



Changing an Entire Corporate Technology Infrastructure with Service Oriented Architecture (SOA) Solutions

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Agenda

- Who Is?
 - Shaklee
- The Business Challenge
- The Path to Solution
 - Setting Priorities: The Business Map
 - Starting Principles for Selecting Solutions
 - Learning: Business Benefits from Software as a Service
- Shaklee's Experience
- Keys to Success
 - Selecting Vendors and Negotiating Arrangements
 - Managing Ongoing Relationships
- Shaklee's Vendors



Who Is Shaklee?

- #1 natural nutrition company in the United States, with presence also in Canada, Japan, Malaysia and Mexico
- For 50 years, our mission has been a healthier life for everyone and a better life for anyone
- Committed to providing high-quality:
 - Natural products for health
 - Income and lifestyle opportunities for individuals
- New private ownership 2 years ago



The Business Challenge

- What:
 - Re-energize the brand to make it more relevant to today's technology-savvy population
 - Expand internationally
- How:
 - Provide information, management and marketing capabilities to Shaklee executives and distributors (i.e. independent sales force)
 - Enable organizational flexibility, cost effectiveness and rapid global expansion capabilities



The Business Challenge

- With:
 - Old, proprietary or non-existent technology
 - Limited budget and staff (<50)
- For:
 - 20K+ distributors
 - 750K+ consumers



Public, Members, Distributors, Employees, Vendors

NETWORK				NETWORK			
ACCESS TECHNOLOGY							
Telephone		Fax		Web		Mail and E-mail	
SALES MANAGEMENT		PRODUCT MANAGEMENT			ORDER ORIENTATION		
Commissions and Recognition	Genealogy	Product Lifecycle			Order Entry	AutoOrder	
		Materials	Packaging	Quality Assurance	Payment Processing		
Contact Management	Business Management	REPORTING AND ANALYSIS <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> DATA Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets </div>			ORDER FULFILLMENT		
MARKETING					Order Processing	Planning and Forecasting	
Brand	Product				Inventory Management	Manufacturing and Warehouse Management	
Distributor Training	Call Center				Transportation Management	Contract and Vendor Management	
CORPORATE ADMINISTRATION				FINANCE			
Human Resources		Benefits		Transaction Processing			
Strategic Planning	Legal	Information Technology	Budgeting and Cost Accounting	Treasury and Tax	Regulatory Reporting		



Public, Members, Distributors, Employees, Vendors

NETWORK				NETWORK					
ACCESS TECHNOLOGY									
Telephone		Fax		Web		Mail and E-mail			
SALES MANAGEMENT			PRODUCT MANAGEMENT			ORDER ORIGINATION			
Commissions and Recognition		Genealogy		Product Lifecycle			Order Entry	AutoOrder	
Contact Management		Business Management		Materials	Packaging	Quality Assurance			
MARKETING			REPORTING AND ANALYSIS				ORDER FULFILLMENT		
Brand		Product		DATA Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets				Order Processing	Planning and Forecasting
Distributor Training		Catalogue						Inventory Management	Manufacturing and Warehouse Management
CORPORATE ADMINISTRATION				FINANCE					
Human Resources		Benefits		Transaction Processing					
Strategic Planning	Legal	Information Technology		Budgeting and Cost Accounting	Treasury and Tax	Regulatory Reporting			

No Technology
 Worst Shape
 Caution Shape
 Best Shape



Starting Principles for Selecting Solutions

- Find hosted solutions, if satisfactory and economically beneficial
- Use web-based, loosely-coupled technology
- Implement one version of the software globally
- Plan for high-speed web and private network access



Business Benefits from Software as a Service

- Cost efficiency through shared hardware, software, support and upgrade path
- Speed to solution/ROI with fewer implementation tasks and shorter knowledge transfer time
- Improved solutions if suppliers have responsibility for service level performance
- Reduced integration and solution enhancement issues through loosely coupled web interfaces



Shaklee's Experience

- Achieved targeted ROI and capital payback within first year for all SOA projects
- Achieved strategic objective of more relevant and technologically current brand image ahead of schedule
- Developed plan to implement complete Business Map with SOA solutions



Shaklee's Experience

- Reduced IT operating and capital budget each year from 5 year forecast
- Changed IT dynamic from “order taker” to “change driver”



Shaklee's Experience

- Reduced headcount working on the provision of technology
- Increased headcount working with business partners on higher-value use of technology

Public, Members, Distributors, Employees, Vendors

NETWORK (Virtela)			NETWORK (Virtela)			
ACCESS TECHNOLOGY						
Telephone		Fax		Web (WebSideStory)	Mail and E-mail (RightNow)	
SALES MANAGEMENT		PRODUCT MANAGEMENT			ORDER ORIENTATION	
Commissions and Recognition (QuinStreet)	Genealogy (QuinStreet)	Product Lifecycle			Order Entry (QuinStreet)	AutoOrder (QuinStreet)
		Materials	Packaging	Quality Assurance	Payment Processing	
Contact Management (iCentris)	Business Management (iCentris)	REPORTING AND ANALYSIS (SeaTab)			ORDER FULFILLMENT	
MARKETING		DATA			Order Processing	Planning and Forecasting
Brand	Product	Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets (SeaTab)			Inventory Management	Warehouse Management
Distributor Training	Call Center (RightNow)	REPORTING AND ANALYSIS (SeaTab)			Transportation Management	Contract and Vendor Management
CORPORATE ADMINISTRATION			FINANCE			
Human Resources		Benefits	Transaction Processing			
Strategic Planning	Legal	Information Technology	Budgeting and Cost Accounting	Treasury and Tax	Regulatory Reporting	

No Technology
 Worst Shape
 Caution Shape
 Best Shape
 New Technology

(Offshore Support: Covansys)



Keys to Success: Selection and Negotiation





Keys to Success: Selection and Negotiation

- Allot time for the selection and negotiation process
- Negotiate price and key terms before selecting technologies or vendors
- Check references
- Maintain a backup alternative until an adequate relationship is agreed upon



Keys to Success: Selection and Negotiation

- Obtain Service Level Commitments with economic rewards and incentives for
 - Average transaction response time
 - Average system availability
 - Severity 1 problem response time
 - Implementation time and rates
 - Disaster recovery failover time



Keys to Success: Managing Ongoing Relationships

- Promote your suppliers and their products in proportion to your success
- Establish regular top-to-top meetings solely to discuss the health of the relationship
- Develop and maintain a backup support plan



Shaklee Vendor Successes

- SeaTab
 - Provides truly revolutionary technology
 - A company that “gets it”
- RightNow
 - Strong technology and support culture
 - An entrepreneurial, big company
 - Focuses on getting “businesses benefit” from technology
- WebSideStory
 - Great web technology with a strong vision and integration story
 - Strong support provider



Shaklee Vendor Successes

- Virtela
 - Offers a completely different option to CIOs for global network provisioning and management
 - Jumps through hoops to deliver
- Covansys
 - World-class development and support environments
 - Strong focus on communication



Thank you!

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