from their pre-

ferred local sources is the number-one priority for repair shops,” Georgiu explains. “AUTOVIA's service automates the ordering process and allows repair shops to increase productivity, improve profitability, and save time by checking inventory and placing orders to multiple distributors all at once.”

AUTOVIA estimates its Net market service reduces the time it takes for repair shops to place an order by 70 percent and improves delivery time by as much as 20 minutes. The company's early adopters agree that these two important factors can eliminate delays in the ordering process that cut into a repair shop's profits.

“Seeing all of my distributors and their available inventory at once keeps me from having to call around town to find parts,” says Lynne Cardwell of Car Care Center in Sacramento. “With AUTOVIA, we only have to spend two minutes on a stock check for all my (five) suppliers vs. three to four minutes that I would normally spend on the phone with each one. This is a huge time-saver.”

“The AUTOVIA system reduced our parts ordering time by 40 percent,” says Frank Yacapraro of Advanced Auto Care. “No more waiting on hold while the counterperson checks stock, looks up the application, or places the order.”

“It's a win-win situation for both dis-

tributors and repair shops," Georgiu claims. "Distributors become more efficient when traditional time-consuming procedures such as stock checks and final orders are now processed automatically, freeing the counterperson and boosting his productivity."

Distributors using AUTOVIA's services report reductions in manual-order processing costs of as much as 75 percent, which translates to lowering manual costs from as much as 12 percent down to 3 percent. Also, final orders print out automatically on the suppliers' existing invoice printers, which reduces per-order operating expenses as well as return rates for ordered parts.

"AUTOVIA has significantly improved our production and customer service," said distributor Sam Cracraft of Sacramento Tires, Batteries and Accessories Co. "Several of our accounts have increased their monthly sales by more than 20 percent."

While the service is free to repair shops and fleet maintenance operations, distributors pay AUTOVIA a 3 percent transaction fee for each order they receive from registered customers. However, Georgiu says the fee is significantly less than the 12 percent in extra costs that would be incurred for processing orders via the traditional phone method. Also, distributors only pay fees for orders accepted on the AUTOVIA network.

"The average order is pretty small (about \$50)," Georgiu explains. "So, while we charge a 3 percent transaction fee, we hope to reduce their cost by about 10 percent of sales. We hope that they will make money with us."

For all the advantages of this Net market, there was one significant roadblock. Many of the potential market participants, both auto repair centers and parts distributors, use legacy systems. Many of these are based on minicomputers dating back to the 1970s and early 1980s. The hardware from DEC, Data General, and other vendors predates the technology of PC desktops, client/server networks, Microsoft Windows, the Internet, and Web browsers.

Quickly helping these repair shops and parts distributors join the B2B revolution presented AUTOVIA with a significant challenge. To overcome it, the Net market company is working with MITEM Corp., (www.mitem.com), Menlo Park, CA, a company dedicated

to providing legacy integration software for conducting real-time e-business.

Georgiu credits MITEM with helping provide connectivity between legacy systems and the latest e-business technology.

"We have to integrate our software with back-end systems and inventory systems, which is where we use MitemView," he explains.

Since it was founded in 1985, MITEM has pioneered the non-invasive approach to application integration through its MitemView product. The non-invasive approach dictates that absolutely no changes or additions are made to the existing systems to facilitate their integration. For enterprises that depend on legacy computer systems and need to integrate these systems with a new e-business infrastructure, MitemView enables real-time application integration without requiring changes or additions to existing systems. Unlike other middleware and screen-scraping products, MitemView is engineered to preserve business application performance and reliability.

Rather than providing middleware at the database or application level, MitemView makes the integration connection with the existing legacy application interface, typically a terminal presentation. Many of the pre-PC legacy systems used at auto repair shops and parts warehouses still work with character-based terminals like the DEC VT100 or VT220, or block-mode terminals like IBM 3270.

"By interfacing to applications via ... a terminal type of some kind, we're able to integrate in a totally non-invasive way," explains Gale Aguilar, MITEM's president and Chief Operating Officer (COO).

During the past 15 years, MITEM has concentrated on building interfaces to most common and some unusual legacy terminals, as well as modern messaging interfaces like HTTP, IBM MQSeries, and TIBCO's Rendezvous.

"The power of the non-invasive approach," explains Aguilar, "is that you communicate with the application exactly the way the application was designed to be communicated with."

From MITEM's perspective, the non-invasive approach is a better solution to legacy integration for B2B because it doesn't compromise or interfere with database applications or built-in security checks.

"There is a school of thought that suggests it's much more efficient to communicate directly to a database,"

Aguilar says. "But there have been some real problems ... because that approach bypasses the security checks, the edits and other things that were put into the terminal interfaces."

By communicating to the legacy application through the terminal interface, MitemView reuses the existing business rules originally developed to protect database integrity and security.

"Nothing that's been proved in that system over time is tampered with in any way," Aguilar explains. "If you've got a satisfactory operating experience relative to security, then that's going to continue in this new B2B environment because we don't change or by-pass the rules."


The other advantage to the non-invasive integration solution, which was crucial to this past summer's rollout of the AUTOVIA Net market, is the speed with which MitemView can be implemented at a distributor or parts warehouse.

Integration is a time-consuming process. Even with the non-invasive approach MITEM advocates, AUTOVIA's target of adding 10 new suppliers a day to its Net market presented a formidable challenge.

That's why AUTOVIA went with the MITEM solution. The company has spent 15 years building interfaces to terminal types, including one — Triad System 12 — that's virtually unique to the auto parts business. So MitemView can make the connection between a shop's legacy system and the Net market in days rather than weeks or months.

"They can do that without having to change anything at the customer site," Aguilar says. "There are a couple of places where they may have to help the customer out with communications capability, but they've got that pretty well under control, too."

Tens of thousands of auto repair shops in every metropolitan area in the U.S. are potential users of AUTOVIA's service, which provides free access to more than 4,500 product lines. That means the integration being implemented, with MITEM's help, has massive potential.

"This may become one of the largest B2B exchanges we'll see as far as the sheer number of market participants," Aguilar concluded. 

About the Author

Rich Seeley is a freelance writer specializing in IT topics.



MITEM Corporation

640 Menlo Avenue
Menlo Park
CA 94025
USA

Tel: +1 650 323-1500
eMail: info@mitem.com
Web: www.mitem.com

MITEM (Europe) Ltd

Pixmore House
Pixmore Avenue
Letchworth
Herts SG6 1JG
United Kingdom

Tel: +44 (0)1462 708710
eMail: info@europe.mitem.com
Web: www.mitem.com
