

Wolferman's finds that responsiveness is key ingredient to customer satisfaction.

Overview

■ Challenge

The specialty food purveyor was losing customers because its outmoded business processes were unable to handle the increasing number of online orders placed during the holiday season

■ Why Become an On Demand Business?

The company urgently needed to respond to its customer requests in real time, with no slowdown during periods of peak demand

■ Solution

Wolferman's implemented an e-commerce system that streamlines the Internet-shopping processes, allowing customers to order quickly and track shipments in real time

■ Key Benefits

Between \$250,000 and \$300,000 in annual savings through lowered administrative costs and reduced call center expenses; 100% payback within a single peak seasonal period; substantially lowered IT costs due to outsourcing



The new Wolferman's Web site has proved to be a recipe for success for the specialty food purveyor.

It's a big wake up call when you can lose out on approximately \$500,000 during your peak business period.

That's what happened to Wolferman's (www.wolfermans.com), the Kansas-based specialty foods purveyor, when it couldn't handle an increasing number of holiday shoppers. "The market we're in is highly competitive," says John Butorac, divisional vice president at the 25-employee, \$20 million company. "When people start abandoning their shopping carts because it takes minutes instead of seconds to order our english muffins online, you're not going to stay in business very long."

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Anticipating and responding to customer and market demands in real time

On Demand Business Benefits

- Enhanced responsiveness to customers has fueled 20% increase in sales in one year
- Streamlined processes have improved efficiency of call center staff and helped to lower costs significantly
- Open standards-based infrastructure allows company to easily scale to meet future traffic demands
- Linux delivers high reliability at a low cost

“A typical order placed with the call center costs between \$4 and \$5 to process. But when customers go through our new Web site based on WebSphere software, the cost goes down to as low as \$1.50 per order. That adds up to between \$250,000 and \$500,000 a year in savings.”

– John Butorac

Wolferman's may be renowned for its delicious recipes, but it certainly isn't the only place to buy a Christmas gift basket on the Internet. With online shoppers taking their business elsewhere when Wolferman's Web site was responding slowly, the company risked losing significant market share if it didn't revamp the way it transacted business.

Transforming the buying process

What Wolferman's needed was a new, streamlined business process suitable for an increasingly competitive industry environment. “If we didn't give our customers faster and more reliable online shopping, our competitors would,” says Butorac. “We needed to update our e-commerce business model to provide speedy purchases and instantly available information on products and orders. This in turn would result in happier consumers and increased revenues. In addition, we wanted to explore the possibility of variable cost structures, which would allow us to maximize profitability during periods of either spiking or slack demand.”

As the next holiday season was fast approaching, Wolferman's was under pressure to move quickly. The company zeroed in on creating a new system that would respond instantly to customer requests and orders—providing real-time information on product availability and status—and be capable of processing orders quickly in times of high demand. The company also wanted a hosted solution, which would allow rapid implementation.

Wolferman's revamps its Web site

To transform its e-commerce business process—and its Web site—the company considered various products and vendors. But since Wolferman's had broad experience with reliable, open standards-based IBM products, it selected IBM Business Partner eOneGroup, a Nebraska-based provider of e-commerce software products, as its vendor. Not only did eOneGroup have a close working relationship with IBM, it also had experience working with major online catalog companies.

Together with eOneGroup, Wolferman's redeveloped its e-commerce Web site using eOneCommerce, an enterprise e-commerce engine designed to run with IBM WebSphere Application Server and IBM DB2 Universal Database. Its out-of-the-box capabilities provided all of the functionality Wolferman's required, but with very rapid deployment and low total cost of ownership (TCO).

“Working with eOneGroup on the implementation allowed us to focus on providing better service to our customers,” says Butorac, “and through our hosting arrangement with plaNet Consulting, we don’t have to worry about day-to-day maintenance issues.”

“The IBM solution has transformed our Internet business,” says Butorac. “We were losing customers due to frustration, but now we’re getting e-mails from customers who rave about shopping on the Wolferman’s site. That translates into improved customer loyalty and can increase profits.”

The new Wolferman’s Web site was designed from the ground up for high performance and stability. It responds in real time to customer requests, with no slowdown during periods of peak demand. In addition, the site’s improved functionality has led to both low costs and the ability to offer personalized services, such as a fast checkout process for registered members. Finally, the selection of a hosted implementation allowed a fast start for the new site, so critical holiday sales were not lost to competitors.

Revamped infrastructure pays for itself in record time

According to Butorac, the company saves money every time a customer makes a purchase over the Internet. “A typical order placed with our call center costs between \$4 and \$5 to process,” he explains. “But when customers go through our new Web site based on WebSphere software, the cost goes down to as low as \$1.50 per order. That adds up to between \$250,000 and \$300,000 a year in savings.” The savings are a result of the lower administrative overhead and order-fulfillment costs, because the Web business eliminates manual order processing and minimizes calls to the company’s toll-free line.

And that’s just the beginning of the benefits, Butorac notes. “By preventing a repeat of the \$300,000 to \$600,000 in losses that we previously experienced, the solution has paid for itself in a single holiday season,” he adds. In addition, Wolferman’s is using a rack mounted IBM @server xSeries system. “The space saving that racking provides has significantly reduced rental costs at our Nebraska hosting facility,” says Butorac.

Customers embrace feature-rich Web site

Now, customers can check product availability and have the results presented immediately and accurately. They can place orders, review previous requests, track shipments and much more—all in real time. The site is highly reliable and lightning fast, displaying detailed product information in seconds. “Plus, it’s a pleasure to use,” notes Butorac.

Key Components

Software

- IBM @server Integrated Platform for e-business
- IBM WebSphere® Application Server
- IBM DB2® Universal Database™ for iSeries™
- SuSE Linux

Servers

- IBM @server xSeries® 330 (as part of Integrated Platform)
- IBM @server iSeries

Business Partners

- eOneGroup
- plaNet Consulting

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The new solution resides on an IBM **@server** Integrated Platform for e-business on xSeries, and is integrated via XML and Java™ technology to DB2 Universal Database on the company's backend IBM **@server** iSeries system. IBM's Integrated Platform is designed for rapid deployment of on demand applications, and includes xSeries, WebSphere software, DB2 (optional) and the Linux operating system (SuSE SLES). IBM Business Partner plaNet Consulting hosts the solution at its data center in Omaha, Nebraska.

Fast performance and stability are two key reasons why Wolferman's chose a pair of xSeries 330 systems running SuSE Linux to provide the foundation for its revamped Web site. "Linux running on the highly reliable xSeries systems gives us the stable foundation for a rock-solid on demand site," explains Butorac. "By combining the robustness and considerable cost-effectiveness of Linux with the high performance of the xSeries systems, our Web site is now highly secure as well as affordable to run."

Moreover, having a redundant server platform allows Wolferman's to do business nonstop. "Now, if there is a server crash, it doesn't affect our whole business that day, because if the site fails, the system automatically moves over to the other server," says Butorac. "That means we can continue taking orders and not disappoint our customers."

Adds Butorac, "We've received e-mails from numerous long-time Internet customers who just raved about the ease of navigation and improved responsiveness of the site. A number of them said it is a pleasure to place an order with us online."

E-commerce application provides competitive advantage

The new Wolferman's e-commerce site was developed and launched in just five months, right in time for a new holiday season. Over a four-week period, Wolferman's processed more than 50,000 online orders over the weeks leading up to New Year's, an increase of 20 percent over the previous year. On its busiest day, the Web site had more than 1.7 million hits.

By re-architecting its Web site, Wolferman's has transformed itself into a state-of-the-art Internet business. Today, it is much more responsive to the needs of its customers, with an improved competitive advantage. "The new system that eOneGroup implemented helps us to future-proof our company," says Butorac. "Now we don't have to worry about keeping up with our customers, and we can easily add hardware and software if the need arises. As our business grows, we're confident that our IBM On Demand Business solution will continue to help us meet all of our goals."

For more information

Please contact your IBM sales representative or IBM Business Partner.

Visit us at:

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For more information about eOneGroup and plaNet Consulting, visit:

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