



COMMERCE ONE⁰ AUCTION SERVICES **BUSINESS OVERVIEW**

Commerce One, Inc., the global leader in business-to-business electronic commerce, introduces Commerce One Auction Services, a fully integrated, real-time bidding solution that enables buyers, sellers, and other providers to increase revenue, reduce costs, and create a competitive advantage via the Internet.

Based on an applications service provider (ASP) model, Commerce One Auction Services offer corporations easy-to-use Web-based solutions for conducting dynamic exchanges in an online environment that provides real-time pricing and brings an unprecedented level of profitability, control, and simplicity to corporate procurement and liquidation.

What is Dynamic Exchange?

A dynamic exchange is an online interaction where buyers and sellers are able to arrive at an optimum price for each particular business transaction. Although the most common type of dynamic exchange is the online auction where companies dispose of excess inventory, a growing number of companies are saving millions through the use of 'reverse auctions' in which vendors bid on the opportunity to supply goods and services to the enterprise.

Why Commerce One Auction Services?

Commerce One is the only vendor to offer a comprehensive, controlled Auction Services solution that is fully integrated with a commerce portal as part of an end-to-end e-commerce solution. It is also the only offering in the market today with the capability for multinational e-commerce.

With Commerce One Auction Services, corporate buyers can establish real-time market prices for goods or services, thereby achieving a dramatic reduction of purchasing cost and increased profitability through controlled auctions. Procurement managers can use Commerce One Auctions Services as an effective tool to improve supplier relationships by gaining more control over procurement processes. And sellers can use Commerce One to generate new revenue channels from new and existing customers by capturing the real-time market value of everything from scarce goods and services to excess inventories.

Big Savings, Without the Technology Hassle.

With Commerce One Auction Services, companies can save a substantial amount per transaction. All within a flexible and scalable private-branded Web solution that's available today. And all with minimal up-front investment and fast implementation times.

Previously, would-be auctioneers had three choices: build a proprietary auction system, buy a shrink-wrapped software solution, or host an auction through a third-party vendor. Of course, customized solutions are expensive, time consuming, and lead to rapid obsolescence. Shrink-wrapped software has limited flexibility and scalability, and requires extensive training and support. And hosted auctions seldom allow access to critical business information, such as excess inventory levels, supplier lists or customer lists.

The Best of All Worlds

Commerce One Auction Services offer the best of all worlds by creating a unique application that allows companies to quickly and efficiently participate in dynamic exchanges, including forward auction, request for quote (RFQ), reverse auction, and exchange mechanisms.

In fact, Commerce One Auction Services is the only solution that offers:

Enhanced Profitability

- There are no up-front costs to buy new servers, databases or hire and train software developers and database administrators to support the application
- The system is hosted by Commerce One, and paid for via a nominal fee-per-transaction, revenue sharing model
- Better prices and reduced staff time for procurement and liquidation result in substantial cost savings and allow you to focus on your business, not your IT infrastructure

Complete Control

- Commerce One enhances your control over procurement and liquidation, preserving the structure of the current processes while adding new functionality
- The system strengthens supplier/channel partnerships by streamlining and speeding transactions with trusted trading partners
- Suppliers can be selected or pre-qualified
- Administrators have control over every aspect of the solution, including access, win parameters (price, payment terms, sales volume, etc.), and access privileges – including who bids; how much they can bid; and what items participants can bid on

Simplicity

- Since Commerce One Auction Services is an ASP solution, there is no up-front investment; you don't need to design and implement an infrastructure, staff an IT team, or purchase any equipment

- The system is fast to deploy – in a matter of days instead of months
- The browser-based, point-and-click system is easy-to-use and easy-to-understand
- Open systems interoperability ensures the solution works with your existing technology, including ERP, database, and OS infrastructures
- Administrators can easily create a private-branded site, as well as set up items for auction, define win parameters and customize the application to meet the look-and-feel requirements of the organization through easy-to-use wizards
- Auction rules can be customized to fit any business need
- Import/Export tool eliminates double entry of inventory and purchase/sales information

Trust

- Commerce One is a leading provider of electronic commerce solutions to companies you know and respect, and provides excellent service and support with a full understanding of the importance of supplier/channel partnerships and industry best-practices

Guaranteed Uptime

- Commerce One Auction Services are designed from the ground up to provide 24x7 availability, and support clustered Web server, application server and database servers running on Microsoft Windows NT and Windows2000 for the highest level of reliability available today

Total Security

- Our controlled Auction Services solution enables authentication for registered users and supports Digital Certificates and SSL technology for tight security and bulletproof data encryption

Full Scalability

- Commerce One provides an unprecedented level of flexibility to scale to new business needs, and offer built-in support for clustering and load balancing, as well as an N-tier architecture model to add more application and database servers as the needs for additional transaction processing emerge

A Major Economic Force

According to Forrester Research, business-to-business auction sales will increase from \$8.7 billion in 1998 to \$52 billion in 2002. Keenan Vision anticipates more aggressive growth, estimating that online auctions will explode from \$8.8 billion in 1999 to \$88 billion in 2002. Keenan Vision also expects online auctions to represent a greater percentage of overall business-to-business e-commerce sales in the future, growing from 13% of total sales in 1999 to 26% in 2002.

Commerce One Auction Services is helping a growing number of companies capitalize on this trend, including Schlumberger and General Motors, among others.

We're ready to do the same for you, with services and solutions to help you realize a strategic, competitive advantage and a rapid return on investment, through the power of Internet auctions

About Commerce One

Commerce One Auction Services is a division of Commerce One (NASDAQ: CMRC), a leading provider of electronic commerce solutions that dynamically link buying and supplying organizations into real-time trading communities. Commerce One enables companies to significantly reduce operational costs and increase efficiency by automating the entire indirect goods and services supply chain. www.commerceone.com.

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