Case Study

Cisco security ensuring **emarket** trading

- **TIMBERWeb is a leading B2B eMarket for timber, lumber and forest products**
- **The marketplace has paying members in over 60 countries**
- **It enables companies to find new contacts, promote products and access the latest industry news and statistics**
- **Buyers and sellers can e-trade timber using an RFQ based model**
- **TIMBERWeb serves as a valuable knowledge resource for the industry**

Company:

TIMBERWeb is a leading eMarket offering e-trading, news and information for the worldwide timber, lumber and forest products industry. It enables timber buyers, sellers and companies associated with the industry to find new contacts, trade online, promote their products and keep track of the global industry via news and trade data.

Headquartered in the UK, the company's timber eTrading platform is enabling traders to develop new markets and improve business activities within their existing markets.

Its users are based throughout the world and include sawmillers, importers, exporters, wood products manufacturers, timber harvesters, agents, forest machinery suppliers, timber merchants, shippers, associations, federations, trade councils and NGOs.

The company has won seven e-commerce awards since it was founded in 1996.

TIMBERWeb

www.timberweb.com

The Challenge

TIMBERWeb set out to offer one of the first and the most competitive B2B exchanges for the procurement of timber and forest products. Since it intended to become a successful exchange capable of handling trading of high value and high volume, its platform needed to be robust, simple to use and scaleable to retain its early mover advantage in a growing market.

The business recognised from the outset the importance of establishing a large, targeted web community to build brand loyalty, establish a 'critical mass' of users and to facilitate the gradual conversion to online trading.

The Solution

Head of News & Content Paul Harris said: "We developed compelling Web content to help timber companies do business and offer specific information of value to them."

An important stage in the growth of the site was the development of the "eTrader" timber trading platform. This is a buyer driven system where buyers can build their own requests for timber and invite quotes from selected sellers. Confidentiality is obviously a critical issue and Cisco firewalls provide the security that the infrastructure requires to protect the interests of the traders.

Buyers benefit from the eTrader because it can deliver lower buying prices, lower procurement costs, reduced stockholdings, offer immediacy of contract, new and wider access to sellers, and considerable time savings. Sellers can benefit from new and wider access to buyers, increased sales volumes, immediacy of contract, marketing cost savings, reduced stockholdings and the achievement of higher transaction volumes.

TIMBERWeb's competitive strength stems from its position as a neutral eMarket that is not restricted by geographic or cultural boundaries.

The Rewards

TIMBERWeb now has over 760 paying Members from 60 countries (representing year-on-year growth of roughly 50%) and a platform supplemented by a global network of content partners and information, in several languages.

The Website attracts over 20,000 businesses to it each month, with around 1.5 million requests for pages per month, an increase in page requests of approximately 60% year-on-year.

In all, at least 1,000 businesses have applied to e-trade using TIMBERWeb's trading platform since it was launched in October 2000.

The Future

"We have learnt to our benefit that a large Web community is vital for an eMarket to prosper," says Paul Harris. "Without a critical mass of users there is no true marketplace. What we have done is sustain our community while improving our revenues via membership, with the growth of our eTrader trading platform backing this up."

A key element of the future for TIMBERWeb will be the further development of its etrading technology and the integration of new trading tools. In the meantime, the business expects to continue its growth and retain its pre-eminent position in an increasingly competitive market.

Conclusion

The Internet has enabled a rapid and remarkable evolution in the timber industry. TIMBERWeb's success is based on the community concept, with the World Wide Web providing a medium that facilitates interaction within that community in a way that was not previously possible.

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3591/ASMEC/ffi Design/03.02
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