Calzessa International builds an online business on IBM technologies

Uniting purchasing, sales and marketing to provide seamless customer service

Overview

Business challenge
Calzessa's founder identified a gap in the market for hosiery in Sweden and decided to set up a new business with the aim of offering a better range of products than rival retailers. The business would use an online store as its main sales channel, and needed an IT solution to support its key processes.

Solution
Calzessa worked with consultants from SolutionPlanet, an IBM® Business Partner, to design and develop a comprehensive e-commerce platform using IBM® Collaboration Solutions software. The solution, which is now on its seventh release, has evolved to manage purchasing, sales and marketing processes for online stores in five languages and multiple currencies.

Founded in 2003, Calzessa International has grown to become a market leader in the hosiery trade in Sweden, and has also expanded internationally to Finland, Denmark, the Netherlands and the UK. The success of the business has been built on its ability to offer a much wider range of stockings, tights, leggings, underwear and related products than most of its rivals in these markets.

The company's founder and CEO, Mats Ingelborn, explains: "The idea for the business occurred to me about 15 years ago, when I was trying to buy some nice stockings for a girlfriend. I started looking when I was in Sweden, but even in specialist stores, the range of styles and colours offered was extremely limited. The same week, I went to London on business and found that most shops – even the supermarkets! – had a much wider selection. It was clear to me that there was a gap in the market in Sweden, and I began thinking about starting a business that could exploit that gap."

Designing a new business
Ingelborn designed the new business, which he named Calzessa, around two basic principles. First, it should differentiate itself from competitors by offering as wide a range of products as possible; and second, it should use the internet as its main sales channel.

"As an online-only retailer, we avoid all the traditional pitfalls of the retail business – we don't need expensive premises, and we can attract consumers from all over the world," he comments. "Inventory management and logistics are much simpler too: instead of having to maintain stock levels at lots of retail outlets, we just have one central warehouse and dispatch everything directly to our customers. This strategy also makes it easier for us to offer a very wide range without worrying about what is available in which shop – we currently stock approximately 460 styles in a variety of colours and sizes, which is a much bigger selection than most of our rivals."

To support its online business, Calzessa needed an IT platform that could run the website itself and also manage the company's core retail processes – purchasing, inventory management, marketing, sales, distribution, returns and after-sales service.

"Apparel retailing is more complex than many other sectors, especially because you need to be able to manage inventory in three dimensions: style, colour and size," says Mats Ingelborn. "We looked at the

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Business Benefits

- Supports an online-only business model that has delivered average annual growth of 30 percent since 2003.

- Seamlessly analyses demand patterns, forecasts future sales and automates the purchasing process – reducing manual workload and helping to ensure that the right products are always available.

- Integrates with search engines and social networking sites, creating marketing channels that bring new customers to the business.

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packaged e-commerce solutions that were available on the market at that time, but none of them really seemed to offer what we needed. That's when we decided to build our own solution."

A close partnership

Calzessa decided to work with SolutionPlanet, an IT consultancy and IBM Business Partner with extensive experience in designing websites, intranets and e-commerce solutions for clients in many industries. The solution was built on IBM Lotus Domino, which is part of the IBM Collaboration Solutions portfolio, running on Linux.

"We have a close relationship with SolutionPlanet," says Mats Ingelborn. "The solution we designed together has been a great success, and we have continued to work with them ever since the first launch. We're now on the seventh release of the site, and we are constantly looking for new ways to improve it. One of the big advantages of the IBM Lotus Domino platform is that it has good support for JavaScript, so it's relatively easy to add new components and web technologies when we need them. The security is excellent, and it's also very reliable – it just keeps running without any real need for maintenance."

The ladder to success

From its origins as a Swedish-only e-commerce site, **www.calzessa.com** has now grown into a multi-language, multi-currency site that supports the company's Finnish, Danish, Dutch and international English businesses. The company has also launched a web interface for mobile phone browsers, and a Calzessa app is available for Android smartphones; an iPhone app is currently under development. Over nine years, the company has averaged 30 percent annual growth – yet it still operates with just five full-time employees.

"The reason we can operate so effectively with so few staff is partly due to the nature of the online-only business model, but also partly because the Lotus Domino solution automates so many of the company's core processes," comments Mats Ingelborn. "For example, it has a built-in analytics function that takes data from current and historical orders and uses an algorithm to create sales forecasts for the coming month. The forecasts are sent to a manager for approval, and then the system uses them to automatically order new stock from our suppliers. Taking an end-to-end approach to business process management means that we can keep very lean staffing levels without compromising on quality or customer service."

The analytical tools also enable the company to make better decisions about sales, marketing and business strategy.

"In the hosiery business, the biggest competitor is hot weather," says Mats Ingelborn. "By analysing sales against temperature in different places, we know exactly what effect it has on our business – and this has to some extent guided our international expansion strategy. The main markets we focus on are Sweden, Finland, Denmark, the Netherlands and the UK – so we can be confident of bad weather at least some of the time!"

Solution Components

Software
- IBM® Lotus® Domino®

IBM Business Partner
- SolutionPlanet

"At Calzessa, we certainly subscribe to [the Smarter Commerce] philosophy: by harnessing IBM technology and SolutionPlanet's technical expertise, we have built a platform that integrates and enhances every aspect of our business."

— Mats Ingelborn, Founder and CEO, Calzessa

Seamless integration with social networking

In the most recent release of the solution, Calzessa has focused on adding integration with social networking sites such as Facebook, Twitter and Tumblr, and increasing support for search engine advertising tools such as Google AdWords.

"When we first started the site, we won a lot of business purely through word-of-mouth because we quickly established a reputation for offering a good range of products and being a trustworthy supplier," explains Mats Ingelborn. "We see social networking as a good way to enable our customers to spread the word even further – effectively, letting them do our marketing for us."

He concludes: "IBM's Smarter Commerce strategy is based on the idea that by integrating all the aspects of a commercial business – buying, marketing, sales and service – you can provide a smoother, more seamless service to the end customer while also improving internal efficiencies. At Calzessa, we certainly subscribe to this philosophy: by harnessing IBM technology and SolutionPlanet's technical expertise, we have built a platform that integrates and enhances every aspect of our business."
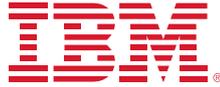
About SolutionPlanet

SolutionPlanet is an IT consultancy that prides itself on being an incubator for new ideas and solutions. With long experience of developing software for web and mobile clients, SolutionPlanet can assist clients define, build and implement solutions using generally accepted and well recognized technologies. By combining open source technologies and expert consultancy, SolutionPlanet has delivered solid and robust solutions on time and on budget for clients in a wide range of industries.

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