

# Industry-leading jeweler shines up its e-commerce platform



“One thing HP does very well is work to understand your business — I feel very comfortable with HP as a business partner.”  
– Chief Financial Officer Erin Limas,  
Borsheim’s Fine Jewelry

#### Company profile:

Founded in 1870 and part of the Berkshire Hathaway Corporation, Borsheim’s Fine Jewelry ([www.borsheims.com](http://www.borsheims.com)) is located on Regency Parkway in Omaha, Nebraska. With 45,000 square feet of sale floor, Borsheim’s is the largest independent jewelry store in America, offering items from \$20 to \$2 million. With 370 employees, the store serves customers in 50 states and on five continents. Even Bill Gates shops at Borsheim’s, as do many of his friends.

#### Business need:

The twin demands of growth and providing service excellence increased stress on the company’s e-commerce site, with the need for additional functionality adding further impetus to upgrade. Besides needing support for loose diamond sales, Borsheim’s also wanted to integrate data warehousing reports, and to edit contents of a placed order

#### Solution overview:

To get the flexibility and functionality that Borsheim’s required, they migrated their existing e-commerce site from Microsoft® Site Server 3.0 to Commerce Server 2002 on an HP ProLiant platform. One ProLiant server supports relational database management while another supports their website.



#### Tiaras, gems, and the commodity market

Borsheim’s doesn’t do anything without being profitable. An industry leader, they initially considered an Internet presence as a competitive necessity, simply another way to take an order for out-of-town customers. “We were optimistic about our first e-commerce site even though we didn’t spend much money — and did no advertising,” says Borsheim’s Chief Financial Officer Erin Limas. “We basically took Microsoft Site Server 3.0 out of the box and turned it on.” Beyond service fulfillment, the website also served to coordinate annual Berkshire Hathaway shareholders meetings, which Borsheim’s hosts on-site for shareholders from all over the country.

Working with HP, Limas incrementally added enhancements, new search features, and functionality such as the traditional bridal registry, where customers can order china, crystal, or stemware. Additionally, a significant business opportunity arose in loose diamond sales, where Borsheim’s prices posed a significant competitive advantage to compete in the \$27 billion U.S. diamond market.

Consulting with HP Services, Limas learned that the enhancements she needed to compete online in the diamond business would be simplified by an upgrade to Microsoft Commerce Server 2002. The Commerce Server 2002 implementation with custom enhancements provides support for multiple product types and increases flexibility to support promotions, which are critical competitive factors in the loose diamond marketplace.

“I was ready to invest to gain greater functionality, and support for Site Server v3.0 was ending in July 2003,” explains Limas. “I sat down with HP and explained our business strategy and goals for our website. HP listens well — they know what we want, how we operate, and



## Challenge

- Enhanced functionality to support loose diamond sales online and capture a significant portion of the \$27 billion U.S. diamond market
- A more flexible e-commerce platform with greater long-term adaptability to meet on-going business demands
- More integrated information flow to support business objectives such as better inventory management and enhanced customer services

## Solution

- Migrate all existing Borsheim's e-commerce functionality to Commerce Server 2002
- Deploy two HP ProLiant DL380 servers to run SQL Server 2000 and Commerce Server 2002

## Results

- Created ability to compete nationally in loose diamond commodity market
- Established new long-term platform for extended e-commerce development
- Enhanced customer service functionality resulting in greater customer loyalty, reduced order cancellations
- Enhanced business data to enable buyers to make more informed buying decisions

## Hardware

- Two HP ProLiant DL380 servers (database server and web server)

## Software

- Microsoft Commerce Server 2002
- Microsoft SQL Server 2000
- CyberSource Payment Manager

## HP Services

- HP Consulting and Integration Services
- Design and migration services
- Analysis and planning for Microsoft Commerce Server 2002 implementation

what will make us happy at the end of the day. It's a good partnership."

HP consultants laid out an ambitious, cost-effective plan to migrate all existing Borsheim's e-commerce functionality to Commerce Server 2002, which would provide much greater flexibility and functionality. "It was a challenging job on a new product," admits Limas, "but it will enable us to support future enhancements better and faster. It was a sound business decision."

### Adaptive platform — luxury business in a new setting

To support the new Commerce Server 2002 implementation, one HP ProLiant DL380 server runs Microsoft SQL Server 2000 for relational database management, and another supports the website. The upgrade enabled Borsheim's to promote its loose diamond sales on the Internet, facilitate those sales with enhanced search functionality, and edit contents of an order including ship-to information, add/change items, prices, shipping, and taxes. The inclusion of data warehousing reports provides better analysis of transactional trends. As part of the site migration, HP Services re-wrote all existing functionality using Microsoft .NET features for greater speed, ease, and stability.

HP upgraded the original bridal registry site as well. "I told HP I want only one bridal registry application," says Limas, "but I want several doors to it: online; in-store, including brides who want to register; and management information, so my buyers know what to order. We absolutely need e-commerce support to the store — browser-based applications that really work." Now, Borsheim's sales associates routinely use their wireless laptops as diamond catalogues and as "cash registers" to process orders. Transaction information instantly flows to a single database for optimal business management support, reflecting real-time inventory, order processing status, and market trends. "The solution provides internal management functions to make the business more responsive and proactive as well as improving customer service," adds Limas.

The HP/Microsoft solution also enabled Limas to jettison unused functionality, such as personal wish lists, and align information technology to serve business strategies better. "We increased our own internal agility and can move the business more swiftly in the direction we want to go," concludes Limas. "I'm highly satisfied with HP. Their local professionals do a terrific job and are valuable partners for Borsheim's."

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5981-9844EN, 07/2003

