IBM

Flowergrower.com prunes supply chain with B2B e-marketplace.

Overview

- **Challenge**
  Create a B2B e-marketplace for the global floral industry that encompasses the entire supply chain, from the field to the florist

- **Solution**
  Java™ technology infrastructure based on IBM WebSphere® software platform for e-business, integrating front-end e-commerce functions with backend SAP R/3 logistics and financial modules

- **Why IBM**
  IBM components provided a complete e-business solution; IBM had proven experience in the B2B space

- **Key Business Benefits**
  100% ROI expected in 24 months; significant reduction in handling and freight costs for retailers; ability to reuse the infrastructure to expand to additional market segments; savings of at least 50% in project costs as compared to typical SAP implementation

- **Business Partner**
  e-Integrators

Flowergrower.com delivers custom-cut flowers to retailers within 72 hours, enabling them to provide varieties that would never survive the traditional distribution process.

A dozen red roses can cost a pretty penny, and yet, profit margins in the floral industry are razor thin. Flower growers stay in business only through a consistent stream of repeat orders from florists, garden centers and supermarkets. That makes it especially important to keep these customers satisfied, which isn't easy. All too often, by the time the blooms arrive at their destination, they're drooping and journey-worn.

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– Andrew Manton-Zamora, CEO, Apisis Group (Flowergrower.com)

e-business

Key Components

Software

- IBM WebSphere Application Server, Advanced Edition
- IBM WebSphere Commerce Suite, Professional Edition, Version 4.1
- IBM DB2® Universal Database™ for AIX®
- IBM MQSeries®

Servers

- IBM RS/6000®

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—Rutger J. Th. Borst, Vice President and COO, Apisis Group (Flowergrower.com)

With a decade of experience in the global floral industry, Andrew Manton-Zamora knows the problem well. "The floral supply chain is fraught with intermediaries and inefficiencies, creating unnecessarily long delivery lead times," he explains. As a result, retailers in the U.S., which import 70 to 80 percent of their flowers, may receive them as many as 14 days after they are cut. And a full 50 percent of what they pay for the flowers goes to cover logistics costs.

In 1999, Manton-Zamora saw an opportunity to change this state of affairs by leveraging e-business technology to enable direct trade between retailers and growers, while streamlining the logistics and payment processes. His brainchild, Flowergrower.com, would be a public floral e-marketplace providing commerce, logistics and payment functions from one place. This integration of services would be the fundamental difference between Flowergrower.com and competing e-marketplaces, which primarily offered e-commerce transaction processing loosely coupled with external logistics and financial services.

Having selected SAP to provide its logistics and payment functions, Flowergrower.com (now part of Apisis Group) sought an e-business solution provider to develop its front-end sourcing and ordering application, implement the SAP system and integrate the front-end and backend into a seamless whole.

The search led to IBM Business Partner e-Integrators. The Boca-Raton, Florida-based company offered Flowergrower.com a unique combination of SAP and e-business expertise, and equally important, an open-door approach to doing business. "We reviewed many solution providers, including Oracle providers," Flowergrower.com CEO Manton-Zamora says. "What was unique about e-Integrators is that we had direct access to the programmers doing the work. That was important when we needed to explain the intricacies of our business processes."

A solution geared for growth

e-Integrators could have delivered a solution based on almost any software its client requested, but Flowergrower.com needed an easily customizable merchant server to accommodate the specialized nature of the flower procurement and distribution processes. It also needed a highly scalable infrastructure that would

allow Flowergrower.com to extend its services to thousands of flower retailers and wholesalers. So, e-Integrators proposed a solution based on the IBM WebSphere software platform for e-business. Manton-Zamora and Apisis Group Vice President, COO and co-founder Rutger J. Th. Borst, readily agreed. "We decided to go with IBM products because we knew they were proven and know they are going to be around," Borst recalls. "That's something we couldn't say for a lot of the other e-commerce products we evaluated."

The e-marketplace currently connects more than 1,200 retailers in the U.S. with 40 growers in Colombia, Ecuador, the Netherlands and the United States, offering more than 6,000 varieties of flowers. Another 300 growers are waiting to sign up. According to Manton-Zamora, it shouldn't take more than 24 months for Flowergrower.com to achieve a full return on its investment in the e-business solution.

Three key links in the supply chain

Flowergrower.com provides its commerce, logistics and financial services through three distinctly branded yet integrated services: Intelliflor™, Apisis Logistics™ and EscrowFlor™.

Intelliflor is the communications and commerce platform. Powered by IBM WebSphere Commerce Suite software with IBM DB2 Universal Database for AIX running on an IBM RS/6000 server, Intelliflor enables product sourcing, order entry and confirmation. e-Integrators customized the WebSphere Commerce Suite catalog and shopping cart to enable retailers to select quantities as small as individual bunches of flowers from different growers and have them delivered in the same box. Based on crop forecasts provided on the Flowergrower.com site, retailers can even post orders for flowers from their favorite growers' future crops. A Java servlet routes all incoming requests from the retailers to the appropriate Enterprise JavaBeans™ (EJB™) running in WebSphere Application Server. These EJBs store the user requests, retrieve the catalog information from DB2 and return the requested information to a JavaServer™ Pages (JSP™) object, which presents it to the Web browser. Once a retailer places an order, IBM MQSeries ensures the delivery of that order to the SAP-based Apisis Logistics system, running on another RS/6000 server. MQSeries also returns the order confirmation.

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– Ed Eberle, Vice President of Operations, e-Integrators

The Society of American Florists[1] recently named Flowergrower.com "Floral Marketer of the Year," noting its extraordinary success in the B2B e-marketplace.

"One of the best things about WebSphere Commerce Suite is that it can handle so many of the e-marketplace transactions on the front end," Manton-Zamora says. "That minimizes the number of times the application needs to access SAP, making the whole Web experience a lot faster."

Apisis Logistics uses SAP's integrated Sales Distribution, Material Management and Financial modules to manage the picking, packing, shipping and delivery processes. By combining thousands of orders and shipments from individual retailers and growers into a large volume of business, Flowergrower.com can negotiate lower shipping and handling costs with the freight carriers—savings it passes on to the retailers and growers.

The third service, EscrowFlor, which utilizes the SAP functionality, automates the generation of purchase orders and invoices, ensuring that growers are paid for their products promptly and retailers have recourse if the products don't meet their expectations.

e-Integrators' experience pays off for Flowergrower.com
With 36 employees, e-Integrators is one of the only SAP solutions providers with in-house expertise in e-business and the delivery of integrated SAP e-business solutions. According to Ed Eberle, e-Integrators vice president of operations, that expertise translates into savings for the company's clients. In the case of Flowergrower.com, e-Integrators was able to deliver an integrated SAP and WebSphere software application in six months—for half the cost of a typical SAP-based solution alone.

Eberle also points to the savings achieved by selecting DB2 as the data management system. "When you look at the price of Oracle compared to DB2, the difference is staggering," he says. "Oracle costs significantly more than DB2, and we don't think our customers are going to get the bang for their buck. Our developers are praising DB2 Version 7.1, saying it's a solid database. So, we're totally behind DB2."

Ramping up from bunches to boxes
With Flowergrower.com going strong, Apisis Group is getting ready to expand to the wholesale market with the introduction of Apisis Farms and Floragrocer.com. Using the same IBM e-business infrastructure, e-Integrators is redesigning some of the Web pages and tweaking the business processes to accommodate volume buyers such as wholesalers and supermarkets. "With SAP as our backbone and WebSphere software on the front end, we have the ability to connect with the legacy systems of all the major supermarkets, corporate marketers and carriers worldwide," Manton-Zamora says. "The WebSphere platform has already proved it can handle the meticulous detail of the retail flower market—it all gets easier from now on."

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