IBM

Raja delivers realtime service with B2B e-commerce site from IBM.

Overview

■ **Challenge**
  Industrial packaging distributor wanted to transform its customer relationships by providing realtime ordering and account management capabilities, while reducing operating costs and increasing profitability

■ **Solution**
  Web-based B2B solution providing e-commerce and self-service account management on demand, leading to lower costs, pleased customers and streamlined business processes

■ **Why IBM?**
  IBM was perceived as a reliable technology leader committed to open standards and backed by a global market presence

■ **Key Benefits**
  100% payback in less than 1 year; volume of Web-based business increased by 200% after launch of new site, expected to expand by an additional 300% within the next year; anticipated improvement in sales margins; heightened customer satisfaction; improved backend integration and simplified order processing

Raja's e-commerce solution, powered by WebSphere and DB2 software from IBM, was awarded the Best B2B Web site prize of 2002 by FEVAD, the French direct-selling and mail-order federation.

With 150,000 customers in six countries, Raja *(www.raja.fr)* is Europe's leading distributor of commercial packaging supplies. The company, headquartered in Paris, employs a staff of more than 500 and posts annual revenues of more than €130 million (US$153 million).

But the company was watching the marketplace change at a rapid pace and management quickly realized that Raja required a fundamental change in the way it did business.

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>
> *— Romain Roulleau, e-business Manager, Raja*

Anticipating and responding to customer and market demands in realtime

"Our customers are delighted with how easy it is to submit orders and manage their accounts in realtime. Less than a year after implementation, we have received full return on our investment at all five national sites."

–Romain Roulleau

"We knew that key players in other industries—such as office supplies and industrial equipment—were developing a prominent presence on the Web, with realtime e-commerce tools that could respond to the needs of our European marketplace," says Romain Roulleau, Raja's e-business manager. "It was only a matter of time before our own competitors did the same. In order not to lose business, we needed to transform our business."

Transforming the business

Traditionally, Raja has used mail-order catalogues to market its more than 7,000 products, from postal boxes and corrugated cartons to cushioning and stretch film. The company felt it could gain a significant competitive advantage with a more responsive approach to a changing marketplace, something that would enhance customer relationships while cutting advertising and marketing costs. In an attempt to reach this goal, Raja reworked part of its existing business model, implementing a simple e-commerce module from its Web hosting provider.

The results, unfortunately, were far from what the company expected. Not only did the simple e-commerce solution not drive new business but, according to Roulleau, "Customers let us know they were disappointed." The problem was that this approach was not truly transformative—it did not streamline processes or integrate applications in order to create a seamless customer experience.

"Our Web site featured only 30 percent of the items in our catalog," Roulleau explains. "It was not searchable, provided no account management or order tracking capabilities and didn't integrate with our backend systems. It could not expand to accommodate growth, and it furnished no means of capturing valuable business information from online purchases. We needed to respond more dynamically to our customers' needs."

To achieve that transformation, Roulleau and his colleagues evaluated e-commerce offerings from various vendors, but these, too, fell short. Then, during a routine sales visit, systems integrator Nouvelle Logique E-business (NLE), an IBM Premier Business Partner, proposed a realtime Web-based e-commerce and self-service account management solution, based on IBM WebSphere Commerce Professional Edition and IBM DB2 Universal Database. "We were immediately impressed with

the superior selling functionality, business intelligence capabilities and scalability of the IBM On Demand Business solution," Roulleau observes. "As a multinational company, we felt confident adopting a solution that was backed by the strong global market presence and technological leadership of IBM. As for NLE, we knew that its proven expertise in best-of-breed technologies would enable us to stay focused on our core business of marketing excellent industrial packaging solutions."

Secure, intuitive shopping

NLE implemented five country-specific versions of the IBM B2B Web solution, completing the project in only 12 months. The five localized e-commerce sites give visitors realtime access to product and pricing information. From each site's main page—which the company regularly updates with focused offers for Web users—customers can search by keyword or navigate an intuitively organized hierarchy of product categories. They can also view delivery and payment policies, as well as company news and career opportunities.

Leveraging on demand shopping functionality from WebSphere Commerce, registered customers can add products securely to their virtual shopping baskets, review and place orders and manage their accounts. Product and pricing data, as well as customer account information, are stored in DB2 Universal Database.

Raja has fulfillment facilities in all of its countries of operation, each of which maintains its own list of suppliers and uses its own purchasing, distribution, accounting and resource management software. By developing custom Java™ components using IBM WebSphere Studio Application Developer, NLE was able to create a uniform structure to communicate with all of these backend systems, so that orders can be picked, shipped and invoiced. A nightly automatic batch process updates the DB2 database with pricing and product changes registered throughout the day. "Thanks to its strong support for Java technology and open standards, WebSphere Commerce integrates easily with our diverse business management infrastructure and simplifies order processing and fulfillment," notes Roulleau. "That was a prime motivator in our choice of the IBM solution."

On Demand Business Benefits

- The solution has reduced operating costs, streamlined business processes, strengthened customer relationships and improved profitability
- Web pages that can be dynamically updated have proven a more effective marketing vehicle than quarterly printed catalogs
- The solution is permitting Raja to produce agile, aggressive, focused marketing initiatives, such as flash clearance sales. And the company is beginning to build targeted promotions that respond directly to customer behavior
- Strong support for open standards permits the solution to integrate easily with Raja's diverse business management infrastructure, simplifying order processing and fulfillment
- Advanced multicultural support permits the company to provide localized content, such as price, tax and shipping information calculations in the appropriate currency, across five country-specific Web sites, while reinforcing brand identity with a common look and feel
- Support for customized discounting allows for flexible pricing structures

Bolder marketing initiatives

According to Roulleau, Raja has reaped impressive gains from its IBM On Demand Business solution. "We have increased the volume of our Web-based business by 200 percent in comparison with our initial solution, and we expect Web sales to increase by an additional 300 percent within the next year," he notes. "Our customers are delighted with how easy it is to submit orders and manage their accounts in realtime. Less than a year after implementation, we have received full return on our investment at all five national sites. In addition, our IBM e-commerce and Web self-service sites have reduced our operating costs, streamlined our business processes, strengthened customer relationships and improved our profitability. What's more, we have found that Web pages that can be dynamically updated are a more effective marketing vehicle than our company's quarterly catalog print runs."

But the greatest value of Raja's new e-commerce Web sites, Roulleau says, is that they allow the company to respond flexibly to a broad range of customer needs. "IBM's versatile e-business technologies help us satisfy the requirements of numerous industries, business cultures and local economic environments," he explains. "For example, the advanced multicultural support built into WebSphere Commerce lets us easily provide price, tax and shipping calculations in the required currency format and language, while reinforcing our brand identity with a uniform look and feel. And by supporting customized discount programs for our key accounts, it permits us to flexibly manage our pricing structures and maximize our profitability."

In the coming months, Raja anticipates deriving even more benefit from its IBM On Demand Business solution. "The speed and ease with which we can update the Web sites is inspiring us to produce agile, aggressive, focused marketing initiatives, such as our new flash clearance sales on the Web," Roulleau says. "We are also looking at ways to make use of the advanced business intelligence capabilities of WebSphere Commerce to build targeted promotions and campaigns that respond to specific customer behavior."

Roulleau concludes: "Our Web initiative began with the belief that On Demand Business could transform our business by heightening our visibility and helping us to efficiently identify and fulfill our customers' needs. Now, thanks to IBM and NLE, we are achieving those goals faster and more extensively than we thought possible."

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