



Hurwitz BalancedView

Hurwitz Trend Watch

Reprint

Hurwitz Group, Inc.

T 508 872 3344

F 508 872 3355

[www.hurwitz.com](http://www.hurwitz.com)

## Building a More Collaborative Value Chain

The latest Hurwitz Group research on the integration marketplace (source: e-Business Process Integration PRO Study, 2001) reveals that suppliers still struggle with building collaborative business models using the Internet. Two of the key problem areas are data exchange standards and technology disparity. Too often a value chain is broken or at least weakened by suppliers that, while important contributors, do not have the software infrastructure needed to take full advantage of the Internet or cannot afford the costs of EDI. Large buyers, connecting with the multitude of suppliers, find themselves having to manage a wide spectrum of technology connections among the host of suppliers. Enabling suppliers of all sizes, in different technology stages, and inside budget constraints is critical to building a highly collaborative value chain on the Internet.

Over the last two weeks, Vitria has stepped up its efforts to provide suppliers with usable standards and affordable solutions to achieve more efficient participation in the Internet value chain.

- ▶ **October 10, 2001.** Vitria announces the availability of the Value Chain Markup Language (VCML), a collaboration standard derived from EDI.
- ▶ **October 23, 2001.** Vitria announces the availability of Collaboration Center Applications, a set of applications built on Vitria's BusinessWare that is designed to smooth collaboration among trading partners.

## The Hurwitz Take

With its latest announcement, Vitria is focused on solving one of the most painful points still hampering numerous businesses seeking to lower the cost trading relationship by building a rich collaborative interface over the Internet. Hurwitz Group notes that EDI investments are still quite alive and healthy, but many enterprises are trying to strike the right balance between their EDI relationships and their XML-based, Internet relationships. Naturally, EDI costs are higher, but these costs are often justified because the business processes that surround the exchanges are well understood. Newer, XML transactions often have nebulous business processes associated with them. Additionally, many suppliers do not have the software in place to make use of XML-based Internet exchange. Vitria's VCML and Collaboration Center give adopting enterprises a highly functional environment to bring less technology savvy partners into the collaborative fold, unite their EDI and XML worlds, and lower the cost of B2B trading relationships.

*Tyler McDaniel*  
*Director*  
*tmdaniel@hurwitz.com*

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