IBM

Milwaukee Electric Tool Corporation powers up its sell-side online.

Overview

■ **Challenge**
Improve ordering efficiency and enhance relationships with distributors and customers while easing strain on customer support call center

■ **Solution**
B2B distributor self-service extranet based on IBM WebSphere® Commerce Suite; B2B promotional Web site for trade professionals based on Lotus® Notes® and Lotus Domino™

■ **Why IBM**
Ability of IBM Business Partner to provide complete solution; integration of WebSphere software with J.D. Edwards World, Version 8.1 and Domino on AS/400®

■ **Key Business Benefits**
90% reduction in online order-processing costs; first to market with B2B extranet for power tool distributors

■ **Business Partner**
Eviciti

■ **Services**
IBM Global Services (e-business strategy consulting)

One DB2® product catalog serves both Milwaukee's B2B extranet and its public Web site. Soon, DB2 will be called into service to manage the business intelligence information Milwaukee gathers.

Though die-hard do-it-yourselfers may wax passionate about their power tools, there still remains one standard of tools for professionals and another for the rest of us. And with good reason: plumbers, electricians, builders and other tradespeople need the best tools they can get, because their livelihoods depend on them.

Professionals who know tools turn to Milwaukee Electric Tool Corporation (Milwaukee). Offering more than 400 tools and 2,500 accessories for the professional tradesperson, the Brookfield, Wisconsin-based

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– Cindy Thoenes, Business Systems Manager, Milwaukee Electric Tool Corporation

> *"By integrating our Web initiatives within the organization, we've been able to improve business processes while leveraging new technologies. All of this has been possible because we selected Eviciti as our e-business partner and based our e-business infrastructure on IBM."*
>
> *— Cindy Thoenes*

company has been recognized for its high-quality products since its founding in 1924. Aiming to strengthen its image of excellence, improve customer service and reduce costs, the company recently explored ways to extend its operations to the Internet.

Specifically, Milwaukee wanted to overcome the inherent time and location constraints of its call center and enable distributors worldwide to do business with the company 24 hours a day, every day. It was also interested in keeping its call-center staff to a minimum and enabling the customer service representatives to focus on providing value-added service rather than answering simple order and account inquiries.

After consulting with its key distributors and IBM Global Services, Milwaukee outlined a series of e-business initiatives. The first initiative included the deployment of two Web sites. One would be a self-service business-to-business (B2B) extranet that would allow distributors to more conveniently browse and buy products, as well as track their orders. The second would be a redesign of its public Web site that would improve the company's ability to promote its products and enhance its relationships with its customers.

Milwaukee sells its products through authorized distributors, including contractor and industrial supply houses, home centers, hardware stores and mail-order companies worldwide.

Key requirement #1: leverage legacy assets

These online sales, support and marketing channel initiatives represented new ways of doing business at Milwaukee. While the company wholeheartedly embraced the innovation, it also recognized it needed to protect its core technology infrastructure investments. "Our J.D. Edwards enterprise resource planning (ERP) system—with its IBM DB2 database—is the transactional core of our business," says Cindy Thoenes, Milwaukee's business systems manager. "We needed to extend it to the Web and improve the interface between the data and the people who use it."

Key Components

Software

- IBM WebSphere Application Server, Standard Edition
- IBM WebSphere Commerce Suite, Pro Edition
- Lotus Domino R5
- Lotus Notes
- IBM DB2 Universal Database™ for AS/400

Servers

- IBM AS/400

Another key IT asset for Milwaukee was Lotus Notes, which has served as the company's internal collaborative platform since 1995. Milwaukee knew it could leverage Lotus Domino and its Lotus Notes framework to drive the new Web sites' content. As Thoenes notes: "The ability of Domino to deliver Lotus Notes applications both through Lotus Notes clients and through the Web makes it a very powerful collaborative tool."

Key requirement #2: integrate commerce and content
What the company lacked was an e-commerce engine to process distributors' orders. To be effective, the e-commerce engine would need to integrate with the J. D. Edwards system so that orders would be filled automatically. "Integration is what keeps me up at night," Thoenes says. "At the end of the day, I need to know that everything is going to work well together, that information will be entered once and flow everywhere it needs to go without the need for multiple systems."

After extensive research—and because of its history of positive experiences with Lotus and IBM products—Milwaukee decided on IBM WebSphere Commerce Suite, Pro Edition, with IBM WebSphere Application Server, Standard Edition, driving the order transactions.

WebSphere, Domino, AS/400 and Eviciti add up to e-business success
The next step was selecting an e-business vendor that could deliver a complete solution optimizing the IBM and Lotus technologies. While attending an IBM e-solutions seminar, Milwaukee became acquainted with IBM Business Partner Eviciti, and the chemistry between the companies was apparent from the start. "After talking with the people from Eviciti for about an hour, our team was more comfortable with them than with any of the other solution providers we had interviewed during our selection process," Thoenes recalls. "Eviciti's experience with the Domino R5 platform and its ability to integrate Domino and WebSphere Commerce Suite on the AS/400 server makes it unique in its market. It also offered the most complete solution, including AS/400 hosting capabilities and marketing services."

Six months later, Milwaukee went live with its new public Web site and its distributor extranet—the first of its kind in the power tool industry. A growing number of Milwaukee's distributors now place orders through the extranet, and the public site logs 40,000 visitors and as many as 600,000 page views monthly. And since Milwaukee marketing managers and other employees can create, publish and update their own content for the public site through a Lotus Notes window in their Web browser, the company doesn't need an army of HTML programmers to maintain the site.

As a result of this solution, Milwaukee has saved 90 percent in online order-processing costs, primarily due to the reduction in calls into its call center and the elimination of manual order entry into the J.D. Edwards system.

Extranet helps distributors help themselves
Milwaukee's password-secured B2B extranet enables distributors to perform all their product inquiry, purchasing and tracking tasks online, at their convenience. WebSphere Commerce Suite—which resides with IBM DB2 Universal Database on an AS/400 server at Eviciti's hosting facilities in Indianapolis, Indiana— provides the e-commerce engine that serves up the product information from Milwaukee's catalog. Through WebSphere Commerce Suite, distributors can review products, check prices and availability and enter new or repeat orders.

WebSphere Application Server—also running on Eviciti's server—drives the Java™ servlets that route product information requests to the catalog and send availability, order status and invoicing requests to J.D. Edwards. The ERP system is housed on an AS/400 server at Milwaukee's headquarters in Brookfield, Wisconsin. JavaServer™ Pages format the responses in HTML and present them to the distributor through the Web browser.

Professionals take pride in building things that last. That's why tradespeople choose Milwaukee, and Milwaukee chooses IBM e-business solutions.

> *"The WebSphere Commerce Suite Accelerator interface will make it very easy for marketing managers to create and launch highly targeted campaigns in just a few minutes."*
>
> *—Nicole Bair, Vice President of Consulting, Eviciti*

A virtual private network provides a secure connection between Milwaukee and Eviciti's hosting facility. The automated communications between the Web site and Milwaukee's backend system occur at varying intervals, depending on the information's criticality. For example, the Web site transfers distributors' pricing requests to J.D. Edwards World, Version 8.1, instantaneously. Every hour, J.D. Edwards World updates a DB2 database on the Eviciti server with order and inventory status. And every night, the ERP system transfers accounts receivable and sales history information to the Web site's DB2 database.

Distributors can also use the extranet to track the status of their shipments through UPS. All told, the ordering and inquiry services provided online could save up to 70 percent of the calls coming into the call center, according to Thoenes.

Nicole Bair, Eviciti's vice president of consulting, adds that while the databases are the silent workhorses behind all the e-business transactions, they should not be taken for granted. "There are massive amounts of data on this site," she says. "With all the data that must be accessed, speed is really an issue, and the performance of DB2 has been stellar."

A powerful site for power tool users
The public Web site includes access to the DB2 product catalog, information about Milwaukee's warranty policies and answers to commonly asked product questions. Domino, acting as the HTTP server for the public site, routes catalog requests to WebSphere Commerce Suite. The WebSphere software pulls the information from DB2 and returns catalog pages in HTML to the Web browsers. Visitors who want to order are referred to a local distributor—they do not have access to the shopping cart and ordering functions or any of the information in the J.D. Edwards system.

While on the site, trade professionals can access a Lotus Notes database containing all the service part schematics for Milwaukee's tools. Milwaukee employees use this database often, accessing it through Lotus Notes. Domino makes it easy to provide an HTML interface so Web site visitors can access it as well.

The public Web site also enables trade professionals to search for Milwaukee distributors and repair centers. "The information is refreshed automatically through an interface between Domino and the J.D. Edwards system," explains Thoenes. "This has eliminated the need for manual maintenance of the online listings, which had comprised 50 percent of the total cost of maintaining the site. Now those funds can be allocated to enhancing the site's functionality."

Beyond product-related information, the public Web site provides almost everything customers and the press would want to know about Milwaukee, including company background, press releases, ads and magazine articles. All of this information is updated continually by the marketing staff, using the Lotus Notes administrative interface.

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The site also features several special marketing initiatives. One is the Heavy Duty Club, a password-secured sub-site that provides trade professionals access to special offers as well as a members-only bulletin board. The club also allows them to register their tools online and participate in the design of new Milwaukee tools. Another marketing initiative is tied to the NASCAR Craftsman Truck Races. Milwaukee's special events manager maintains this section of the site, publishing race dates, race-related events and other items of interest.

Finally, to keep this 2,100-employee organization running strong, Milwaukee's human resources department posts job listings on the site and uses Lotus Notes to collect and file job applications submitted online.

What's next
Milwaukee plans to make ongoing improvements to the functionality of both sites. For example, it will use WebSphere Commerce Analyzer to track the buying behavior of distributors on the extranet, and based on this information, provide distributors with targeted promotional offerings.

"By migrating to WebSphere Commerce Suite Version 5.1, Milwaukee will also be able to take advantage of WebSphere Commerce Suite Accelerator to manage these promotions," notes Bair. "The WebSphere Commerce Suite Accelerator interface will make it very easy for marketing managers to create and launch highly targeted campaigns in just a few minutes."

WebSphere Commerce Suite will also drive a new Web site for authorized Milwaukee service centers, allowing these centers to process warranty claims online instead of by mail. Bair adds that the LDAP-compliant security model in WebSphere Commerce Suite Version 5.1 will make it easier for authorized users to access all these applications. Rather than typing in a user name and password for each application, users will need only to enter a single user name and password at the beginning of their online session.

Far from being isolated efforts, all of these projects are part of Milwaukee's painstakingly developed e-business strategy. "By integrating our Web initiatives within the organization, we've been able to improve business processes while leveraging new technologies," Thoenes says. "All of this has been possible because we selected Eviciti as our e-business partner and based our e-business infrastructure on IBM."

For more information
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