

# Anaconda Sports scores with responsive, rapidly-deployed IBM e-commerce solution.

## Overview

### ■ Challenge

Online sporting goods retailer had outgrown its Web site infrastructure, which prevented it from meeting customer demands, caused high maintenance costs and obstructed its focus on core marketing tasks, preventing it from achieving higher profits

### ■ Why Become an On Demand Business?

Anaconda needed to deploy a resilient hosted e-commerce store site on a variable cost model so it could be more responsive to its customers, reduce its fixed costs and focus on its key marketing activities

### ■ Solution

New hosted e-commerce solution provides Anaconda with tools to create and manage personalized promotions and bandwidth for responding to demand on a variable cost basis, enabling the company to concentrate on its marketing goals

### ■ Key Benefits

20% increase in sales over a 3-month period and a projected 100% payback of investment in a year or less, with an increase in large-volume orders and ability to scale to support a 67% increase in unique visitors



Sporting goods retailer Anaconda Sports is the inventor of The Rock basketball, used by many basketball teams today, including champions Syracuse Orangemen.

Nothing in the big leagues can match the thrill experienced by a 10-year-old scoring the winning run or goal. Serving the amateur market, sporting goods retailer Anaconda Sports (Anaconda) also knows the satisfaction of winning. Today, the 150-employee company is the largest outfitter of amateur league sports and school district athletic equipment in the United States.

Based in Kingston, New York, Anaconda ([www.anacondasports.com](http://www.anacondasports.com)) sells to wholesalers, mass merchandisers, distributors and the general public.

*“We were busy answering complaints, handling emergencies and performing wasteful manual tasks to get our orders out. We couldn’t satisfy our customers, so they were going elsewhere.”*

*—Rob Meyer, Director of Internet Services, Anaconda Sports, Inc.*

## ***Anticipating and responding to customer and market demands in realtime***

### **On Demand Business Benefits**

- Enhanced responsiveness to customers contributes to 20% increase in online sales over a 3-month period
- 6-week development and implementation cycle; used 70% out-of-the-box functionality of WebSphere Commerce for base solution; 30% custom coding used for integration to core fulfillment systems
- Projected 100% payback within a year or less due to increased sales and decrease in administrative and IT costs
- Increase in larger league/school district orders of \$5,000 to \$10,000
- Elimination of high fixed costs with variable rate tied to usage
- Ability to rapidly create targeted promotions and marketing campaigns in hours and branded Web sites in 2 days or less using WebSphere Commerce
- Scalability to handle 67% increase in unique visitors

Anaconda generated \$50 to \$60 million in its latest fiscal year by selling baseball, soccer, basketball and other sporting equipment through its online, sales force and direct-mail channels, and its one brick-and-mortar store in Kingston.

Although its Web sales were keeping pace with its financial goals, the company felt that it could have earned even higher profits had it not outgrown its Web site's infrastructure. To begin with, the site—built years ago and hosted by a local company—was not integrated with back-end warehouses or credit verification services. Data entry clerks had to re-enter orders into computers for fulfillment, and then contact each customer individually by phone or e-mail to obtain and verify credit card information. Without the ability to securely defend against credit card fraud, Anaconda Sports lost thousands of dollars a year due to fraudulent credit card use. In addition, the site frequently crashed, and the company found that maintaining, fixing and enhancing it was difficult, costly and time-consuming. What's more, it took the company weeks and thousands of dollars to create and implement cross-selling and up-selling campaigns, along with branded stores for their leading customers. Because of these limitations, customers—especially sports leagues, school districts and others with large-volume orders—were heading for other online vendors.

“We had lost the ability to meet online customers' demands because we were busy answering complaints, handling emergencies and performing wasteful manual tasks to get our orders out,” says Rob Meyer, director of Internet services, Anaconda Sports, Inc. “We couldn't satisfy our customers, so they were going elsewhere. And we didn't have time to focus on our key objective, which was to get more large-volume league customers and become their exclusive suppliers.”

Anaconda needed a resilient and secure yet affordable e-commerce infrastructure to support its existing Web store so it could respond to the needs of online customers. The company was also eager to replace its high-maintenance Web site with a hosted solution on a variable cost model so that it could reduce its fixed costs and focus on its key marketing objectives. Finally, it needed a set of powerful marketing and catalog management tools designed to make it easy for the business staff to help carry out those objectives.

### **Automated selling machine hits its target**

Working with IBM Premier Business Partner Strategic Computer Solutions (SCS), Inc., the retailer implemented a highly resilient business foundation for its Web store. The new retail system, capable of integrating Anaconda's ordering and administrative processes, provides a new level of customer responsiveness. The new online store integrates with back-end systems and with credit verification and shipping services. It allows the company to respond to its customers' needs automatically and fulfill orders without manual data entry or confirmation. The underlying infrastructure, based on IBM @server BladeCenter™ and Linux, brings a new level of resiliency to support the retail system and customer service levels. Unburdened by complaint calls and reprogramming chores to fix emergencies, staff members can now concentrate on creating new marketing campaigns and upselling and cross-selling opportunities. SCS hosts the site, charging a variable rate based on usage, which keeps the company's expenses down during slow periods.

"I knew immediately that the solution was a success because my job changed," says Meyer. "I'm not spending my time berating our IT people, our customer service agents and our Web vendor. I'm focused on developing new relationships with sports organizations, and creating new campaigns to sell more bats, balls and gloves."

### **Building performance and scalability**

To meet Anaconda's needs for scalability and performance, SCS used IBM WebSphere® Commerce, a scalable end-to-end e-commerce solution based on open standards that delivers support for instantaneous e-commerce transactions. Components include IBM WebSphere Application Server and IBM DB2® Universal Database™. IBM TotalStorage® FASTT700 Storage Server protects data assets over the long term. The software resides on a resilient, scalable IBM @server BladeCenter running both Linux and Windows® to provide maximum performance and scalability for the future.

"BladeCenter allows us to accommodate growth simply by adding blades," says Darrin Nelson, vice president, software and services, SCS. "The ability of WebSphere Application Server to handle large-volume demand is also essential to Anaconda's growth strategy. With its multithreading capability, WebSphere Application Server is the foundation for building a reliable Web site that easily scales to peak demands."

SCS chose to run DB2 Universal Database on Linux, because of the cost advantage and the improved reliability and scalability. Anaconda's licensing arrangements with its league partners, such as Babe Ruth League, Men's Senior Baseball, and Boys and Girls Clubs, create large amounts of data. "We know that DB2 on Linux is scalable to four terabytes of RAM," says Nelson. "That makes it a perfect match for this type of business."

### **Out-of-the-box functionality accelerates development**

Exceeding even Anaconda's expectations for a rapid implementation, WebSphere Commerce provided the functionality to implement the site in just six weeks, according to Nelson. "Over 70 percent of the site came from the out-of-the-box functionality of WebSphere Commerce," he says. SCS also integrated the commerce engine with Anaconda's legacy inventory, warehouse and fulfillment systems, and with VeriSign for credit card validation and UPS for address validation.

One of Anaconda's major goals was to be able to utilize the technology of the site to quickly create new special offers and branded sites for league customers. Using IBM WebSphere Commerce Accelerator, the powerful wizard-based tools framework included with WebSphere Commerce, the company can develop and publish new sites in as few as two days and program special offers, including rules-based discounts, in just hours. "With our former Web environment, it took us three to six weeks and cost thousands of dollars to implement new sites or even just changes. Now, we can collaborate with our marketing staff, focus on creating the most effective promotions and implement them within hours or days with no additional cost to us," says Meyer.

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## **Key Components**

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### *Software*

- IBM WebSphere Commerce
- IBM WebSphere Application Server
- IBM DB2 Universal Database
- Red Hat Linux

### *Servers*

- IBM @server BladeCenter
- IBM TotalStorage FASTT700 Storage Server

### *Business Partners*

- Strategic Computer Solutions, Inc.
  - VeriSign, Inc.
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*"We have the ability to control our destiny now. The tools and the bandwidth we need are available to us on demand, thanks to SCS and IBM."*

*—Rob Meyer*

### **Reducing fraudulent transactions**

Working with IBM business partner VeriSign, Inc., Anaconda used the VeriSign Fraud Protection Services to help securely and efficiently defend against fraud. Since installing the service, Anaconda hasn't lost a single dollar to bad debt. "Few solutions prove their results so quickly. Given the amount of fraud we had before, VeriSign's Fraud Protection Services has paid for itself over and over," says Meyer.

### **Protecting the e-commerce investment with open standards**

Because WebSphere and DB2 software are based on open standards, Anaconda's new Web site is portable across platforms and can be integrated with other vendors' products. "We didn't want to be locked into a particular vendor's platform and are totally in agreement with IBM's roadmap for On Demand Business," says Meyer. "The best way for us to protect our investment is by using open standards. That's what SCS has done by using IBM components, and that's why we chose them."

Right now, Anaconda's e-commerce investment is paying off handsomely. In its first three months of operation, the site posted a 20 percent increase in sales over the same period in the previous year, an amount that portends a high double-digit annual increase. "We project a 100 percent payback on our investment within a year," says Meyer. "What's particularly gratifying is the increase in league and school district customers with large orders. We're seeing \$5,000 to \$10,000 orders more frequently."

The site is also experiencing a 67 percent increase in visitors, from 3,000 per day to 5,000 now. Since data re-entry is no longer necessary and complaints about the Web site's performance have ceased, Anaconda has been able to reassign two full-time personnel to more profitable marketing roles. And the company is also enjoying lower IT costs with a variable rate tied to usage. By hosting and managing the site, SCS has given Anaconda the invaluable ability to focus on expanding its presence in the marketplace.

That presence is likely to grow as Anaconda's business staff has more time to focus on marketing efforts and can leverage the built-in, advanced features of WebSphere Commerce, such as e-mail campaigns, rules-based discounts and analytics. In the meantime, Anaconda knows it has the capability to drive its growth and meet the demand it creates, and has the tools it needs in WebSphere Commerce. "We have the ability to control our destiny now," says Meyer. "The tools and the bandwidth we need are available to us on demand, thanks to SCS and IBM."

### **For more information**

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