

## Frost & Sullivan's customizable Web content keeps customers coming back.

---

### Overview

---

#### ■ Challenge

*Increase profits; develop stronger relationships with customers; enable more flexible product and service delivery*

#### ■ Solution: Integrating Stage

*B2B Web site and integrated backend publishing system for delivering customized market analysis reports and associated services*

#### ■ Why IBM

*Familiarity and history of satisfaction with IBM Lotus® Notes®; more functionally rich and scalable than Microsoft Exchange solution; more cost effective, easier to implement and maintain than Oracle/Vignette solution*

#### ■ Key Business Benefits

*First to market with online customizable market intelligence; 300% increase in subscriber base; 113% increase in average annual revenue per customer; fivefold increase in site visitors in one year; considerable improvement in customer satisfaction and retention*

#### ■ Business Partners

*Conseq Consulting  
Interliant*



*In 1962, Frost & Sullivan was the first research firm to offer reports on electronic tape media. In the 1970s, the firm released the first pan-European market consulting reports from its new London headquarters.*

Just as necessity is the mother of invention, competitive markets spawn reinvention as companies adapt their business models to changing market realities. Even detached observers of market trends—such as leading market research firm Frost & Sullivan—are not immune to such pressures. They must continually reinvent their product and service offerings to retain customer loyalty.

*“Typically, customers would buy one report, and then we’d have to go through the whole sales cycle again to sell them follow-on reports. Ultimately, our sales and marketing costs were climbing faster than our sales and squeezing out profit margins.”*

*—Andrew Small, Global Internet Strategy Director, Frost & Sullivan*

---

**Key Components**

---

*Software*

- IBM Lotus Notes
- IBM Lotus Domino™ R5
- IBM WebSphere® Application Server
- IBM DB2® Universal Database™

Founded in 1961 in New York City, Frost & Sullivan was a pioneer in providing world-class market research on high-tech and industrial markets. But over the past 3 years, the 600-employee company has evolved its business model from report publishing to a more consulting-oriented focus. That's because, even as Frost & Sullivan's business expanded in the 1990s, its profits did not keep pace. "We had an ad hoc relationship with our customers," explains Andrew Small, Frost & Sullivan's global Internet strategy director. "Typically, customers would buy one report, and then we'd have to go through the whole sales cycle again to sell them follow-on or related reports. Consequently, our penetration of large accounts was very low. And we had high customer churn. Ultimately, our sales and marketing costs were climbing faster than our sales and squeezing out profit margins."

**Uniting content creation and delivery**

Frost & Sullivan perceived that the key to escaping the vicious ad hoc sales cycle was to leverage the Internet as a cost-effective means of delivering the precise market intelligence customers needed whenever they needed it as well as upselling and cross-selling other research they might find useful. Doing so, however, would require Frost & Sullivan to be able to present to customers the full range of content that it produced worldwide, and allow them to analyze that content—by criteria such as geography, subject matter and type of research.

Frost & Sullivan looked at several Web-based content management and delivery solutions, chief among them a solution from IBM based on Lotus Domino and Lotus Notes, a solution from Microsoft based on Exchange and an offering from Oracle based on Vignette software. Ultimately, it chose Lotus Notes and Domino as the means to publish its content as well as enable online content search, customization and purchasing. By choosing the IBM solution, Frost & Sullivan was able to quickly create an affordable e-business infrastructure that would grow with its business. Frost & Sullivan teamed with IBM Business Partner Conseq Consulting to design and implement the frost.com content delivery Web site. frost.com is hosted by Houston-based managed infrastructure provider Interliant—also an IBM Business Partner.

*“The Web site, based on Lotus Domino, WebSphere and DB2 software from IBM, has turned out to be a real e-business enabler.”*

*—Andrew Small*

### **Leveraging familiar technology to accelerate time to market**

After launching its first online content delivery site in September 2000, Frost & Sullivan passed its 15-month revenue milestone in just 9 months—subscription sales accounted for 25 percent of total sales, and frost.com was generating 90 percent of all publication sales. Since then, the percentage of Web-based publication sales has grown to 98 percent. To support this growth as well as a surge in content volume, Frost & Sullivan once again turned to Conseq, which augmented the Domino Java™ servlet engine with IBM WebSphere Application Server. Thanks to the integration between Domino and the WebSphere software, Frost & Sullivan was able to benefit from the WebSphere software's enhanced transaction-processing capabilities without foregoing the content management and collaboration strengths of the Lotus software. The combination of WebSphere software and DB2 Universal Database also enabled Conseq to enhance the site's ability to handle the selection and purchasing of content online.

As a result, Small is pleased to report a fivefold increase in the number of visitors to the site in the last 12 months, as well as a 113 percent increase in the average annual revenue per customer—from \$4,000 to \$8,500. Customer retention has also improved significantly, and more than 40 percent of the firm's business is now subscription based—compared with 10 percent before the online content service was launched.

In part, Frost & Sullivan has been able to capitalize on the demand for online customizable market intelligence by being first to market with its IBM e-business solution. According to Small, only one other market analysis and consulting firm has launched a similar site—trailing Frost & Sullivan by more than a year.

### **Self-service market analysis**

Approximately 90,000 registered frost.com subscribers—primarily strategy directors, marketing directors, VPs of marketing and CEOs—can access more than 500,000 documents on frost.com. They can then purchase customized reports based on these documents. The Web site uses WebSphere and

*“As we’ve come up with new e-business ideas, we’ve been able to find all the technology solutions we need within the IBM product family.”*

*– Andrew Small*



*Previously, Frost & Sullivan created reports using word processing software and saved them as PDF files. Now, it can create the content in a more modular fashion, allowing customers to mix and match parts of different reports according to their needs.*

DB2 software to build the reports according to the specific markets, geographical focus and type of content subscribers request. A mix of JavaServer Pages and Lotus Notes forms constitutes the Web presentation layer, which subscribers can customize to locate the type of information they use most frequently.

"The Web site, based on Lotus Domino, WebSphere and DB2 software from IBM, has turned out to be a real e-business enabler," Small adds. "When we acquired a company called Technical Insights, a paper-based newsletter and report business, Conseq was able to integrate Technical Insights' entire content delivery mechanism into ours in just two and a half months."

### **Strengthening ties with customers: it's all in the family**

Future releases of Frost & Sullivan's online content delivery site will include enhancements designed to allow a deeper level of collaboration between Frost & Sullivan and its customers.

"We want to extend our Lotus Notes collaboration applications to the Web site, so subscribers can add their own data to a market forecast model and directly update the forecasts included in their reports," Small explains. "We also want to give subscribers online access to the report authors, so they can discuss the content." Small and his team are looking to Lotus Sametime® to provide this capability. Frost & Sullivan is already using Lotus Sametime to run global consulting projects using teamrooms through the Web site.

Frost & Sullivan is also looking to IBM for ways to integrate the customer data portion of its Web site with its backend customer relationship management (CRM) system, so the CRM system can capture customer data entered on the Web site. "As we've come up with new e-business ideas, we've been able to find all the technology solutions we need within the IBM product family," Small says. "That has been the key benefit for us."

### **For more information**

Please contact your IBM marketing representative or IBM Business Partner.

Visit us at:

**[ibm.com/e-business](http://ibm.com/e-business)**

For more information about Frost & Sullivan, visit:  
[www.frost.com](http://www.frost.com)

For more information about Conseq, visit:  
[www.conseq.co.uk](http://www.conseq.co.uk)



© Copyright IBM Corporation 2002

IBM Corporation  
Corporate Marketing  
New Orchard Road  
Armonk, NY 10504  
U.S.A.

Produced in the United States of America  
09-02  
All Rights Reserved

DB2, DB2 Universal Database, Domino, IBM, the IBM logo, Lotus, Lotus Notes, Lotus Sametime, Notes and WebSphere are trademarks or registered 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.

Other company, product or service names may be trademarks or service marks of others.

This is an example of how one customer uses 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.