Covisint: The Evolution of a B2B Marketplace

What is the case about?
- **AutoXchange**: A B2B “electronic marketplace” initially developed by Ford.
- **Aim**: Rationalize the supply chain process by reducing the intermediaries and creating the transparent marketplace.
- **Result**: Failure.

Q1: Who do you think would pay the cost for suppliers to put their parts catalogs onto these marketplaces like AutoXchange? Who should have paid the costs?

Q2: What were the benefits of these systems and who would reap them?

Q3: Why did the Federal Trade Commission open an investigation of these marketplaces?

Q4: What role do you think the technology played in the demise of these systems?
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B2B E-Marketplace Evolution

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Company Background

- Founded by MR Henry FORD and incorporated on June 16, 1903
- Brands: Ford, Lincoln, Aston Martin
- Figures:
  - Total Revenue in 2013 was 139,369
  - 5th largest automaker worldwide
  - Ranked 25th on the Fortune 500 List in 2011
• The three giant automobile enterprises
• Encourage their suppliers to use this platform
• Suppliers should have paid through costs as users of a information system service
Q2: What were the benefits of these systems and who would reap them?

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- Improve the quality of their products
- Prevent from the out-of-stock situation (just-in-time strategy)

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