

# ICON™ Health & Fitness Flexes Online Muscles

*Home fitness equipment leader demonstrates power by integrating Internet presence*

ICON Health & Fitness is far and away the largest manufacturer and marketer of home fitness equipment worldwide. Owning and manufacturing some of the most well-known brands in the fitness industry, including ProForm, NordicTrack, and HealthRider, and licensing the popular Reebok and Gold's Gym brands, ICON has had impressive growth over the past 25 years. Much of ICON's success is a result of design and innovation evident in its products, its operations, and its online presence. ICON's track record reflects the training it took to achieve this success.

It started in 1977, when two Utah State University business majors began a small import company called Weslo. The company ventured into the fitness industry by manufacturing mini-trampolines and creating ProForm Fitness, Inc., as an additional brand name. From there, Weslo expanded to include a more diverse selection of home fitness products, and in 1994 ICON Health & Fitness, Inc. was formed.

## The Stretch: Small Town Company Exceeds Limits

ICON, based in Logan, Utah, employs over 4,300 people in 11 locations around the globe, and is the largest private employer in Utah. ICON's yearly revenues are over \$1 Billion. Its headquarters include a 427,000 square foot manufacturing, research, design and testing facility.

## The Warm Up

Located in the beautiful Cache Valley, Logan has a population of less than 50,000 and temperatures as low as -30 in the winter, with an average of more than 67 inches of snow per year.

Getting warmed up is a frequent challenge in Logan, but that's exactly what the IT team did. Up until the late 1990s, the fitness equipment had been sold to gyms and to retailers, who then sold the products to the public. The technology team at ICON recognized the need to venture into online sales, and it seized the opportunity to work with IBM® on a pilot project.

A very talented ICON technical team got to work on a small IBM eServer™ iSeries™ system running IBM WebSphere® software, piecing together RPC, Java and WebSphere functions to provide the first phase of an integrated commerce Web site where all brands of fitness equipment would be represented.

When the executive team at ICON unilaterally decided that it was the right time to offer products direct to consumers online as well as through existing channels, the technology team was one step ahead. Today the ICON Web sites get up to 1,000,000 hits per month and provide a significant revenue stream.

## The Workout

Just how did ICON achieve this success? It had an experienced, innovative technology and marketing team working with solid products.

The commerce site needed to be:

- Reliable: available 24x7
- Scalable: have the ability to grow with increasing online awareness and demand
- Flexible: have the ability to adjust to seasonal peaks in transaction volumes
- Central: launch all sites from one place
- Integrated: with the business applications
- Usable: give users information, choices, financing options, product recommendations

ICON had a long track record of running applications on the iSeries. With the goals of the new site outlined, ICON's technical strategy was to improve online capability while staying on that course. The iSeries would give ICON huge

advantages and allow it to meet the requirements without excessive hiring.

"We have always been a big fan of the IBM AS/400 and iSeries," said Richard Crosbie, Director of Information Technologies and Director of Replacement Parts Division at ICON. "They stay up and we can always depend on them. We weren't really excited to do any of the Internet applications on a PC network."

Taking what it learned in the pilot, the ICON development team began using a combination of WebSphere, Java and RPC to launch the site with commerce capabilities integrated with existing applications.



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#### The Right Gear

The technical environment at ICON is centered on an IBM iSeries 870 for production, and two IBM iSeries 830s to host the multiple Web sites that make up the commerce site.

An IBM iSeries 870 with (10) logical partitions (LPARS) hosts:


- Production: ERP applications, predominantly SSA Global PRMS to run manufacturing, distribution, financials, payroll, GL, human resources for the following brands: Jumping, ProForm, NordicTrack, HealthRider, FreeMotion Fitness, Weider, iFit.com, Weslo, Image and Hidden Grove.
- A WebSphere testing and development partition.
- A retail application called RDS runs 100+ store/distribution centers.
- A direct marketing package called Assist interfaces with other applications on the 870 as well as with the WebSphere code on the 830 systems.

The model 830s are running WebSphere Commerce Suite to control each of the brand sites, including:

www.iconfitness.com  
www.nordictrack.com  
www.proform.com  
www.reebokfitness.com  
www.healthrider.com  
www.freemotionfitness.com  
www.weiderfitness.com  
www.ifit.com  
www.goldsgympowerflex.com  
www.hiddengroveturniture.com  
www.weslo.com

The two 830s run the direct marketing e-commerce applications and interface directly with the 870 business applications. ICON wrote the interfaces.

There are also 100+ stores and distribution centers that depend on the applications on iSeries. Running a retail package called RDS, the stores all have access to the 870 over the Web or a direct connection.



**Customer:** ICON Health & Fitness  
[www.iconfitness.com](http://www.iconfitness.com)

**Industry:** Fitness Equipment Manufacturer

**Solution:** Commerce site integrating all ICON brands

**Hardware:** IBM iSeries Model 870 and (2) 830s

**Software:** IBM WebSphere Application Server, IBM WebSphere Commerce Suite

#### Time to Weigh In

So, what have the commerce sites done for the bottom line at ICON? (1) Significant increase in revenue, millions in revenue are generated online each year and the sites have reported significant growth. (2) Brand awareness. Last year they received 14M hits. (3) Enhanced product knowledge. Now customers can research the products online before purchasing from a retailer. They know all about ICON's many brands of fitness equipment, and can locate a retailer to go try it before purchasing. (4) Complementary products are recommended. When a consumer browses the site, their clicks determine what other products are displayed in pop-up windows and in the commerce site. When the consumer gets to the shopping bag, products like nutritional supplements, workout clothing, and complementary workout videos and accessories are presented. The sales of impulse items that complement big ticket fitness equipment has increased as much as 15% as a result. (5) Promotions can be easily applied to increase sales. For example, the last day of a week of free shipping results in huge amounts of online purchases to take advantage of the promotion.

Much of the credit for the success of this project goes to the development team at ICON. It blazed the trail using IBM WebSphere on iSeries,

literally helping to write the RedBook.

Other contributing factors to its success are the benefits of the IBM product features. Performance, reliability, flexibility, security, and usability are greatly increased by the combination of the iSeries server and WebSphere software products.

**Performance** is key with the number of monthly hits it receives. "We get 500,000 to 1,000,000 hits on our sites every month, and the performance has been tremendous," says Crosbie.

**Reliability** is not negotiable with a 24x7 site, and ICON has never experienced unplanned downtime on the site.

**Flexibility** is important because, as in all retail sales, peaks from October to January (holidays plus New Year's resolutions in the case of fitness equipment) can be dramatic. Capacity on demand means that temporary and permanent power is available on its systems when ICON needs it.

**Security** is obviously important with online transactions, and it's an inherent architectural feature of the iSeries. "People have tried to attack the sites, but they haven't been successful," says Crosbie. "We have had no security issues with the iSeries."

**Usability** determines whether or not consumers purchase the first time and become repeat customers. WebSphere makes that possible. "WebSphere allows us to change prices, create promotions, and be very dynamic and flexible with the pricing and packaging of our exercise equipment," says Crosbie.

ICON's increased Internet presence and sales revenues are directly related. With the right team, the best technology from IBM, and technical support from Sirius, ICON is poised to continue solid, steady growth, one 'rep' at a time.

For more information about how Sirius can help your organization, contact us at 1.800.460.1237 or [www.siriuscom.com](http://www.siriuscom.com)