

E-Commerce Channel Increases PerkinElmer's Revenues By Millions

Executive Summary

In the year 2000, the world's analytical instruments industry was approximately \$18 billion. PerkinElmer, a global leader in this high-tech sector, was looking to harness the power of the Internet to generate a new sales channel and create a unified e-commerce infrastructure for all four of its business units.

Due to the complexity of the project, PerkinElmer turned to Molecular to design a new, centralized product database and e-commerce platform beginning with PerkinElmer Instrumentation Division. This solution provided the foundation for unifying all business units online, and 5% of PerkinElmer total orders were conducted on the Web during the first three months.

Results

- Significantly reduced printing and mailing costs associated with traditional paper catalogs.
- Improved productivity by eliminating manual credit card processing for all Web orders.
- Successfully integrated new site without disrupting current operations.
- Enhanced product management, allowing information updates 24 hours/day, 7 days/week.



"Molecular possesses the necessary industry expertise and foresight that complements our strengths. Their proven history of providing value-based enterprise solutions for high-tech companies is unmatched."

*Thomas Gernon,
CIO of PerkinElmer, Inc.*



Creating a Solid Foundation Simplify Transactions

Challenge

PerkinElmer's Analytical Instruments Division, based in Norwalk, Conn., is a leader in supplying a broad range of instruments to the pharmaceutical, environmental, food, chemical and petrochemical industries. The division is made up approximately 45% of the company's overall revenue of \$1.7 billion and employs 3,100 associates with a sales presence in over 100 countries.

The analytical instruments industry became increasingly competitive. PerkinElmer found itself behind in the race to get on the Internet. Agilent, with overall revenues in excess of \$8 billion, had already built a strong Internet presence. Other competitors, like TA Instruments and Waters Corporation, were not far behind.

In addition to increasing its competitive strengths, PerkinElmer wanted to open new sales channels, improve internal cost efficiencies and offer higher levels of customer service.

PerkinElmer's analytical instruments unit consisted of four strategic business entities, each with its own ERP System to perform order processing, inventory and product management. The unit inventoried over 5000 products with a vast array of product descriptions and merchandising information that would need to be organized into one centralized data repository. The company also needed to find a way to customize pricing for its various national and international markets.

The solution? Find an Internet professional services firm with the necessary industry experience and a proven history of creating value-based enterprise solutions.

Project Goals

- Add a feature to decipher between contract pricing and non-contract pricing for customers.
- Generate a new sales channel that would allow existing clients to purchase products over the Internet.
- Develop an online infrastructure that is scalable, and will allow additional business units to be added in the future.



It is estimated that the new generation for analytical instruments and components has grown at an AAGR of almost 19% since 1998 and will reach \$565 million by 2002.

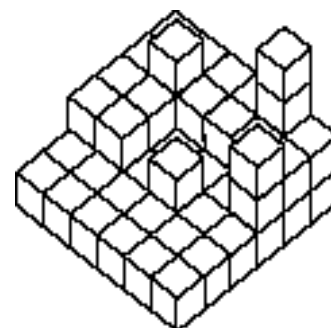
– Source: *Business Communications Corporation*

U.S. business-to-business e-commerce will rise to \$6.3 trillion in 2005, from \$336 billion in 2000.

– Source: *Jupiter Research*

The click-and-mortar marketplace is projected to reach \$500 billion by 2003, which is five times larger than the pure e-commerce retail channel.

– Source: *Forrester Research*



E-Commerce at Its Best

Project Continued

- Build a product repository that would allow product updates 24 hours/day, 7 days/week, offering the most current and appropriate pricing.
- Allow transactions to be conducted across the Internet securely, reliably and in real time.

Approach

PerkinElmer and Molecular engaged in a strategic initiative to design, develop and deliver a new e-commerce infrastructure that would generate a profitable revenue stream and provide the foundation for unifying all business units online.

In order to provide the infrastructure, Molecular redesigned the existing product database to allow for operations such as multiple business unit data, contract pricing, group discounts, level based product hierarchies, etc. The site was built on a 3-tiered architecture using Microsoft SQL Server 7 forming the database layer, with Site Server/COM forming the middle business layer and ASP forming the presentation layer. CyberCash was used for credit card order processing and VeriSign SSL was used for encryption.

Benefits

- Sales for this business unit increased from \$603 million in 1999 to over \$700 million by the end of 2000.
- 5% of total orders were conducted on the Web during the first three months.
- System validates users and customizes pricing based on user criteria.
- The company has significantly reduced spending on product catalogs since the site was launched.
- Credit card processing for all Web orders is now fully automated.



To find out more about the company behind the solution, visit us at www.molecular.com

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