

Technology licensing

For

Independent Software vendors

(ISV)

And

Value Added Resellers

(VAR)



Content

Management Summary	3
Today's challenges for ISVs	4
Market challenges	4
Technical challenges:	4
Solution challenges:.....	4
The Business Model.....	5
The pricing scheme	5
Investment requirements	5
Benefits for small and medium ISVs	6
Higher contribution margin	6
Higher revenues.....	6
Leading innovation	6
Crop for future Enterprise revenues	6
Technical partnership with BW2	6
Marketing support from BW2	6
Cross-selling opportunities within the BW2 Network	7
Benefits for SMEs	7
Better application platform	7
More flexibility.....	7
Collaboration with business partners.....	7
Better TCO / higher IT ROI	8
Connected to Enterprise solutions know-how	8
BusinessWideWeb Summary	8
Next generation .NET application development tool	8
Merge the best out of client/server and browser applications.....	8
Development costs	9
Development quality	9
Solution Library Summary	9
Rapid application development.....	9
Packaged set of "Business Objects" for the BusinessWideWeb.....	9

MANAGEMENT SUMMARY

Today the SME market is primarily dominated by small, local and very specialized ISVs. These ISV's face increasing problems to fulfill their client's changing needs. SMEs have an increasing need for internet enabled business solutions with more proofed, standardized functionality and connectivity to systems used by bigger companies. SME customers ask for good priced, well customizable and scalable business solutions. ISVs usually do not have the necessary resources and know how to provide such services.

Furthermore, approximately 80-95% of the functionality in those business solutions made or implemented by the ISVs is the same as in many other competitive solutions, such as for application areas like finance, addresses and contacts, document workflow, invoicing and others. Only 5-20% of the solution is really "specific", which means unique for a certain line of business or vertical market – but those 5-20% are mission critical to the customer! It is obvious that there is a significant potential for cost reductions.

The BW2 Solution Library explained in this paper exactly addresses this challenge. The Solution Library enables an ISV to use prefabricated and standardized modules (including Customer Relations Management, Activity Management, Knowledge Management, Document Management, Project Management, Help Desk, Supply Chain Management, Production Planning, Financials, Human Resources), which are a base for the development of its own solution. Based on the Solution Library ISVs are enabled to customize the Business Objects according to the specific market needs. Only the internet enabled development platform BusinessWideWeb supports this concept – and it supports it in a graphical and object oriented way.

Using the BusinessWideWeb in combination with the Solution Library enables ISVs to develop their applications significantly faster, since they can save up to 95% of their self-written code. The resulting time and cost savings amount up to 95%. Furthermore ISVs benefit from quality and functionality improvements, since the Solution Library would be based on the proven and scalable architecture of the BW2 Business Suite.

The concept of Solution Libraries offers both the ISV and BW2 a unique opportunity to build a sustainable revenue stream. ISVs can offer a flexible, fast and secure software platform to small and medium businesses.

TODAY'S CHALLENGES FOR ISVS

MARKET CHALLENGES

It's undoubted that the market for business solutions in the small and medium enterprises (SME) market is both a challenge and a great business opportunity. In nearly all countries around the world, SMEs makes more than 80% of the whole economy in a specific geography – that means it's the biggest market in terms of number of companies with a specific need for professional, supporting business solutions.

The smaller a SME is, the smaller its IT budget gets and the lower its IT know-how is. That means a SME typically is just not able to buy and use highly sophisticated solutions such as from SAP or others. It's also a fact that those "big" solutions are simply "too big/sophisticated" for a SME: too much functionality never needed and too expensive.

Today, SMEs often use solutions from smaller ISVs, mostly specialized on a specific vertical market. Due to the high degree of specialty and the limited resources of the smaller ISVs, those solutions do not have a very broad and flexible functionality. However, because of an ongoing globalization and collaboration between companies (connected e-business, e-procurement ...), the connectivity of systems between SME and bigger enterprises gets more and more important.

SME therefore have an increasing need for business solutions with more proofed, standardized functionality and connectivity to systems used by bigger companies.

TECHNICAL CHALLENGES:

The increasing speed of a high-tech industry like the IT industry lets face ISVs bigger challenges than ever before. More and more of those ISVs are asked to internet-enable their applications, to make them more scalable or more secure or simply to redesign their user interfaces to meet today's standards (i.e. Microsoft Outlook: right-click, new message to contact). Another big challenge is the customization of standard applications to individual needs.

Large ISVs (such as SAP and Oracle) created complicated development frameworks to fulfill this requirement. Although these frameworks are very specialized (bound to their legacy applications) and therefore not usable by other developers, the global ISVs invested dozens or even hundreds of million dollars.

Smaller (national and regional) ISVs simply do not have the required resources to make their applications flexible und customizable by creating their own frameworks. For most companies, the required investment would exceed their turnover!

The BusinessWideWeb as the next generation .NET application development platform exactly addresses these issues. Applications based on the BusinessWideWeb are always internet-enabled and completely customizable. (Read more about the BusinessWideWeb later in this document).

SOLUTION CHALLENGES:

Typically, smaller ISVs position themselves as "small, agile solution provider, knowing what the customer really wants". Often, those ISVs offer business solutions for a specific line of business or a specific vertical market.



However, approximately 80-95% of the functionality in those business solutions is the same as in many other, competitive solutions, such as for application areas like finance, addresses and contacts, document workflow, invoicing and others.

Only 5-30% of the solution is really “specific”, means unique for a certain line of business or vertical market. But that 5-20% is mission critical to the customer!

The Solution Library concept exactly addresses these issues. ISVs can increase development quality and reduce development costs by using proofed, standardized and well-thought functionality. This functionality comes from a strong partner – BW2 – based on their rich experience in business solutions. (Read more about Solution Libraries later in this document).

THE BUSINESS MODEL

The business model is based on a strong cooperation between the ISVs and BW2. Together they provide flexible but standardized business solutions to SMEs.

Based on the BusinessWideWeb and the Solution Library, ISVs develop specialized business applications for their customers, the SMEs. This allows ISVs to create solutions in a most flexible, efficient and inexpensive way.

BW2 and the ISV will partner in joint marketing activities including events and conferences for resellers, system integrators and developers.

THE PRICING SCHEME

BW2 provides the software platform BusinessWideWeb and the Solution Library without significant costs to software developers.

ISVs charge SMEs licenses according to their individual pricing schemes. BW2 charges a flat oem license fee of CHF 5'000.- on a monthly base.

Using the Solution Library enables the application developer to focus on approximately 5-20% of custom application functionality – the rest is based on proven, professional solutions coming from BW2.

INVESTMENT REQUIREMENTS

It is obvious, that the cooperation between the ISVs and BW2 offers a great opportunity for success in the SME market without significant investments. The sunk costs and therefore the financial risk for BW2 and the ISVs are very small, since:

ISVs do not have to create or to redesign their sales organisation in order to enter the SME market, since they can use their current networks and client relationships. Therefore, existing roads to market can be exploited and extended without significant costs.

ISVs would not be forced to invest in developing new software solutions in order to be able to adapt current technologies. Using the BusinessWideWeb and the Solution Libraries makes it possible to migrate existing solutions based on a state-of-the-art software platform.



BW2 can support ISVs and VARs with additional resources such as marketing and software development.

Based on these facts, no significant investments are required, neither from BW2's side nor from the ISV's side. There is a market proven and state-of-the-art technology (BusinessWideWeb and the Solution Libraries) and furthermore, there is an existing market access in the SME market.

BENEFITS FOR SMALL AND MEDIUM ISVS

This chapter summarizes the benefits for ISVs out of this business model:

HIGHER CONTRIBUTION MARGIN

As discussed in earlier chapters, one of the key challenges to ISVs is to achieve a solid contribution margin in order to secure future survival. The BusinessWideWeb itself provides large savings on the amount of time and self-written code needed, simply unique in the world of software development tools. Adding the Solution Library to this already highly cost-effective environment does once again dramatically increase the profitability of an ISV.

HIGHER REVENUES

Because the Solution Library provides a complete set of business objects, ISVs can extend their solution offering to SMEs with additional modules and functionality. This results in higher revenues and more satisfied customers.

Furthermore, customer satisfaction and revenue can be increased by offering Platform Services such as Collaboration, Data-Exchange, Hosting, Micro-Billing and many more.

LEADING INNOVATION

There is no doubt about the innovation level this development model represents to small and medium ISVs who want to provide valuable, cost-effective business applications to SMEs. It is a great opportunity to the ISVs being key partner in this business case and showing SMEs that they contribute on real innovations. This will have further positive effects to the ISV's business and its development as a whole.

CROP FOR FUTURE ENTERPRISE REVENUES

As the business application built using BW2's Solution Libraries looks and works like an enterprise solution, there is a real upgrade potential to the Enterprise solutions segment if the SME grows in the future. Because the customer was very happy with its SME solution, there would be no real need to evaluate solutions from competitors.

TECHNICAL PARTNERSHIP WITH BW2

The increasing speed of a high-tech industry like the IT industry lets face smaller and medium ISVs bigger challenges than ever before. Partnering becomes more and more mission-critical in order to create a bright future in that business. To collaborate with a technology oriented company like BW2 is an attractive way of a technical partnership to ISVs, providing a way of confidence and strategic advantage.

MARKETING SUPPORT FROM BW2



As soon as an ISV understands the whole package of advantages this business case provides, an ISV benefits of all the joint marketing and sales activities BW2 roll out, because it is a real win-win situation: The ISV wins in terms of a higher contribution margin and high-quality applications and BW2 wins in terms for license revenue from the BusinessWideWeb and the Solution Library. This will initiate marketing and sales activities promoting the BusinessWideWeb that are, of course, highly supportive to all ISVs using this concept.

CROSS-SELLING OPPORTUNITIES WITHIN THE BW2 NETWORK

Within a short time, BW2 will have a list of ISVs with different strengths in terms of application types, vertical markets and line of businesses. This is of value not only for BW2 but also for the single ISVs themselves: As BW2 as their partner knows more about them, they have the opportunity to get leads/projects of customers first contacted BW2 directly – this is partnering pure! Furthermore, a real BusinessWideWeb network could be established that provides a lot of additional benefits far beyond lead referral only.

BENEFITS FOR SMES

This chapter summarizes the benefits for SME customers out of this business model:

BETTER APPLICATION PLATFORM

The BusinessWideWeb combines the advantages of client/server and browser applications and therefore becomes the platform of choice in terms of security, flexibility, reliability and scalability. Customers get the full range of what IT can provide today and in the near future.

MORE FLEXIBILITY

Business runs faster and faster every day, and so (should) do appropriate business processes. However, it is a fact that these days no business solution is built for decades but for the next few years. A business application must be flexible and changeable, also in major ways. An application built with the BusinessWideWeb provides this kind of flexibility: changes of and extensions to an application are made easily and fast – means with low costs.

COLLABORATION WITH BUSINESS PARTNERS

Based on the architecture of the BusinessWideWeb and the Solution Libraries, there is a wide area for collaboration for instance in a partner network. Platform Services such as Directory Service enable real time communication. Even more, partners can use the project management module to coordinate joint projects. In addition, data exchange within a partner network is very easy since data is stored in a central database and accessible for all members of the network.

BETTER TCO / HIGHER IT ROI

IT and especially software is no longer seen as just a “cost factor” within the economic resources. Today, CEOs want to see a real ROI out of their IT investments – and this is the right view! In terms for business applications this means to have a solution which exactly serves the company’s needs, can be adopted fast and with low costs when new requirements raise the horizon and is built on proven, up-to-date technology. The BusinessWideWeb fully complies with those requirements and the concept of Solution Libraries once again strengthens the strategy of an optimized ROI in IT.

CONNECTED TO ENTERPRISE SOLUTIONS KNOW-HOW

A SME business solution based on the BusinessWideWeb and the Solution Library is no longer a “nice, unknown solution” made only for this particular customer, and nobody knows how long this solution will be supported and developed in the future. The foundation of a BusinessWideWeb/Solution Library application and 70-90% of the functionality is based on proofed, rock-solid Enterprise solutions, used by some of the worldwide leading software companies. The Enterprise solution know-how is inside the customized solution coming from the ISV, and this gives SMEs that kind of certainty and professionalism they want.

BUSINESSWIDEBB SUMMARY

NEXT GENERATION .NET APPLICATION DEVELOPMENT TOOL

The BusinessWideWeb based on Microsoft’s .NET framework enables ISVs to develop business solutions faster, with fewer costs and with higher quality than any other existing software development tool.

For most developers, Microsoft Visual Studio.NET (VS.NET) is the development tool of choice. Proven technology has been upgraded to the .NET framework. But VS.NET has still one disadvantage: It’s a basic development platform without any pre-built functionality used in business applications. Basic procedures such as entering, storing, searching and deleting a database record still have to be developed from scratch by the developers.

In business applications such as CRM, EPR, HRM, Finance and others, the majority of functions are the same and shouldn’t be developed for each new application and by each ISV again (with the danger of bugs, testing and maintenance effort and others).

The BusinessWideWeb provides an internet-enabled application development platform, including a fully integrated GUI. The integrated framework provides all those “basic functions” that makes developers bored, preventing them from keeping focused on the development of much more interesting, challenging functions required from the specific customer, based on its unique business process. Developers can build the first 80-90% of a business application using “drag and drop”, customizing fully operative components, i.e. to build a screen to manage customer addresses and its contacts – all within a few minutes. Furthermore, the BusinessWideWeb is not a closed 4GL-tool but an open environment, enabling developers to add own code written in any .NET language in order to make their application unique.

MERGE THE BEST OUT OF CLIENT/SERVER AND BROWSER APPLICATIONS



Today, there are two main categories of business applications in terms of the basic technical concept: Client/Server applications providing a lot of comfort, user flexibility and the full range of basic functionality of a Windows desktop. On the other hand, browser applications can be used worldwide without installation from any terminal providing internet access – helpful to customers whose people is traveling around and cost-effective to companies with a lot of subsidiaries. Both “worlds” have their specific advantages. The BusinessWideWeb combines the advantages of client/server and browser applications and therefore becomes the platform of choice both for developers and customers who gets the full range of what IT can provide today.

DEVELOPMENT COSTS

To achieve a good contribution margin is one of the key challenges for software developers. As software development costs are primarily driven by the costs of manpower, the amount of time to develop a certain function or application strongly influences the contribution margin of the software development company. Experiences of developers using the BusinessWideWeb platform showed the following results, compared to the use of a basic programming language (such as Visual Basic) for the same function/application:

Up to 80% savings on the amount of time needed.

Up to 95% savings on the amount of self-written code.

DEVELOPMENT QUALITY

While a lot of basic functions such as loading, storing, displaying and caching data, specific actions relative to Business Objects (i.e. send mail option after right-clicking onto a person/contact), server events or workflow controls are only a few of the out-of-the-box features for the BusinessWideWeb, it is obvious that the quality of the whole application automatically increases. All built-in functions are proven, tested and 100% bug-free. This gives developers more time to focus on additional functions and code, required by the specific application they are building for a specific customer.

Read more about the BusinessWideWeb at <http://www.BusinessWideWeb.com>

SOLUTION LIBRARY SUMMARY

RAPID APPLICATION DEVELOPMENT

The thoughts above in this document already discussed some issues around the amount of time needed to build professional, reliable and connective business applications. In fact, the faster a developer can build its SME customized applications, the higher its contribution margin is. But to disregard the application quality is not an option, nor for the ISV nor for the customer.

The BusinessWideWeb strongly improves developer productivity at the technical level. Adding a Solution Library to the BusinessWideWeb platform saves most of the work for the ISV at the solution level, because the majority of Business Objects (including a proofed database structure) needed for the certain application are pre-built and delivered as a Solutions Library – ready to use within the BusinessWideWeb development environment.

PACKAGED SET OF “BUSINESS OBJECTS” FOR THE BUSINESSWIDEEB



To make the concept clearer, see the following table showing what kind of Solution Libraries could be meaningful for today's market needs:

Application Type	Solution Library content (Business Objects)
CRM	Customers, contacts, documents, call lists, knowledge management
SCM	Invoices, orders, materials, stocks
HRM	Employees, applicants, salaries, qualifications,
Finance	General ledger, cost controlling, transactions
Others	Catalog Management, Product Track & Trace, Brand Protection, ...

You will find more information about existing modules at <http://www.businesswideweb.com>.

The Solution Library is a base for the development of more specific applications needed by a client. The prefabricated Business Objects enables a developer to build 70-95% of that type of application without any coding, and very fast. In fact, this is done in a few seconds by simply inheriting from BW2's Solution Library.

Developers of Solution Libraries are completely free what kind of library and what kind of Business Objects they want to build. The range goes from simple objects such as an address from up to a dialog/procedure that measures stock level and orders – if needed – new items automatically (i.e. for an order processing application).

Developers can create additional module and plug-ins for the Solution Libraries. They can be licensed to other companies using the BusinessWideWeb as well.