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—DUANE COOK,

E-BUSINESS PROCESS MANAGER,
KODAK



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e-Business Integration Puts Kodak in the Picture

Enterprise Gateway Gets Top Imaging Brand Trading with 65 Percent of Customers Electronically

Corporate Profile

Global Leader in Photography, Imaging and Scanning

Founded by George Eastman in 1888, Eastman Kodak Company is a global leader in imaging technology with photographic, imaging and scanning products and services used by the medical sector, professional film and photography industry, printing and publishing, the corporate sector, as well as general consumers. The commercial and medical sectors account for about half of Kodak's revenues. The company employs over 80,000 staff in more than 30 countries and achieved revenues of over US \$13 billion.

The Business Challenge

Streamline and Integrate Business Operations

During the mid-1990s, Kodak had more than 200 different order-entry systems used by its various operating units. In order to improve productivity and reduce costs, Kodak decided to adopt SAP's R/3 enterprise resource planning (ERP) system. The objective was to streamline and connect a variety of business functions including accounting, production and management, plant maintenance, sales and distribution.

Kodak also aimed to integrate its e-business systems, which according to Duane Cook, Kodak's e-Business Process Manager, were slow, error-prone, and expensive to maintain separately. Kodak wanted to implement a new, real-time system that could link its e-business operations with the SAP system to improve invoicing, payments and other transactions with corporate customers.

To further enhance efficiency, improve response rates, increase transaction rates and reduce costs, the company wanted the e-business system to have Enterprise Application Integration (EAI) capabilities. These capabilities would enable Kodak to link to the variety of e-business transactions used by its operations and corporate customers worldwide.

The search was on for a supplier who could provide a complete B2B integration solution combining services with fully SAP-certified products.

The Solution

Managed E-Business Data

After a rigorous selection process, Kodak selected GXS's Enterprise Gateway and Application Integrator™ products. Kodak already had a 25-year history of using B2B

e-commerce expertise provided by GXS, so the company was used to working with GXS's products and services. Cook explains:

“We chose Enterprise Gateway because it is a global solution. It is managing e-business data while reducing our worldwide external infrastructure. To be able to leverage that environment for web activity is just one more strength.”

Enterprise Gateway is a multipurpose integration broker that links diverse business applications. It handles messaging between an organization's external business partners and across internal applications, regardless of data format. Application Integrator is a mapping and translation tool for exchanging business documents in different electronic formats with trading partners or internal applications.

Enterprise Gateway's modular architecture ensures scalable, flexible processing. It is powered by a message-routing engine that supports XML, all major EDI standards and proprietary formats. Enterprise Gateway links with the SAP system and provides Kodak with a single system for auditing and tracking transactions, providing business information flows and automating system administration tasks.

The system also provides web access and enables high-speed and robust data mapping. Kodak implemented GXS's Web Access Module (WAM), which enables forms-based EDI over the Internet. This facility allows Kodak to securely link thousands of trading partners with easy to use web forms. With this ability, transaction cycle times have accelerated significantly.

The Results

Major Efficiency Improvements

The scale of replacing over 200 disparate systems with a single global enterprise system is a challenging task, but Kodak is on target with the implementation both in terms of timescale and budget. Kodak was originally aiming to achieve a return on its investment within three years, but in fact, was able to gain a payback in less than two years.

North America, Europe and Asia are now live, with Latin America to be brought online soon. And as Cook points out, “There are always additional applications that can be integrated. For example, we are now looking at adding our HR and CRM applications into the system.” The results are impressive:

- Batch processes that used to take an average of four hours are now completed in minutes, improving Kodak's responsiveness to its customers, suppliers and carriers. According to Cook, the solutions also reduce costs, enhance cycle times and decrease errors.
- More than 150,000 transactions a month are now processed through Enterprise Gateway, with customers using the web to send orders, receive invoices and request information about products and pricing.

- Previously around 1,400 trading partners used the old VAN-based EDI system, with other customers relying on phone and fax to communicate with Kodak. Now, over 2,600 customers use a standard Internet browser to access Kodak's SAP system. A private trading partner area is accessed via a user ID and password, enabling partners to communicate easily and seamlessly direct with their supplier.
- Response times have improved remarkably and replies to customer and partner queries are now immediate, which has led to increased transaction capabilities.
- The number of maps used by Kodak has been dramatically reduced to just 50, supporting proprietary XML formats, Odette, EDIFACT, Tradacom and ANSI X12. In one case, over 360 ANSI X12 EDI maps were replaced by just 10 highly-sophisticated maps. Cook says this has eliminated maintenance and thus lowered IT costs.
- Enterprise Gateway is now being used to support a second web-based B2B offering, Kodak's partner site.
- Web Access Module has been leveraged to bring e-business to customers in some countries in Latin America and Asia where Kodak does not have SAP.

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About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organizations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.com.

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