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INSIDE TECHNOLOGY BY JON VAN

BigMachines connects business buyers, sellers

The popularity of buying books, CDs, airline tickets and clothing online is directly aiding the growth of a company that has nothing to do with consumer products.

Deerfield-based BigMachines Inc. is dedicated to helping businesses buy esoteric products, such as compressors, valves and gears from each other. The privately held firm's customer base and revenues have been doubling in recent years, which co-founder and chief executive Gordan Abel attributes to the Internet's growing popularity.

"People have gotten used to typing something into Google," he said. "They do it at home and they do it at work. When they get to a Web site, they expect it to be more than just a brochure. We're getting a lot of new customers from Google."

BigMachines hosts software that helps its clients sell products to other businesses. Customers enter specs into the company's Web site and then get a choice of products, from which they can select and buy. Someone looking for a compressor can enter the capacity he seeks and other attributes, make a selection and make a purchase, all in a single visit to the compressor firm's site.

"We send an electronic order right to the factory floor so they can assemble and ship the product," Abel said.

As clients change their inventory, they can enter the new information directly from their computers into the database kept by BigMachines. The Web-based system eliminates the need for printing and updating thick catalogs. It also speeds procurement significantly, Abel said.

Even so, business-to-business electronic commerce still is in its infancy, he said, and 90 percent of such purchases still happen the old-fashioned way -- making phone calls

to distributors, looking through thick parts catalogs and faxing orders.

"It's evolutionary," Abel said. "It'll probably be 2020 or 2030 until everyone does it electronically."

That wasn't what he thought when he founded the company in 1999, and the dot-com craze was in full swing.

"Back then, we said the Web would change everything," he said. "We told big companies they had to do this to survive, and they believed us. We were considered experts even though we didn't have much expertise."

BigMachines raised \$30 million, hired 70 people and started writing software to facilitate business-to-business commerce by the time the dot-com bubble burst. But by cutting back to 20 employees, the firm was able to hang on and now is profitable and growing.

"Web-based commerce was always real," Abel said. "It was just the hype that was fake."



BIGMACHINES

To learn more, please visit www.bigmachines.com.