BASIS and paperPlace Have it in the (Paper) Bag

In Germany, stationery and office supplies is a tough market for mom-and-pop retailers today. Digital communication is replacing pen and paper more and more, both in offices and private households. And in this shrinking market, multi-national online retailers are gaining footholds, draining market share from local retailers. With a new concept called "paperPlace," BASIS teams up with industry association paperCompetence and their retailers to fight the behemoths with their own weapons.

paperCompetence is an industry association that commands the combined market power of 12 privately-held wholesalers in Germany and their 12,000 retailers, most of the latter being small- and medium-sized companies located all across the country. paperCompetence helps retailers stand their ground in a very competitive market environment, not only by supplying them with a large and diversified choice of goods, but also with innovative marketing concepts and with the means to support them in managing their businesses efficiently.

Step One: Simplifying Purchasing Processes

For instance, as early as 2002, paperCompetence had commissioned BASIS Europe Distribution to develop a sophisticated online store system that allows retailers to order stock materials directly on their office computer through the Web from their wholesaler, bringing the supply chain closer together, and saving both sides time and money. The first release of the system went live in 2003 and with ongoing development, has become an indispensable management tool for retailers. In addition, this tool is most valuable for processing sales and placing marketing campaigns for the wholesalers, promoting seasonal goods, publishing special offers, to name a few.

BASIS first designed the system on a PRO/5® platform. By operating on a common platform instead of isolated applications for each one of the wholesalers, they shared the investment cost and participated in a state-of-the-art system that gave them a competitive edge. Of course, the design of each store could be individualized to reflect the respective wholesaler's corporate identity. One of the technological challenges for BASIS was to allow for the real-time import of the different product ranges of 11 wholesalers – all of whom are equipped with different databases and ERP systems – while guaranteeing the 24/7 integrity and availability of the store system.

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Step Two: Realizing Extra Sales Opportunities

While the first generation system made life easier for both retailers and wholesalers in their internal processes, it didn't do anything for the market success of the retailers. "*In 2005 or 2006, someone had the idea to extend the concept of the existing application – develop once, share it with many – to the retailers within the paperCompetence community,*" recalls Stephan Wald, Director of Sales and Technical Service for BASIS Europe Distribution. "*As with any good idea, nobody really remembers who had it first,*" he smiles. But the idea's appeal was obvious from the start. Based on the existing application, retailers could have their own individual web stores in a snap, "filled" with the product range of the wholesaler of their choice. This virtual store would mean more sales opportunities with up to 30,000 additional articles on sale, without any need for extra storage, and the possibility to use drop-ship delivery, even saving the sweat of packing parcels and printing out invoices.

Furthermore, the second generation application would not leave them powerless anymore against online retailers. These retailers kept scooping away customers – usually regional small and mid-sized companies, doctor's practices, stores and the like – who found it more comfortable to order from anonymous web stores. Thus, the idea for "paperPlace" was born. **> >**

Meeting Consumers' Demands

Certainly, in several aspects, a store application for end customers must meet tougher requirements than a B-to-B solution; on the Web, the competition is always just one click away. *"First, speed is a crucial issue in B-to-C. We knew from similar projects that we could deliver a full-text article search of 50,000 articles in less than one second,"* explains Wald. *"A second issue is to present the goods attractively with pictures and text, have an eye on usability, and to supply ample filter options so that users can easily find what they are looking for, like finding their favorite envelope from a choice of thousands. And thirdly, we needed to implement the payment options they are familiar with, such as credit card or PayPal payment."*

On the other hand, the store back end needed to be easy to handle for the retailers. "We developed a dashboard where our retailer can monitor all active orders, can check the status of dropship deliveries, key in their own articles if they so wish, and much more," Wald adds.

Technologically, the solution is a completely new development, developed in the OOP paradigm with BBj®, using Tomcat as an application server and the database model of AddonSoftware® by Barista®. By using this, BASIS profited from the pre-fabricated, building block modules that AddonSoftware provides, saving tremendous development effort, testing and other time-consuming detours. What about BUI? *"Each horse for its course,"* Wald replies. *"It was a paperCompetence requirement that we needed to deliver a solution that would run flawlessly even on very old legacy browsers. BUI requires JavaScript and HTML 5 that – while available on any modern browser for both mobile and desktop – was for now, a bridge too far for paperCompetence."*

The front end was designed by an external agency specializing in web user interfaces. *"We believe that the look and feel of a web store contributes a lot to its acceptance with end consumers,"* Wald explains (see **Figure 1**).

The Store is the First Building Block For an ERP System

In September 2010, BASIS Europe introduced the store at several industry trade fairs where it spurred a lot of interest with retailers. *"We hope to*
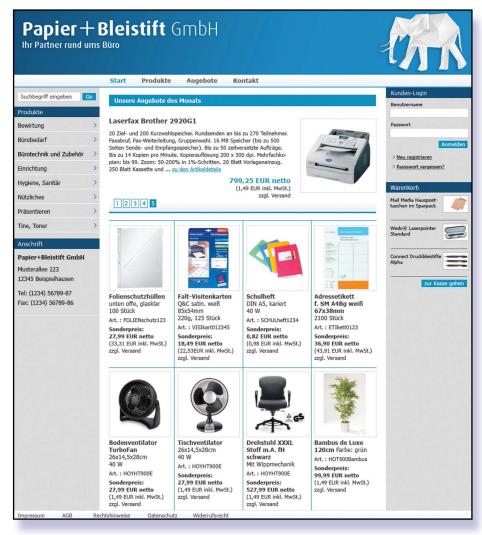

Figure 1. paperPlace web interface

operate about 400 of these stores in the long run," explains Klaus Danne, paperCompetence Managing Director. The solution is based on the SaaS (software as a service) model; the service is hosted in the cloud so that access times are equally fast from all regions of Germany, whether in the city or in the countryside. The list price starts at 49 Euros per month (~ $66 USD) for the basic module, which includes technical support from BASIS and regular product updates.

BASIS offers the retailers additional modules (Invoicing, Cashier, Stock and Store Management) which allows them to strategically extend their online sales activities beyond the standard product range of their paperCompetence wholesaler, and to extend the IT infrastructure up to a complete ERP system, all in the cloud and based on a monthly rental fee. It goes without saying that BASIS built these extra modules with building blocks from the AddonSoftware ERP package.

More Industries in Focus

Programming the second generation paper store in the object-oriented paradigm has the additional advantage that one can easily adopt the solution to the product ranges and specific challenges of other industries. There are already talks and ideas to extend the solution to a chemicals wholesale business and to a company in the packaging industry.

Summary

The paperPlace is an excellent example of leveraging the building blocks concept central to AddonSoftware by Barista. By using the BASIS toolset, which includes the OOP language BBj as well as AddonSoftware ERP building block modules, we could develop this solution in significantly less time than in many other languages such as .NET or PHP. ∎