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March 12, 2001

**Tech Center**

## WebMethods and i2 to Couple Products for Web Exchanges

By **NICOLE HARRIS**

Staff Reporter of THE WALL STREET JOURNAL

**I2 Technologies** Inc. announced a strategic partnership Monday with fellow software maker **webMethods** Inc., a deal that will link two large participants in the business-to-business e-commerce software market.

Under terms of the pact, i2 will include webMethods' software with each new sale of its own software packages. The companies also will jointly develop new supply-chain management products for business-to-business marketplaces on the Internet and form a jointly staffed business unit to oversee the relationship. WebMethods says it expects the agreement to generate as much as \$100 million of additional revenue during the course of the four-year contract.

I2, of Irving, Texas, specializes in software for Web-based marketplaces and supply-chain management programs that help manufacturers track the availability of parts and supplies and improve factory planning. WebMethods, of Fairfax, Va., is a major provider of business-to-business integration software, which allows big companies' complex computer systems to communicate with one another via the Internet. Under the joint deal, webMethods and i2 aim to bring together their software systems and offer customers a complete package.

Both i2 and webMethods executives said the pact will help them target large customers who are building their own electronic exchanges to link an invited group of suppliers and partners on the Web.

"This is targeted more to large corporations who need to use the software internally with their largest trading partners," says Phillip Merrick, chief executive of webMethods. "This isn't about shaving pennies off the dollar in buying paper clips; it's about providing systems that eliminate inventory and allow companies to collaborate with their supply chain in real time."

As part of the deal, webMethods will issue warrants to i2 for the right to purchase as many as 750,000 webMethods shares for \$40 each. At 4 p.m. Friday in Nasdaq Stock Market trading, webMethods fell 8.5%, or \$2.38, to \$25.69, while i2 dropped 9%, or \$1.94, to \$19.50.

Write to Nicole Harris at [nicole.harris@wsj.com](mailto:nicole.harris@wsj.com)<sup>1</sup>

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