IBM

Cellnet answers call for online sales and support with IBM supply-chain extranet.

Application	Supply-chain extranet for mobile phone accessory dealers
Business Benefits	Multimillion dollar account won as a result of five-week development cycle; 100% payback on investment in 15 months; $5,000 to $10,000 in revenues per day from as many as 200 dealers; up to 99% projected savings on call center staffing overhead
Software	IBM Net.Commerce IBM DB2® Universal Database™ for Windows NT® IBM HTTP Server
Hardware	IBM Netfinity®
Business Partner	Gdotcom

The wide open spaces between the cities and towns of Australia are as renowned as its kangaroos and koala bears. Cellnet— one of Australia's leading distributors of mobile phone accessories, with 3,000 authorized dealers dispersed throughout Australia and New Zealand—found itself facing problems created by these vast territorial expanses. Its dealers were struggling to obtain product information in a timely manner and provide prompt responses to customer inquiries. Dealers, in order to locate product information, had to wade through price lists and copy product codes. Ordering was even more cumbersome; dealers needed to either fax or call in their orders, which had to be manually logged in to back-end systems.

"It costs between $10 and $30 to field sales calls through our call center, versus $2 to $4 through the extranet—a saving of as much as 99 percent."

– Paul Aldiss, Manager of Information Technology, Cellnet
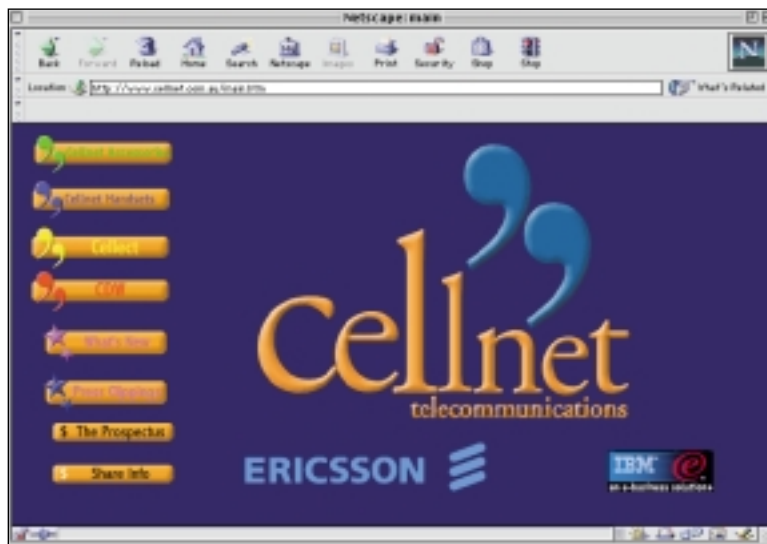
Cellnet carried on long-distance relationships with dealers across the continent, until the creation of an IBM-powered extranet.

IBM **e**
an e-business solution ▶

It's about business, not just technology.

Busy dealers can take care of customers during the day and submit Cellnet orders online at their leisure.

That was before Cellnet began reaching out to its dealers with a supply chain extranet based on IBM Net.Commerce (now part of the IBM WebSphere™ Commerce Suite family), IBM DB2 Universal Database and IBM HTTP Server. "We were able to tackle all of our challenges using IBM e-business technology. Net.Commerce and DB2 give us a scalable, reliable solution—one for now and the future," notes Paul Aldiss, manager of information technology at Cellnet.

Establishing the e-business advantage

Cellnet found itself spurred to action when a situation arose in which millions of dollars of potential business were on the line. One stipulation of a bid for a large dealer account was online ordering—with just five weeks to get the store up and running. Meeting the schedule was impossible with Cellnet's existing Microsoft® SQL Server-based site, because a very large number of business rules needed to be incorporated. In a chance meeting with IBM Business Partner Gdotcom, Cellnet learned about Net.Commerce and DB2. After five weeks and close collaboration between Cellnet and Gdotcom, the site was ready—and Cellnet won the account.

The extranet is already generating $5,000 to $10,000 a day in orders from as many as 200 dealers. Accessible from the Cellnet Web site, located at *www.cellnet.com.au*, the easy-to-use online storefront represents four district businesses—Cellnet Australia and Cellect New Zealand for accessories, and Cellnet Handsets Australia and CDW New Zealand for mobile phones.

The company expects to have 30 percent to 40 percent of its dealers online by the end of next year. With an average order worth U.S.$1,314 (AUS$2000), that means the extranet will soon be accounting for—and processing—millions of dollars in sales. In fact, the company expects the extranet to help boost its revenues from U.S.$131 million (AUS$200 million) to U.S.$329 million (AUS$500 million) within two years.

Available 24 hours a day, 7 days a week

The site's continuous availability as a sales center for dealers, and its time-saving automatic processing, will allow Cellnet to achieve this growth without significant increases in staff overhead. According to Aldiss, "It costs between $10 and $30 to field sales calls through our call center, versus $2 to $4 through the extranet—a saving of as much as 99 percent."

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–Paul Aldiss

"Adding the e-commerce side to the business is another string to our bow," says Aldiss. "While we've always had fairly streamlined internal processes, the extranet allows us to extend that convenience to anyone with access to the Internet. As a result, we'll undoubtedly recoup our investment in the Net.Commerce and DB2 solution within 15 months."

Commenting on the impetus to establish an e-commerce presence, Aldiss notes, "Our dealers want to know what a product costs—now. A price change may not seem significant, but a day can make a difference between a sale won and a sale lost."

"The competitive mobile phone market is growing at breakneck speed, and changing just as fast," says Aldiss. "We wanted to solidify our leading position in the marketplace by getting product information to dealers as quickly as possible."

"Gdotcom's visit was the turning point for us," says Aldiss. "There was no way we could have done it without their expertise and commitment. Thanks to the built-in macros in Net.Commerce, the Java™ connectivity support in the bundled DB2 Universal Database—and Gdotcom's help—we were able to meet a very aggressive deadline."

Dealers who order online no longer need to sort through price lists, copy product codes and fax or call in their orders. They now have realtime access—24 hours a day, 7 days a week—to a total of 3,500 products in some 1,000 categories. At Cellnet, there are fewer faxes to monitor, and fewer orders are entered manually into the back-end database.

Even the registration process is painless for dealers, because Cellnet already has the necessary customer information in its database. Dealers simply call Cellnet and request a user name and password.

A platform designed for growth
To create the dealer extranet, Cellnet used IBM Net.Commerce START with DB2 Universal Database for Windows NT. The solution runs on an IBM Netfinity 5500 M10 Server with the help of IBM HTTP Server. While DB2 currently connects to the company's legacy business databases, Cellnet plans to migrate all of its data to DB2 in the near future.

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– Paul Aldiss

Cellnet keeps dealers and their customers happy with 24-hour delivery, sales and service to any Australian or New Zealand destination.

Says Aldiss, "We're expecting rapid growth, so we have to be flexible. DB2 delivers that flexibility. We can scale up as much as we need to do so or even migrate from Netfinity to a larger server, without making any changes to the application."

When a price change for one of the company's products is entered into the legacy system, it automatically gets loaded to the Web, aided by the native drivers and replication capabilities of DB2 and the Java connectivity that DB2 supports.

In addition to facilitating dealer replenishment, the Cellnet Web site helps direct consumers to dealer shops by providing them the location of their closest retail store. The company is also building links to cellphone manufacturers' Web sites, as well as providing useful information about new mobile phone technologies and standards. One such standard is code division multiple access (CDMA), which offers superior call quality and functionality and is gaining acceptance as the leading standard for digital wireless service around the world.

Leveraging IBM expertise and reputation

Beyond Net.Commerce and DB2, Aldiss can take advantage of Cellnet's partnership with IBM to evolve its e-business services in many directions. In particular, Cellnet is taking advantage of the Application Framework for e-business, an open blueprint that prescribes a technology solution containing all the building blocks for an e-business application. "With the Application Framework for e-business providing the umbrella," he says, "we know we'll always have everything we need — software, servers and service — to continually add leading-edge enhancements to make our dealers' businesses more profitable and easier to manage."

One of these enhancements involves business intelligence. When more data has been aggregated in the database, Aldiss plans to conduct data mining on dealer buying patterns to better evaluate their preferences and assess market trends. The company also plans to use the data management capabilities of DB2 and Net.Commerce to increase revenues through cross-selling applications. "Companion sales of accessories do more than generate income for us," notes Aldiss. "The income opportunities are passed along to our dealers, too. In fact, they view it as a value-added service."

Because the extranet was created with and runs on IBM products, Cellnet is able to display the IBM e-business Mark on its home page. "IBM's reputation around the world is stellar," says Aldiss. "The IBM e-business Mark stamped in plain view on our home page definitely boosts our credibility."