

# Elemica vs chemconnect essay



**ASSIGN  
BUSTER**

1. Why is Elemica described as an example of an industry consortia net marketplace? How does it differ from other types of net marketplaces like ChemConnect?

Elemica is described as an example of an industry consortia net marketplace because it is an industry-owned vertical digital market that is open to a select group of suppliers. The company enables one-stop shopping through a single platform so companies can buy and sell chemicals to one another through their own ERP systems, or using a Web alternative. Elemica is a global, neutral information network built to facilitate order processing and supply chain management. It is owned by partner members as oppose to having one single owner. Elemica is a hub that allows a company to transact with all other linked buyers and sellers who already have contracts in place.

Its focus is to help chemical companies with the everyday business of executing known commercial trading relationships where the buyer and seller not only know one another, but have already negotiated price and commercial terms. Elemica is the first e-commerce company to commercialize what many consultants have called the “ holy grail” of e-commerce: “ ERP-to-ERP” connectivity. Using standards developed by the members, Elemica connects each member company’s enterprise planning system - whether SAP, Baan or other - to the hub to automate confidential transactions.

ChemConnect, in the other hand, operates as an exchange platform; it is an independently an owned vertical digital marketplace that enables direct inputs and transactions. IT helps customers optimize their purchasing and

sales processes for chemicals, plastics, and related products through a unique combination of market information, industry expertise, e-commerce solutions, and an active network of trading partners, enabling.

Opposite to Elemica, there are also horizontal market places that sell a few products or services to a wide range of buyers, and do not provide an enhance platform for transacting, collaborating, coordinating, and collaborating. Those companies supply products and services directly to individual businesses referred to as e-distributors, such as grainer. com and partstore. com, and e-procurement such as Ariba and PerfectCommerce that provide products to other companies.

2. If you were the owner of a small chemical company, what concerns would you have about joining Elemica? If I were the owner of a small chemical company contemplating joining Elemica, I would be concerned with my ability to meet partners' request for large orders. Not being able to do so my discredit my business. At the same time one of the benefits of being a member of Elemica is the possibility of having getting large orders.

3. Elemica claims to provide a community for participants in which they can transact, coordinate, and cooperate to produce products for less. Yet these firms also compete with one another when they sell chemicals to end-user firms in the automobile, airline, and manufacturing industries. How is this possible?

The Elemica hub is perceived as a neutral trading platform where all can benefit from lower cost to serve, greater efficiencies, and overall more efficient operations that can serve customers better. By keeping bids and

quotations unknown to potential buyers, and the community pool large, members can still differentiate themselves and compete with one another.