RosettaNet
AIMING TOWARDS GLOBAL IMPLEMENTATION

August, 2001

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Abstract
RosettaNet has long been a leading force in standardization of e-Business exchange in the high-tech supply chain. One of the most significant challenges facing XML-based B2B standards is their difficulty in being widely implemented and adopted. To directly address this implementation and usability challenge, RosettaNet has adopted a new focus aimed at enabling global implementation of their specifications. Users looking to implement RosettaNet specifications should read this ZapNote to understand this new focus and ascertain how it will affect their long-term implementation goals.
The Ever-Shifting Landscape of B2B integration standards

Long a leader in the e-Business standards arena, RosettaNet has been sharpening its focus and position in the ever-shifting landscape of B2B integration standards. Increasingly, RosettaNet has been fostering a convergence viewpoint that aims to simplify the maze of multiple, conflicting standards and provide its members with a cohesive vision and strategy for seamless supply chain interaction in the IT, semiconductor, and electronic components industries.

However, a number of significant challenges exist in the implementation of any B2B integration standard. These challenges include:

- The continued high cost of implementation
- Specifications are a moving target making tool creation and implementation difficult
- “Competition” between comparable standards still exists in a number of forms
- The prevalence of EDI in a number of mission-critical implementations may relegate B2B integration specifications to less mission-critical roles

Shifting Focus From “PIP Creation” to “PIP Implementation”

A key element in RosettaNet’s convergence vision is a shift in strategy from being focused on providing a certain number of business process definition documents known as Partner Interface Processes (PIPs) to an e-Business “ecosystem” that focuses more on proof-of-concept implementations, small subsets of existing PIPs, and implementation with a limited set of trading partners. As a result, this year is an important and ambitious one for RosettaNet. Ten production milestones have been created that are meant to reflect real-world implementations and full-fledged tests of the capabilities of the RosettaNet specifications. Each of these milestones consists of a small ecosystem of companies committed to implementing a particular business process scenario, in a production or non-test capacity, by a certain date. Each milestone deals with different, specific problems within a supply chain. For example, in the Electronic Components industry, 15 companies are committed to implementing a closed-loop “Design Win Management” process by December 2001. Cisco’s iHub project is committed to implementing 24 PIPs that provide greater supply & demand chain visibility by the third quarter of 2001.

Each of these milestones are committed to tackling different business process scenarios, and consists of three phases of implementation with steadily increasing number of trading partners at each phase. Some of these processes will result in implementation of RosettaNet PIPs, while others will result in the creation of new processes to be defined by RosettaNet.

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Rather than just moving down a list of unfinished PIPs, the organization will operate on an on-demand basis for PIP development. For example, out of Cisco's iHub 24 PIPs required for their business scenarios, 14 have already been developed, 7 are in process of being developed, and the rest have not been started.

This change of strategy is transitioning RosettaNet from a positioning of “readiness” to one of establishing a critical mass of implementations that prove a real return on investment and improvements to the bottom line. RosettaNet claims that each implementation of a “delivery-win” PIP saves each participant over $400,000 per trading partner. Rather than producing a laundry list of requirements, the organization is focused on an engagement model that stipulates only focuses on work that is supported by a significant number of board members. When these board members indicate that they want to attack a particular problem, RosettaNet then assigns resources and ramps it up as quickly as possible. In this manner, they are differentiating themselves from typical standards organizations - they are focused on implementations and not specifications.

**Complexity of RosettaNet Implementations Addressed?**

While RosettaNet has made tremendous progress in the definition of IT-specific processes and vocabularies, it has been criticized by many for its slow pace and complexity of adoption. RosettaNet, until recently, has mainly been the domain of very large IT industry players such as Intel, Cisco, and HP. In order to address these issues, RosettaNet has announced another major milestone – the implementation of “RosettaNet Basic.” RosettaNet Basic is aimed at bringing the middle-tier of trading partners into the loop. This is be done by greatly simplifying the process of implementing a RosettaNet solution, greater involvement of software developers and OEMs, and requiring large trading partners to perform RosettaNet-based exchanges with at first hundreds and then thousands of trading partners. RosettaNet Basic milestones are focused on defining use cases and implementation guides, working with solution providers to specify a target price and implementation methodology, and encouraging solution providers to produce a series of product offerings based on the RosettaNet Basic requirements. RosettaNet and these solution providers will then market this offering to mid-tier trading companies.

**Becoming More Global in Scope**

RosettaNet is also flexing its international muscles by aiming to have a group of six Japanese companies and sixty of their trading partners communicating using RosettaNet specifications. Later, this same group will expand their scope to over a thousand trading partners. RosettaNet claims that most of the interest for the e-Business offerings is coming not from North America, but from the Asian region. If this is the case, then these real-world implementations will be very important.

**Playing Better with Others in the Sandbox**

In addition to shifting focus from PIP development to PIP implementation, RosettaNet is embracing other e-Business standards efforts. In particular, RosettaNet has announced its support of the ebXML effort as well as support for use of UDDI registries and repositories. RosettaNet's view of the e-Business landscape is that the world is partitioned into many layers. The ebXML specification actually consists of a portfolio of standards at different levels in this layered “stack,” some of which are more complete, viable, and likely for success than others. Some of these standards are horizontal in nature, applying to multiple industries. In particular, ebXML’s transport, routing, and packaging functionality is gaining considerable interest and support. As such, RosettaNet is supporting the ebXML messaging service in their RosettaNet Implementation Framework (RNIF). At some point, RosettaNet hopes to get out of messaging business altogether.
While RosettaNet believes that UDDI is the most viable specification in the Registry and Repository layer of the “stack,” organization is maintaining a “neutral” position in their architecture. So far, however, RosettaNet has only announced support for the UDDI specification. At the next layer of the stack resides the ebXML dictionary, which seeks to establish a common “dictionary” of proper values and elements for XML documents. While RosettaNet sees value in single dictionary across all industries, there is currently no leader in the “cross-industry dictionary” space. In addition, RosettaNet claims that the current dictionary definition effort is a part-time project of the United Nations in joint participation with the ASC X12 (see article in this newsletter on ASC X12). As such, results may not materialize in any reasonable amount of time. Therefore, RosettaNet is continuing to build their industry-specific dictionary. Despite this independent development, RosettaNet sees much value in a common structure, if not actual entries, in technical dictionary. However, since no one is currently working on a specification for technical dictionary structure that can be used across all industries, RosettaNet is continuing to develop a technical dictionary structure definition. They will consider handing it off to another standards body that shows interested in pursuing this effort.

RosettaNet’s primary and ongoing value to the industry is their definition of common business processes, some of which are consistent across all supply chains. While ebXML is seeking to serve that role, RosettaNet believes that ebXML attacking easy parts without getting into the complexities involved in solving business process requirements. If it is difficult to define business processes across a single industry, it will be nearly impossible to get geographies, industries, and types of businesses to agree on common business process for purchase orders. While it could be done, it will take a tremendous amount of effort. And this needs to happen under a different methodology than a consensus-building UN-based organization – especially if it is to take less than 5 years to implement.

Key Conclusions and Findings

- RosettaNet’s increased focus on implementations will help in reducing cost and complexity for delivering RosettaNet solutions
- Reduced complexity will result in greater toolset availability
- Overlaps with ebXML, Web Services efforts have not been completely resolved
- Companies looking to implement RosettaNet solutions should expect slight reduction in cost and complexity in the near-term (next six months) and greater reduction in cost and complexity in the medium to long term (in 12 months). As a result, those with business drivers to implement in the short term should do so, but others with not as pressing needs should wait for the effects of simplification and increased tool set diversity to be felt.

These recent developments serve to make RosettaNet a much stronger organization, and will probably boost their rate of successful implementations. In the end, implementations and real-world adoption is the only important factor in e-Business standards. By focusing on implementation, accepting other standards efforts, and concentrating on helping companies realize bottom line improvements, RosettaNet is sure to emerge as a viable solution for B2B integration.

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Profile (August, 2001)

Date Founded: June 1998
Funding: N/A
CEO: Jennifer Hamilton
Employees: Approx. 30
Specifications:
- RosettaNet Partner Interface Processes (PIPs)
- RosettaNet Implementation Framework (RNIF)
- RosettaNet Technical and Business Dictionaries
- RosettaNet “Basic”

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Related ZapThink Research

- Service-Oriented Integration Report (ZTR-WS103)
- Web Services Technologies and Trends Report (ZT-WEBSERV)
- Infoteria ZapNote (ZTZN-0107)

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About ZapThink, LLC

ZapThink is an IT market intelligence firm that provides trusted advice and critical insight into XML, Web Services, and Service Orientation. We provide our target audience of IT vendors, service providers and end-users a clear roadmap for standards-based, loosely coupled distributed computing – a vision of IT meeting the needs of the agile business.

ZapThink’s role is to help companies understand these IT products and services in the context of SOAs and the vision of Service Orientation. ZapThink provides market intelligence to IT vendors who offer XML and Web Services-based products to help them understand their competitive landscape and how to communicate their value proposition to their customers within the context of Service Orientation, and lay out their product roadmaps for the coming wave of Service Orientation. ZapThink also provides implementation intelligence to IT users who are seeking guidance and clarity into how to assemble the available products and services into a coherent roadmap to Service Orientation. Finally, ZapThink provides demand intelligence to IT vendors and service providers who must understand the needs of IT users as they follow the roadmap to Service Orientation.

ZapThink’s senior analysts are widely regarded as the “go to analysts” for XML, Web Services, and SOAs by vendors, end-users, and the press. They are in great demand as speakers, and have presented at conferences and industry events around the world. They are among the most quoted industry analysts in the IT industry.

ZapThink was founded in October 2000 and is headquartered in Waltham, Massachusetts. Its customers include Global 1000 firms, public sector organizations around the world, and many emerging businesses. ZapThink Analysts have years of experience in IT as well as research and analysis. Its analysts have previously been with such firms as IDC and ChannelWave, and have sat on the working group committees for standards bodies such as RosettaNet, UDDI, CPEXchange, ebXML, EIDX, and CompTIA.

Call, email, or visit the ZapThink Web site to learn more about how ZapThink can help you to better understand how XML and Web Services impact your business or organization.

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