



# *FLOWER-NET's fast growth stems from IBM e-business solution.*

When their research revealed that the fourth most profitable online business is the sale of fresh flowers, Juan Luis Berumen and his two partners decided a virtual flower shop would be the perfect way to make their entrance into the world of e-commerce. The result of their efforts is FLOWER-NET, an online flower shop, [www.floresflownet.com.mx](http://www.floresflownet.com.mx), that offers

an exotic assortment of plants, flowers and gifts at competitive prices.

Located in Mexico City, Mexico, FLOWER-NET de Mexico S.A. de C.V. runs a lean e-business, powered by IBM Net.Commerce START (now part of IBM WebSphere™ Commerce Suite family) and IBM DB2 Universal Database for Windows NT. With just six employees, the company has generated sales in excess of \$80,000 in the ten months since the site was launched. Says Berumen, general manager of FLOWER-NET, “We expect to capture 10 percent of Mexico’s \$1.2-billion flower market within a year, growing that share to 39 percent by 2003. What’s more, FLOWER-NET achieved

a 100 percent return on investment in just 11 months—7 months sooner than we projected. This has allowed us to reinvest additional revenue in marketing and warehouse facilities to handle a larger sales volume.”

*“The IBM e-business solution offers state-of-the-art technology and yet is the most cost-effective solution available for a small business like ours.”*

– Juan Luis Berumen, General Manager, FLOWER-NET de Mexico S.A. de C.V.

<b>Application</b>	Online flower shop
<b>Business Benefits</b>	100% ROI in 11 months; projected 10% share of \$1.2 billion market in one year, 39% share by 2003; \$80,000 in sales within ten months of site launch
<b>Software</b>	IBM Net.Commerce IBM DB2® Universal Database™ for Windows NT® IBM HTTP Server
<b>Hardware</b>	IBM Netfinity®
<b>Business Partner</b>	Global Information Services de Mexico



*FLOWER-NET's online business is blooming—generating revenues with low monthly overhead.*



FLOWER-NET worked with IBM e-business Solutions Partner Global Information Services de Mexico (GIS) to develop the site in just four months. "By choosing an IBM e-business solution, we were able to start this business with minimal upfront investment, and now we can maintain very low monthly fixed costs," says Berumen.

Although orders can be placed from anywhere in the world, delivery is presently limited to Mexico City and surrounding areas. An important customer segment for FLOWER-NET is the ten million Mexicans living in the United States, for whom FLOWER-NET now provides an easy way to order gifts for relatives and friends in Mexico.

### **IBM software makes it easy to do business**

FLOWER-NET's catalog has easy-to-search sections featuring flower arrangements for birthdays and weddings, gift recommendations for men and women as well as items suited for local businesses. Says Jorge Munoz, director of operations, GIS, "Given what they sell, it was important for the site to feature images and descriptions in an easy-to-navigate design. With DB2, we were able to store large images easily and retrieve them very quickly. The database's performance is excellent." Berumen agrees. "With Net.Commerce and DB2, we were able to facilitate the store's most complex functions without sacrificing the efficiency of the shopping process," he says.

IBM HTTP Server, running on an IBM Netfinity 3000 server, maintains the security of credit card information transmitted online with its support for industry-standard, 128-bit Secure Sockets Layer (SSL) encryption. Customers registering online with a user ID and password can create personalized address books and send customized cards along with the flowers. Repeat customers — 25 percent of the nearly 7,000 monthly visitors — can review information from previous orders to make shopping easier. As Berumen notes, "This historical information, stored in DB2, enables us to track the buying behavior of our customers — such as which flowers sell most frequently — enhancing our ability to improve our catalog and offer customized services."

### **Scalable infrastructure supports future plans**

Launching a start-up with limited resources, Berumen was concerned about the possible trade-off between technology and affordability. His doubts were soon dispelled. "The IBM e-business solution offers state-of-the-art technology and yet is the most cost-effective solution available for a small business like ours," says Berumen. "IBM also made it easy for us to get started — it put us in touch with GIS, which provided the technology skills to help us develop FLOWER-NET."

"I am delighted with IBM," he continues. "We now have an infrastructure we can leverage to support new e-commerce ventures." Next, the partners plan to introduce an online travel agency, Berumen Tours, and a new company to sell PCs and peripherals over the Web. Berumen notes, "We're confident the scalable IBM solution will support these new virtual businesses."

**For more information, please contact your IBM marketing representative or IBM Business Partner.**

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