



BellMicro  
Case Study

better people : better business

... at BellMicro

 CRIMSONWING

better people : better business

Email: [sales@crimsonwing.com](mailto:sales@crimsonwing.com)

[www.crimsonwing.com](http://www.crimsonwing.com)

### The Project

Bell Microproducts Inc., a leading UK based value-added, storage-centric distributor focusing on the high end of the storage market approached Crimsonwing to implement a major eCommerce project based on the Intershop Enfinity platform. With a turnover of £500 million, the company's principal activity is the distribution of data availability products, related peripherals and personal computers to over 10,000 third-party resellers.

### Background & Requirements

BellMicro recognised that to maintain their market position required the streamlining and automating of their relationships with customers and the reseller community to enable more efficient and cost-effective business dealings across their embryonic licensing business.

James Fillis, Director of Information Services explains, "Licensing is a very complex business. Given the revenues per customer, it had also proved very expensive, cutting into what are often limited margins compared to hardware sales. A typical contract would involve telephone calls this way and that to establish which price band the customer was in, on the spot negotiation if their requirements changed, constant reference by the salespersons back to the head office as well as to spreadsheets from the manufacturers."

While the existing process had proven laborious, it was also inaccurate, leading to mis-quotes and mis-pricing. In addition, sales people were reluctant to issue quotes, as they were aware of the high risk of generating errors.

BellMicro identified that the whole process required automation and knew that the Internet represented the most cost-effective way to alleviate the burden of manual processing. However, as Fillis explains, "Simply moving licensing to the Internet would not provide customers with sufficient compelling reasons to follow suit. Most would simply pick up the phone as normal. They needed to see that the web would make life

easier for them, not just us. Any company can move their sales to the web, but they have to consider where the added value is."

What BellMicro needed was a flexible end-to-end, B2B and B2C eCommerce solution that could support consumers and resellers right through the supply chain and back to the manufacturer. Because of the dynamic nature of its e-services strategy, BellMicro needed a product based on XML, which could easily be integrated into the existing ERP system to form the foundation of its new eBusiness platform.

### The Solution

The answer, in addition to creating a web site to enable customers to order on line, was to ensure that the front end was integrated all the way back to head office systems. Fillis said, "This was where the real challenge lay and it is one that many companies have shied away from. Typically, the integration costs can be 70% of the total costs to connect the web to the back end. You have to be sure that this is what you want to do and that there is value to be gained."

Crimsonwing, Intershop re-seller for the UK and Ireland, took up the challenge to design and build this eCommerce site based upon the Enfinity platform. The solution is integrated into the core of BellMicro's ERP system to offer fully automated and real time supply chain management services for their 10,000 resellers, with 24x7 real time online procurement and customer support capabilities. Intershop Enfinity facilitated the automation of Ideal's order processing and fulfilment activities via the Internet, thereby reducing administration costs and permitting the efficient management of the supply chain.

 BELL MICRO

Crimsonwing, a leading international provider of eBusiness and commercial systems solutions, has a strong track record of managing complex, multi-million pound IT projects by developing and implementing leading-edge technology. Since its foundation in 1996, Crimsonwing has set standards for IT development and innovation. The company enjoys a good reputation and a loyal customer base evidenced by repeat business and increasing customer satisfaction.



better people : better business

... at BellMicro

 CRIMSONWING

better people : better business

Email: [sales@crimsonwing.com](mailto:sales@crimsonwing.com)

[www.crimsonwing.com](http://www.crimsonwing.com)

BellMicro customers can now actively manage their whole relationship with the retailer from presales activities such as, real-time price, availability and product comparisons, to post-sales activities including delivery information and account status. It provides the reseller community with a whole suite of real-time services designed to save them time and money. The system has also enabled Ideal to cover a global market because online licensing has removed most of the physical distribution barriers previously in existence. BellMicro's UK Country Manager, Alex Tatham explains, "We can now manage global software sales and licensing from a single location."

BellMicro has now launched a multilingual version of the licensing system, which required only minimal modifications to the core system application, notably language.

#### **Business Benefits**

James Fillis enthuses, "The new system has been stunningly successful, enabling BellMicro to enter a new market and substantially improve its business in under six months. We are currently turning over £10M of license revenue a month".

In the early months, income accelerated by £2m a month. In 2001, BellMicro saw a massive 40% growth in its software licensing business, due almost entirely to licensing. And this in a market that overall was not growing. A year later, and the growth has not been as spectacular, around 25%, but the profit margins have risen, simply because selling software and licensing online reduces many of the costs associated with selling, buying, stocking and distributing software. In 2003, Software licensing brought in £167m in revenue whilst in 2004 it brought in £203m in revenue, up from £113m in 2001.

The License Desk site currently has at least 5,000 concurrent users every day checking price and availability.

The solution has given BellMicro a competitive advantage with the headcount reductions and time savings made from customers self-servicing their queries on-line, enabling the company to concentrate on driving down prices and building value added relationships. The boost in revenue is proof that customers welcome this online service.

The System was awarded a prestigious UK Channel Award 2003. The award is one the biggest awards for the UK channel that promotes IT solutions that deliver substantial business benefits within the UK computer industry. After receiving the award, Alex Tatham, vice-president of global software at BellMicro said: "We have invented something that stands out above all other 'products' in the computing world in the UK. The reason we won this award is that we now process over half the UK's volume license agreements and our customers consistently tell us we have the best tool on the market".

#### **About Crimsonwing**

Crimsonwing is an international IT solutions provider developing and implementing leading-edge solutions to help European companies to gain a competitive advantage. Crimsonwing offers flexible, cost-effective and proven industry solutions for eCommerce, ERP and fully bespoke applications and integration to meet a client's unique business needs. Whether it involves training or consultancy, design or development, implementation or hosting (SaaS/ASP): Crimsonwing provides flexible services and support across the entire range of activity. Crimsonwing is a growing, profitable and publicly listed company, employing 230 people.



[www.crimsonwing.com](http://www.crimsonwing.com)

[www.shop.bellmicro.com](http://www.shop.bellmicro.com)

[www.intershop.com](http://www.intershop.com)

Crimsonwing, a leading international provider of eBusiness and commercial systems solutions, has a strong track record of managing complex, multi-million pound IT projects by developing and implementing leading-edge technology. Since its foundation in 1996, Crimsonwing has set standards for IT development and innovation. The company enjoys a good reputation and a loyal customer base evidenced by repeat business and increasing customer satisfaction.

