

山东省高校统编教材

21世纪

高阶英语

| 经贸类 |

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《21世纪高阶英语》

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序

随着知识经济和信息时代的到来,以及我国加入 WTO 的临近,外语作为一门重要的工具日益凸现出它的重要地位,外语教学改革已经引起广泛的社会关注,应当说,这方面大量广、学时多、周期长的重要基础课倾注了几代人的心血。特别是 20 世纪 80 年代中期,国家教委针对我国改革开放的新形势,对这门课程进行了大力度的调整,颁布了新的教学大纲,实行分级教学,举行全国四、六级统一考试。《大纲》实施十几年来,虽取得了突出的成绩,但与社会发展盼人才的需求相比仍有不小的差距。无论从教学的现状还是从教学的结果来看,确实存有不少的问题亟待解决。我们注意到:1. 基础阶段的英语教学仍未能完全把提高学生的英语应用能力放在正确的位置。2. 基础阶段结束后,高年级的英语教学处于一种无序甚至中断的状态。其结果是既难于真正完成并巩固基础阶段的教学成果,也难以如期顺利地进入专业英语阶段的学习。显然,大学英语“上台阶”的困难较大,不利于教学改革的进一步深化。

我们认为,把大学英语这门课程整体向前推进的措施在于改革教学体制,对现有的大学英语教学体系进行调整,在大学三年级仍然要进行大学英语教学,设立三年级大学英语教学单位,设必修课,明确划归大学英语教学序列,开展基础和专业二者之间过渡阶段的英语教学。从实践中我们也发现基础英语和专业英语不能直接“对接”,二者之间必须建立“引桥”方可顺利地到达彼岸。于是,我们开展了



“大学英语三段式序列教学方案”的研究,即大学英语基础阶段(一、二年级)→大学英语提高阶段(三年级)→专业英语实践阶段(四年级)。应当说,三年级提高阶段的英语教学是大学英语教学序列中关键的一环,也是解决大学英语“四年不断线”的重要措施。

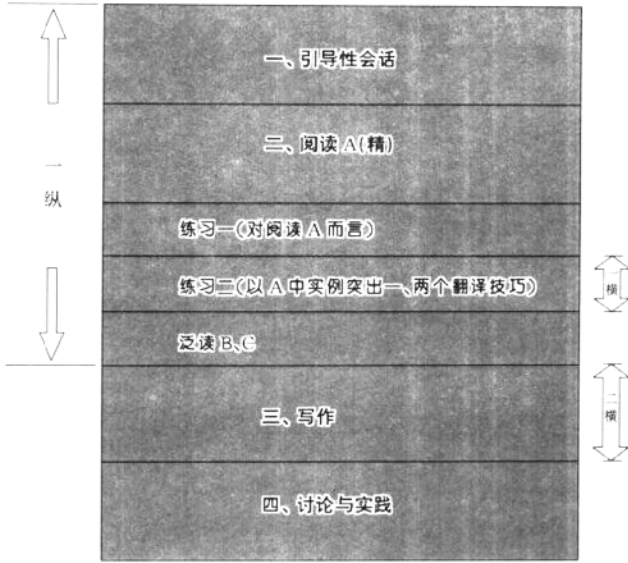
三年级的英语教学是承上启下的重要阶段。为帮助学生实现顺利过渡,我们把三年级提高阶段又细分为两个阶段:三年级上学期为粗放提高阶段,编写通用提高教材一部,供各专业学生共同使用,目的是巩固前期基础英语阶段的学习成果,并在下述三方面向前推进:1. 提高日常口语会话能力;2. 提高基础英语写作水平;3. 加强阅读能力培养。三年级下学期为集约提高阶段,编写分类教材四部,即人文类、经贸类、理工类、农水类各一部,供各专业及相近专业使用,目的是快速把学生带入各自专业的门坎内,并在下述四方面大强度进行训练:1. 英语情景会话;2. 高级英语写作;3. 翻译技巧;4. 准专业英语阅读。通过三年级的学习,以期使学生在有限的时间内,听、说、读、写、译等方面均获得较强的应用能力。

《21世纪高阶英语》就是为上述目的而编写的一套系列教材。教材编写的指导思想有三:1. 突出三个空间。教材给教师留有充分发挥的空间,避免教师照本宣科满堂灌;教材给学生留有充分思考的空间,避免学生沦为教材的奴隶;教材给学生留有充分实践的空间,希望学生动手查阅相关资料、积极主动地进行学习。2. 创立“特区”。教材的编写一切从实际出发,一切从效果出发,一切从提高学生应用能力出发。编写的教材力求有所突破。如写作三步曲:①范文;②点评;③摹写。翻译技巧则采取了实例归纳法。3. 指导教与学。编写的教材力图改变以教师为中心的教学模式,扭转学生“等、靠、要”的学习习惯,如引导性会话环节,教师课前必须充分进行设计,学生也必须查阅资料,认真准备,不然教学就难以进行。

集约提高阶段的四部教材结构相同,但内容各异。其单元结构示意图如下:



三年级提高教材单元结构示意图



每单元后都有“讨论与实践”，但这只是建议，不作具体设计，供教师根据各自教学及学生实际，结合内容自行处理。

Unit 1 Business-to-Business



Guided Speaking	Guided Reading	Translating Practice	Writing Practice
1. Role-play 2. Discussion	Passage A: What You Really Need to Know About B2B Passage B: B2B Markets Industry Profile Passage C: Application Service Providers Explained	The Skill in Translating Attributive Clauses	Scientific Paper

Part One Guided Speaking

① 1. Role-play

Work in groups and have a role play on the following situation:

Suppose you are a market manager of a fast growing multinational company, and one day you are asked by your CEO (Chief Executive Officer) to his office and discuss the future market planning of your company. The CEO is very interested in the new technology of internet and the new business type—B2B, and you are asked to explain what B2B really is and how to do it successfully. You and the CEO and other managers talk about the current B2B markets and the key points of entering this field. Then the CEO appoints you to lead a group in developing this business. And you go back to your office and sit down to do solid work.

② 2. Discussion

Discuss what you really need to know about B2B, and compare B2B with the common and traditional business. Illustrate the good points and bad points of the business and explain why. You can refer to the following words in your discussion:

B2B (business-to-business)/internet/computer/marketplace/effective/efficient/world e-



conomy/electronic/traditional/ineffective/inefficient/successful

Part Two Guided Reading

◎ Passage A

What You Really Need to Know About B2B

By Maureen O'Donnell

You've heard about business-to-business (B2B) and business-to-consumer (B2C) e-commerce. You may have even heard about "the hot B2B market," online exchanges, and how big B2B is. According to a recent research report issued by the Gartner Group, by 2004, 95 percent of all e-commerce will be B2B transactions with the remaining 5 percent B2C transactions.

But what is B2B e-commerce, and how can small businesses save money buying from and selling to other businesses online? What costs are involved in running a B2B company? How can you separate the hype from the reality when researching and deciding where you and your online small business fit into B2B?

B2C and B2B Differences

Both B2B and B2C involve familiar business elements such as billing, customer service, and fulfillment. There are some fundamental differences between the two, however.

B2C is selling to consumers. Usually, consumers make one-time purchases, although there are opportunities for replenishment arrangements, in which customers can set up a standing order for a particular product so that they never run out; *ibeaauty.com* offers this option on its checkout page. B2C billing is very simple. The consumer receives a receipt for each purchase. Usually, the B2C product buyer is its consumer, although sometimes consumers buy gifts for others. Consumers make purchasing decisions, constrained only by their credit limits. Dollar amounts per order are small compared with B2B purchases, and well-known channels, such as UPS, can handle shipping and/or fulfillment. Consumers have little reason to be loyal to a particular vendor; it's easy for them to switch vendors in pursuit of low prices.

B2B is selling to businesses. Businesses often have ongoing or replenishment arrangements with vendors. For example, in systematic sourcing, buyers negotiate long-term contracts with suppliers. In spot sourcing, buyers have an immediate need for a commodity at the lowest cost. Spot source purchases don't need long-term arrangements. Auctions and commodity trading are good examples of spot sourcing.

B2B billing typically involves higher dollar amounts and requires invoicing, account



tracking, and account management. Payment can be made by a number of means, including credit card, check, or bank transfer.

The volume and cost of B2B purchases make them far more critical to B2B buyers than B2C purchases. Consequently, selling to businesses often means selling to more than one person in an organization. B2B vendors must monitor their client companies' representatives' spending limits, inform them when they've exceeded the limits, and address the fact that reps need to get internal approval for their purchases.

Raw materials and industrial/manufacturing components may require special logistics and fulfillment. For example, UPS doesn't deliver hydrochloric acid, and the amounts purchased of these products may be large and ordered in terms of full and half truckloads.

Comparison of B2C and B2B Business Transactions

Characteristics	Business-to-Consumer (B2C)	Business-to-Business (B2B)
Purchase Frequency	One-time	Recurrent
Billing	Real-time	Invoicing
Payment Method	Credit card	Multiple payment models
Dollar Amounts	Small	Large
Volume	Mostly single items	Multiple items
Shipping	Standard land lines	Large volumes, special restrictions
Customer Service	One-time	Long-term account management
Sales cycle	One contact, short selling cycle	Multiple contacts, long selling cycle

Three Ways to Save Money

Why would a business want to perform B2B transactions online when it has been getting along just fine in the brick-and-mortar world? Here are three reasons how the online environment can help a business reduce the costs of B2B purchases:

Save with ASPs. Small businesses can save money on services through B2B providers known as application service providers (ASPs). These vendors address technical needs, often by renting access to software instead of selling it. This allows small businesses access to services they couldn't otherwise afford.

Online B2B transactions can also allow sellers to offer better ("error-free") customer service. Unlike phone orders, during which customer service representatives may misunderstand what a customer says, or faxed orders, which might get lost or could print out illegibly, automated online ordering is more accurate and reliable. It prevents costly and time-consuming mistakes. Online sellers can offer improved order processing by integrating online catalogs with inventory and fulfillment; in such cases, customers save time and can see right away when an item is not in stock. Many sites allow customers access to records of their past

orders, which speeds the reordering process.

Online transactions save time and money by eliminating paper forms, faxes, and phone calls, and by allowing buyers to compare prices quickly.

Save time on research. Researching potential suppliers is faster and easier online, and it opens a global market of potential vendors because location is irrelevant on the Web. Shipping costs may be prohibitive, however. The Uniform Code Council, for instance, has created a site for the sole purpose of updating the information in its product catalogs; this information is invaluable to its B2B customers, who sell its products retail.

Pool purchasing power. Small businesses can use the Internet to get volume discounts on maintenance, repair, and operations (MRO) supplies. For example, OfficeCoop.com and Demandline.com pool requests for supplies and services from thousands of small businesses. Demandline.com sets up reverse auctions in which vendors compete to offer the lowest prices.

B2B Purchasing Models

The most written-about method for businesses to transact e-commerce with each other is the, also known as an e-hub, online or e-marketplace, catalog site, or yield manager. There are also several alternatives to exchanges, such as "request for quotes," in which a business uses a forum to invite prospective vendors to bid on providing specified goods or services, as well as direct, online buying:

Online exchanges. Many sites fall under the heading online exchanges. Exchanges can be public or private. Public exchanges often are created by third-party providers, known as market makers, who bring together multiple buyers and sellers and charge a membership fee and/or a commission on members' transactions with each other. One of the advantages is that these exchanges are supposed to be neutral, not biased toward seller or buyer, although it's not unheard of for market makers to offer vendors equity in the exchange to tempt them to join. The best exchanges offer good customer service, helping buyers by offering product information and selection tools and ordering, billing, shipment, and scheduling services instead of just signing up companies and leaving them to fend for themselves. These exchanges also may offer the sellers help with introducing new products.

A private exchange is owned by the company selling the goods. It is an exclusive online network for transacting business with the company's customers and/or suppliers; membership is not offered to the founding company's competitors.

Alternatives to exchanges. There are a number of alternatives to the exchanges. The Uniform Code Council has created marketplace sites that don't support transactions but do allow suppliers, such as large manufacturers, to inform retailers of their products or about changes made to their catalogs. This may not seem earth-shattering, but many goods purchased by retailers are delivered at the wrong price or in the wrong size because notification about product changes takes too long to get from supplier to buyer in the offline world.

Acta Technology is a start-up that offers a platform to allow a company to electronically share product and ordering information with its existing suppliers. The technology extracts data from back-office systems and caches it for scalable, real-time e-commerce transactions. Acta has published some case studies of companies using its technology. Using Acta, a small business owner doesn't need to pay a market maker to join a public exchange; the business owner will run a private exchange.

Business owners may use a service (such as the one Onvia.com offers). With it, owners can submit a request for a product or a service, along with a desired price ("I need my carpets cleaned, and this is how much I want to spend"). The site offering the RFQ service passes the request along to qualified sellers. The requesting company can view and compare responses from online sellers then contact the seller of its choice.

In direct buying, buyers can use the Internet to research suitable vendors, then contact those companies directly or through their Web sites. There's no rule that says you have to join an online exchange to transact B2B.

Sort B2B Reality from Hype

At this time, small businesses looking to sell to other businesses don't have many affordable technological solutions; the price of B2B automation technology and joining online exchanges is too high for these options to be practical for small sites. As the technology matures, its cost is likely to become more affordable, but, for the time being, a simple informational site for selling to business might be the most economical way to go.

The biggest advantages from B2B sites for the small business owner come from saving money on operating costs (through the use of ASPs) and cutting purchasing costs through online research and, in some cases, using exchanges and other online transaction resources.

For example, small business owners who want to buy online can take advantage of B2B sites and technology for purchasing MRO items, such as office products (for example, from Office Depot) and employee benefits (Benefit Innovations Inc. has a site). Many ASPs' services are inexpensive or free.

(From *business.com*, September, 2000)

New Words

e-commerce [i:'kɒmə:s] *n.* 电子商务

transaction[▲] [træn'zækʃən] *n.* 交易, 事务, 处理事务

hype [haip] *n.* 骗局, 大肆宣传, 大做广告

fundamental [ˌfʌndə'mentl] *adj.* 基础的, 基本的

replenishment [ri'pleniʃmənt] *n.* 补给, 补充

checkout ['tʃekaut] *n.* 检验, 校验

receipt [ri'si:t] *n.* 收条, 收据, 收到 *v.* 收到

constrain[▲] [kən'streɪn] *vt.* 强迫, 抑制, 拘束

vendor ['vendɔ:] *n.* 卖主

arrangement [ə'reɪndʒmənt] *n.* 排列, 安排

systematic [ˌsɪstɪ'mætɪk] *adj.* 系统的, 体系的

auction[▲] ['ɔ:kʃən] *n.* 拍卖 *vt.* 拍卖
 invoice ['ɪnvoɪs] *n.* 发票, 发货单, 货物 *v.* 开发票, 记清单
 consequently ['kɒnsɪkwəntli] *adv.* 从而, 因此
 representative [ˌreprɪ'zentətɪv] *n.* 代表 *adj.* 典型的, 有代表性的
 reps = representatives
 component [kəm'pəʊnənt] *n.* 成分 *adj.* 组成的, 构成的
 logistics [ləʊ'dʒɪstɪks] *n.* 后勤学, 后勤
 hydrochloric [ˌhaɪdrəʊ'klɔːrɪk] *adj.* [化] 氯化氢的, 盐酸的
 characteristic [ˌkærɪktə'rɪstɪk] *adj.* 特有的, 典型的 *n.* 特性, 特征
 technical ['teknɪkəl] *adj.* 技术的, 技术上的, 技巧方面的
 misunderstand [ˌmɪsʌndə'stænd] *vt.* 误解, 误会
 illegibly [ɪ'ledʒəbli] *adv.* 难读地, 暧昧地
 integrate ['ɪntɪgreɪt] *vt.* 使成整体, 使一体化, 求...的积分 *v.* 结合
 catalog ['kætəlɒɡ] *n.* 目录, 目录册 *v.* 编目录

inventory[▲] ['ɪnvəntəri] *n.* 详细目录, 存货, 财产清册, 总量
 eliminate [ɪ'lɪmɪneɪt] *vt.* 排除, 消除
 irrelevant [ɪ'relɪvənt] *adj.* 不相关的, 不切题的
 prohibitive [prə'hɪbɪtɪv] *adj.* 禁止的, 抑制的
 maintenance [ˌmeɪntɪnəns] *n.* 维护, 保持, 生活费用, 扶养
 reverse [rɪ'veɪs] *n.* 相反, 背面 *adj.* 相反的, 颠倒的 *vt.* 颠倒, 倒转
 e-hub [ɪ'hʌb] *n.* 网络集线器, 网络中心
 alternative [ɔːl'tə:nətɪv] *n.* 二中择一, 可供选择的办法 *adj.* 选择性的, 二中择一的
 prospective[▲] [prə'spektɪv] *adj.* 预期的
 commission [kə'mɪʃən] *n.* 委托, 佣金
 exclusive [ɪks'klʊ:sɪv] *adj.* 排外的, 独占的, 惟一的, 高级的
 notification [ˌnəʊtɪfɪ'keɪʃən] *n.* 通知, 布告, 告示
 platform ['plætfɔ:m] *n.* (车站)月台, 讲台, 讲坛, 平台
 scalable ['skeɪləbl] *adj.* 可攀登的, 可升级的
 automation[▲] [ˌɔ:tə'meɪʃən] *n.* 自动控制, 自动操作

Expressions

in pursuit of 追求, 寻求

in terms of 根据, 按照, 用...的话, 在...方面

brick-and-mortar 砖头和尘土

in such cases 在这些情况下

in stock 有库存, 有现货

for the time being 暂时

Proper Nouns

Gartner Group 加特纳集团

ibeautey.com 网络服务机构

UPS (Uninterruptable Power Supply) 不间断电源

ASPs (application service providers) 应用服务供应商

the Uniform Code Council 统一信号委员会

OfficeCoop.com 网络服务机构

Demandline.com 网络服务机构

Acta Technology 艾科塔科技公司

Onvia.com 网络服务机构

RFQ = request for Quotes 寻求报盘
Office Depot 一种办公软件

Benefit Innovations Inc. 利益改革公司

Exercises

Ex. 1 Directions: Read the text and then fill in the following blanks to finish the outline.

1. The differences of characteristics between B2B and B2C appear in at least eight aspects. They are:
 - 1) _____
 - 2) _____
 - 3) _____
 - 4) _____
 - 5) _____
 - 6) _____
 - 7) _____
 - 8) _____
2. Compare B2B with B2C business transactions in detail and fill the form below.

Characteristics	B2C(business-to-commerce)	B2B(business-to-business)

3. There are three ways to save money in B2B online transactions; list the three elements how the online environment can help a business reduce the costs of B2B purchases.
 - 1) _____
 - 2) _____
 - 3) _____
4. Generalize the B2B purchasing models in your own words and give some examples of online purchasing.
5. Since the campus network centers are popular in colleges and universities, please



try the B2B websites that appear in this text. With a good visit, you may get some real experience.

- Ex.2 Directions:** Find another article about B2B business transactions and read it with great care and compare B2B market with our traditional marketplace. Discuss the characteristics with your classmates and get ready for a 5-10 minute class report. Don't forget to take notes of the origin and author of the article.

◎ Passage B

B2B Markets Industry Profile

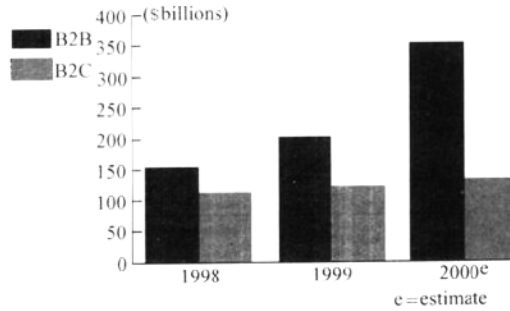
The Transparent Marketplace

While business-to-consumer web sites like Amazon.com attracted all the early attention, e-commerce experts have always believed the real money was in business-to-business transactions. Already, B2B Internet sales of \$237 billion in 1999, according to Gartner Group, dwarfed consumer retail. By 2003, analyst firm Robertson Stephens predicts B2B sales will reach \$3 trillion.

In theory, and increasingly in reality, the Internet can be the perfect place to create a transparent marketplace, where buyers and sellers know exactly where each other stands, and where there are essentially no time or geographic advantages. In such a market, it is extraordinarily difficult to overcharge or deliver poor quality. This forces all sellers to be as efficient as possible, and allows only the thinnest of profit margins. Essentially, sales for every product are conducted the way stocks are bought and sold. Hence the name is given to some of these B2B marketplaces; Exchanges. That sounds brutal for sellers, but it is a dream coming true for every corporate purchasing manager.

Joining such exchanges can be tricky business, usually requiring suppliers and purchasers to hook their internal software into a public electronic marketplace. That difficulty has kept a lid on some B2B activity, especially until the quiet passage of Y2K. But respected e-commerce analyst Mary Meeker of Morgan Stanley Dean Witter thinks this is the year the B2B marketplace will be won and lost. In fact, by year end, she expects there to be 2,000 B2B web sites, all looking to grab a percentage of that \$3 trillion as it flies by on the Internet.

B2B Opportunity Growth
The Ebusiness Marketplace



Source: Online B2B exchange
Delotte Research & Forrester Technology

Content vs. Transactions

The B2B turf battle began in earnest in 1999, as the major independent B2B firms raced into the initial-public-offering market, where Internet companies were white-hot. VerticalNet, which hosts some 50 different virtual business communities and is recognized as a pioneer in the B2B arena, was first out of the gate in February.

Founded in 1995 as a single online business community, WaterOnline and VerticalNet gained some early backing from Microsoft and the Internet Capital Group. The original VerticalNet strategy entailed developing content (with newsletter-like reports that are frequently updated) and fostering communication (through sponsored chat groups, bulletin boards and the like). The model relied heavily on advertising sales, a business plan that already looked dated by 1998.

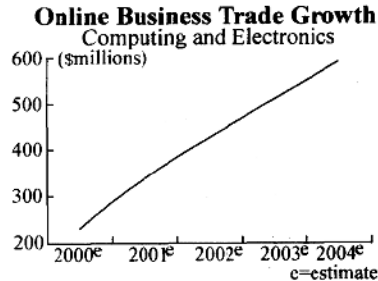
So VerticalNet is now reinventing itself by building out an e-commerce infrastructure that encourages users to conduct transactions on its sites. IBM signed on in October to help build out e-commerce storefronts for VerticalNet members, and the following month acquired electronic components exchange NECX.com. The move to e-commerce has already paid dividends. The company shattered Wall Street's first quarter expectations on April 27, reporting \$27.5 million in revenues, compared to expectations of \$18 million. The company predicts it will be profitable in 2001.

Ariba Arrives

In the summer of 1999, the B2B spotlight began shining on the top providers of software and buyer-seller matching services to the sector. E-commerce platform companies Ariba and Commerce One, for instance, saw triple-digit percentage gains the days their shares went public. Along with selling software, these firms match buyers and sellers and earn a percentage of the deal every time a transaction takes place. It is this recurring revenue that has seduced investors.

Ariba's Operating Resource Management System is an end-to-end infrastructure, providing front-end software and back-end auction tools. In March of 1999, the company launched Ariba Network, an exchange that connects buyers and suppliers. Now, Ariba has grown to more than 100 exchanges, including the soon-to-be-launched PetroCosm, an open marketplace for the oil and gas industry that has been designed for Chevron. Ariba already has an impressive list of clients who participate in exchanges, including: Bristol-Myers Squibb, Hewlett-Packard, Visa, Staples and MCI WorldCom.

Commerce One also has a popular procurement program, called BuySite, as well as a trading exchange, called MarketSite. The company became a stock market darling when it announced in November that General Motors would be taking an equity stake and that the



two would develop an online marketplace for the automaker. Within three months, the venture became even more ambitious, as GM, Ford and DaimlerChrysler all agreed to merge their exchange development efforts into one giant market for autos. (By January 2000, Commerce One had yet another big brand in its pocket—Shell, which agreed to create an electronic market for oil and gas.)

Reverse Auctions

As of early 2000, the concept of reverse auctions began sweeping the country, and a Pittsburgh-based Internet firm called FreeMarkets became a major beneficiary on Wall Street. Its BidWare software allows buyers to watch in real-time as suppliers undercut each other, seeking to fulfill orders.

FreeMarkets shares were offered initially at \$48 on Dec. 10, but it ended Day One at \$280.

Behind the stock surge are numbers like these: Nearly \$2.7 billion in deals were completed at FreeMarkets last year, and the site has 70 different auction categories.

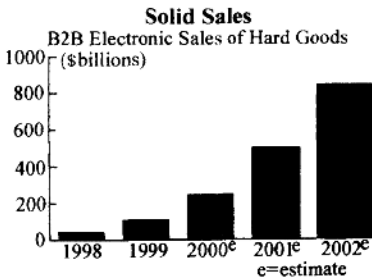
But FreeMarkets certainly doesn't have the reverse-auction world to itself. Even as the firm was coming of age, the exchange model was being duplicated at dozens of smaller niche sites. Scientists from SmithKline Beecham and Roche Molecular Systems learned to bid on chemicals at Chemdex, for instance, which was since acquired by Ventro.com. And electronics makers started turning to FastParts.com when there was a component crisis in the factory. Even farmers got in on the act, bidding on cattle at cows.com (now Farms.com).

Giants Jump in

The burgeoning electronic marketplace is not to mention the surge in B2B share prices now has fully caught the attention of traditional enterprise software firms. Companies like Oracle and SAP have established client relationships with most of the companies participating in the new exchanges, and they are eager to exploit those relationships.

Oracle has been the most aggressive, announcing a joint venture with Ford to create AutoXchange on the same day as Commerce One's GM announcement. The two projects have since been combined, meaning at least in this effort, Oracle and Commerce One are partners. In addition, Oracle has a pact with two of the world's largest retailers, Sears, Roebuck and France Carrefour Supermarket, to create an exchange for the firms combined \$80 billion supply chain purchases. And Oracle has teamed with Chevron and Wal-mart to found retailers MarketXchange, aimed at the \$200 billion convenience store market.

German software maker SAP, the world's largest enterprise resource management software firm, was caught a bit off-guard by the electronic exchanges. It launched its B2B product, MySAP.com, in 1995, but has only recently managed to integrate its market-leading software, called R3, with its e-commerce efforts. SAP recently lost a lucrative e-marketplace



contract with German automaker Volkswagen to Ariba, IBM, and software firm i2 Technologies—even though VW had been a key SAP customer for years.

Microsoft, the world's largest software maker, also came late to the game, but it is fairly adept at playing catch-up. In addition to providing infrastructure software and consulting services, the company has inked deals with VerticalNet, Healtheon/WebMD, and Honeywell, and in late March it announced plans to build an aerospace and defense industry exchange with Raytheon, Commerce One, Lockheed Martin, and Boeing.

Not to be left out of the party, the big names in consumer e-commerce now are pushing to establish a profitable presence in the B2B arena as well. AOL has a deal with PurchasePro.com to roll out an electronic marketplace in the middle of the year. Meanwhile, Yahoo and eBay are both focusing on the small-business arena; both have about 50,000 companies signed up.

Battle for Partners

A furious battle for partnerships is in mid-swing. Mergers or relationships that boost traffic are critical to B2B success—because auctions where no one shows up are useless. As a result, the battle lines in this arena have been drawn with lightning speed.

Armed with the currency of skyrocketing public shares, in the waning days of 1999, Commerce One, Ariba and VerticalNet announced major acquisitions, all aimed at extending product offerings. Commerce One acquired CommerceBid.com, a developer of B2B auction and reverse-auction service solutions; Ariba bought TradingDynamics and TRADEX Technologies, a B2B trading application developer; and VerticalNet gobbled up NEXC, a B2B exchange. Three months later, FreeMarkets took its own currency to market and announced it would buy two surplus industrial equipment marketplaces, iMark.com and Surplus Record.

Commerce One has the strongest alliance and it traded away 20% of its equity to General Motors ensure that status. Other Commerce One partners include Royal Dutch Petroleum (Shell Oil), British Telecom, NTT Communications of Japan, Sesami.com, an arm of Singapore Telecom, and Cable & Wireless Optus of Australia. But Ariba's alliances are also impressive, enhanced by a recent pact with IBM and i2 Technologies to provide an exchange service for Volkswagen. Others big names in the Ariba Exchange fold are Advanced Micro Devices, Bristol-Myers Squibb, Kraft and Staples. The company also has partnerships with Dell, Cisco, Microsoft and Visa.

The alliance game can be treacherous. These days, for instance, Ariba and Commerce One are trying to determine if Oracle is friend or foe. Oracle CEO Larry Ellison has said his company will flex its software muscle and have more functioning exchanges by the end of this year, and its existing client list including Sears, Wal-Mart, Chevron and Ford should be daunting to virtually any B2B player.

Threats to the Model

Can the exchange model hold? Even that basic question remains unanswered in the B2B

