

WebSphere. software

Forest2Market harvests benefits of innovation with IBM solution.

Overview

■ Challenge

Provide logging industry with pricing service enabling more efficient purchasing practices and dependable supply chains

■ Why IBM?

IBM Premier Business Partner Shared Vision demonstrated scalable, reliable online system using IBM components

■ Solution

Real-time, Web-based information service providing most recent pricing for timber purchases, bringing price stability to logging industry

■ Key Benefits

Ability to bring new services to market within 14 weeks to outstep the competition; reliability of service with no outages in past six years; cost-effective service resulting in affordable product for logging industry; reduction in time required to perform administrative function from 8 hours to 15 minutes



The value of logs cut and delivered is much higher than the price of standing timber and now, thanks to IBM, companies can find information on both prices using the Forest2Market information service.

In answer to the age-old question, a tree that falls in the middle of the forest does make a sound. It's "ka-ching." Thanks to a pricing service called Forest2Market which serves the logging industry in the southern U.S., buyers of timber can determine the value of trees in a particular geographical area, giving every tree its correct price according to the market. Building its online service with IBM components and aided by IBM Premier Business Partner Shared Vision, Forest2Market has transformed a market with no pricing mechanism into one that can be traded with confidence.

“We matched a sound business idea with rock-solid IBM technology and flawless execution by Shared Vision. Not once has any part of the solution – server, software or code – failed. The total cost of maintenance of the solution is less than we ever expected.”

–Peter Stewart, President and CEO, Forest2Market

Achieving fast time to market with innovative products

Key Components

Software

- IBM DB2®
- IBM WebSphere® Application Server
- IBM WebSphere Commerce Express

Server

- IBM System x™ 335 server

IBM Business Partner

- Shared Vision Group, Inc.

“WebSphere Application Server handles the volume of requests for information with 24x7 reliability. It stays up and running to keep the service always available.”

*–Michael von Bodungen, CTO,
Shared Vision*

Needing accurate information

From billion-dollar forest products corporations to small construction companies, those who buy and sell logs need accurate information on pricing. But this information did not exist before Forest2Market, based in Charlotte, North Carolina, brought its interactive Web site live. A buyer might send out a bid at \$20 per ton and get no responses. Increasing the bidding price, the buyer would get a flood of offers, assume that prices were rising, and end up buying excess and unwanted inventory.

“There was an inability to predict prices going forward and to really understand the current market,” says Peter Stewart, president and CEO, Forest2Market.

“This turned into anxiety about supply. It was difficult to implement a smooth and efficient supply chain for companies depending on wood products.”

Building a solid foundation

For Forest2Market, the initial solution was as simple as publishing real-time prices that buyers were paying as soon as they had struck their deals. The companies providing the information were contractually bound to reveal this information to Forest2Market as part of their membership in the information service. In addition to buying and selling information, Forest2Market developed value profiles of the logs by collecting information on 18 criteria that drive price such as size, quality, the accessibility of the terrain and its distance from main roads.

The ideal medium for this service was the Internet, with its ability to publish information in real time. The only question was how to achieve the vision using Internet technology. Forest2Market wanted to bring its product to market in less than 15 weeks to outstep potential competitors, and it wanted to focus its attention on branching into new products, not learning about IT infrastructure.

Issuing an RFP for the technology and expertise to bring its vision to life, Forest2Market was approached by IBM Global Services, which introduced the company to Shared Vision Group, Inc., an IBM Premier Business Partner. A specialist in helping small-to-medium size companies achieve the benefits of e-commerce, Shared Vision built a solution based on IBM WebSphere Application Server, IBM WebSphere Commerce Express and IBM DB2, all running on an IBM System x 335 server.

In just 14 weeks, Shared Vision put the start-up venture on the Internet, and Forest2Market was on its way to bringing price and supply-chain stability to the forest products industry. Of the technology and experts that came together to bring the sapling business to market, Stewart says, “We matched a sound business idea with rock-solid IBM technology and flawless execution by Shared Vision. That was the essence of our success. Not once has any part of the solution—server, software or code—failed. And Shared Vision came in within budget, helping us create an affordable service for our customers. The total cost of maintenance of the solution is less than we ever expected.”

Better results for timber businesses

This Web-based solution allows real-time access to forest product companies, timber investment management organizations, regional consulting companies and private land owners. With just a click of a button, clients can track all timber prices specific to their mill or timberland. Clients can also track employees’ purchasing effectiveness relative to current timberland value and access company profiles that will enhance business results.

Forest2Market.com allows clients to focus on buying and selling timber, not spend valuable time assessing the market. It can be used to provide detailed market information to track bidding behavior of competitors and others who buy timber. Within minutes, clients can evaluate their buying and selling performance against their competitors by determining the price for which tracts similar to theirs have sold in recent days, weeks, months or years. This administration tool alone changes an 8-hour administrative task into a 15-minute Internet function. “We were the first ones to come up with the ability to collect the price of an actual transaction from both buyers and sellers, figure out the standard with which to collect the information and then put it in a database and give people access to it,” says James Wood, chief information and administrative officer for Forest2Market.

“Because we already have an infrastructure we’re not always starting from scratch. When we work with IBM, we get the results we want, and that the customer wants, for building a business into the future.”

– Michael von Bodungen

IBM technology stands the test of time

Shared Vision wrote proprietary code for the application using Java™ 2 Platform, Enterprise Edition (J2EE)-compliant technology. Java objects send SQL code to the database to populate charts on the screen or Excel spreadsheets. Says Michael von Bodungen, chief technical officer of Shared Vision, “WebSphere Application Server handles the volume of requests for information with 24x7 reliability. It stays up and running to keep the service always available.” Shared Vision also used some features of WebSphere Commerce Express to support payment processing for publications ordered through the site. “DB2, which we set up six years ago to manage the business-critical data for the project, is still running with scarcely a change,” says von Bodungen.

The original application tracks the prices of standing trees. Reusing some of the same code that powers the original application, Shared Vision recently developed a new benchmark service for Forest2Market that collects the price of logs on the truck passing over the scales before entering the paper or saw mill. The cost of harvesting and transporting the wood is figured into these values, giving buyers and sellers more insight into the pricing of the commodity.

“Because we already have an infrastructure we’re not always starting from scratch,” says von Bodungen. “When we work with IBM, we get the results we want, and that the customer wants, for building a business into the future, which lets all of us hear a little more ‘ka-ching.’”

For more information

Please contact your IBM sales representative or IBM Business Partner.

Visit us at:

ibm.com/websphere

For more information on the Forest2Market, visit:
www.forest2market.com

For more information on Shared Vision, visit:
www.sharedvision.com



© Copyright IBM Corporation 2007

IBM Corporation
Route 100
Somers, NY 10589
U.S.A.

Produced in the United States of America
03-07
All Rights Reserved

DB2, IBM, the IBM logo, WebSphere and System x are trademarks of International Business Machines Corporation in the United States, other countries or both.

Java and all Java-based trademarks are trademarks of Sun Microsystems, Inc. in the United States, other countries or both.

This case study is an example of how one customer and Business Partner use IBM products. There is no guarantee of comparable results.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.