



TEMPO OPAVA IMPROVED THE SUPPLIERS SERVICE, ACHIEVED GREATER EFFICIENCY, UNIFIED ITS INFORMATION SYSTEM WITH SUPPLIERS AND CONNECTED ELECTRONICALLY WITH ITS SUPPLIERS



Customers description

TEMPO, trading cooperative, (formerly known as Opava cooperative) is one of the biggest retailers in the Czech Republic. As the biggest company with the purely Czech financial capital, it has 98 individual shops from small village shops to supermarkets. It sells items of daily need and building materials. It also operates foodstuffs wholesale including chemist's items fruit and vegetables. It supplies a chain of smaller customers either directly from its wholesale or through CASH & CARRY shops.

The company employs over 800 employees.

Original status

Before the implementation of the MBS Navision system (today known as Microsoft Dynamics NAV) the TEMPO cooperative used several different systems from various suppliers. Mutual interconnection of the individual systems was very limited, in some cases it was even necessary to manually copy the data from one system in to the other. After some time, despite all the effort put into the maintenance, data from the central office, wholesale and individual shops were no longer even similar.

Acquiring information from the shops and the wholesale was done by the main office in waves and with several-days delays. Moreover data was cumulative; there was no possibility to view individual transactions. Such diversity of the system was more difficult to analyse and evaluate when needed to manage the company correctly. Thanks to those difficulties it was also often impossible to work with up-to-date outputs

When the company had decided to construct a new wholesale logistics centre in Hlucin, which would unify and extend current foodstuffs warehouse and independent industrial items warehouse, it realized the necessity of implementing new information system. That system would have had to be able to deal with the difficult situation in the company's main office and manage the new wholesale warehouse. Thanks to the existing problems the IS requirements became evident. It was essential to find a system which could deal with all company's spheres of activity, which isn't composed of modules that communicate in waves, but consists of a single integrated system working on-line, without any redundant data stored in the common database.

The MBS Navision system fulfilled all TEMPO cooperative requirements especially demand for acceleration of the data access. On 1st May 2004 the Czech Republic entered the EU, the TEMPO cooperative had to be ready not only for the big legislative changes, concerning the domain of wholesaling and retailing but also for bigger pressure from the new European competitors.

Having chosen the IS, with the agreement of SČMSD, which has independently chosen MBS Navision having a good experience with the same solution in Opava cooperative, it was necessary to choose adequate system integrator. The choice of CCV with the experience in the cooperatives domain proved to be right. Especially valuable was the knowledge of processes of a purchasing central in the COOP Morava s.r.o. and of electronic communication between consumer cooperatives through the modules and products of iCOOP and ORION.

Applied technologies

The final structure of the solution uses the possibility of simultaneous communication, mainly via internet. All servers are located in the main office in Opava. It is a database server running on the Microsoft SQL Server platform, communicative server used for user service in the Hlucin warehouse and application server for managing the radiofrequency terminals.

Hlučín warehouse is connected on-line to the main office through the VPN solution. All data are located in one place, there is no data transfer. Only data integration with individual shops is still done via a FTP server in waves by transferring update files.

System implementation

The implementation was divided into two phases. The first phase starting on 1st January 2004 was aimed at replacing all modules in the main office, communication with the shops and unification of all data. This phase also had to prepare the interconnection of the MBS Navision with the contemporary system of the company based on UNIX, however such solution was only to last 5 months. It was nonetheless necessary to unify the data from the main office, wholesale, and individual shops together with consequent preparation for running in a modern logistics centre.

The process of implementation has showed that division into two phases was the right thing to do for logistics data preparation for flawless operation of the chain proved to be very complicated. In this phase we have also worked out how to sort out the problematic communication for data exchange with cashier systems due to specially prepared pricing module for retail chains. Furthermore a new module for stocktaking in shops without cashier system was developed: so called "kontokorent". Both these modules became a core of the standard for implementation MBS Navision to other consumer cooperatives.

Second phase starting on 1st May 2004 consisted of modern logistics central management module implementation. It was based on the long-term logistics analysis as a support for designing unique solution. This solution was constructed with regards to the modern trends in logistics; therefore no process from the old wholesale system was incorporated into the new one. A new method using radio frequency terminals for managing warehouse processes was worked out in a team consisting of professionals from both the investors and the integrators side. Those terminals are capable of gathering data automatically in real time. That means that the entire operation of the warehouse is managed by a computer. Despite the fact that MBS Navision system contained normally this modern method of data gathering, it was necessary to modify the system in cooperation with MBS Navision central in Denmark, so that it would fit the requirements of Opava Cooperative.

Wholesale warehouse logistics management was all practically moved to Opava central, to the department of trade management, to the experts on assortment and logistics. Only the executive workers, expedition team, and reclaims department remained in the wholesale warehouse in Hlucin.

Benefits of the solution

Better efficiency, elimination of redundant unnecessary maintenance work on the current system

MBS Navision thanks to its data model eliminated the duplication of data processing, consolidated the data into unifying structures and safeguarded error check-ups while processing.

The possibility of standard usage of the Microsoft platform and cooperation with other MS Office applications has extended possibilities of system outputs mainly in the marketing domain. All outputs and content is in an intuitive graphic interface of Windows.

Controlling support and accountancy processes in the company

We have managed to facilitate accountancy and business processes, which are now transparent and fully under control of the users. Data integration with the shops, banks and other subjects is done directly by the workers of the financial department, instead of the IT department. Despite the large amount of data, it was possible to move towards item-listing of all data from the trading and warehouse stocks evidence lists.

Thanks to that it is possible to directly access this data for evaluation, statistics, contract fulfilment check-ups etc. All data processing has been accelerated, e.g. supervision of items deliveries to the shops, sales evaluation, service level of suppliers and others.

Unification of data and code-lists of the entire retail chain

Unified data structure and the principle of on-line connection to a single database server has made the TEMPO cooperative to more complicated data unification of the whole retail chain. That was a necessary condition for flawless operation of the wholesale system, since the entire data stream from order-taking from a shop or other customer, stock deliveries, business transactions etc now uses unified data.

Less man-hours needed in the operation of a modern logistics warehouse

The supplier's level of service has improved thanks to the pressure from the Opava cooperative on its suppliers. This level is mainly based on the fulfilment of contracts and on-time deliveries from the suppliers.

Furthermore transport requirements to their own chain and their customers have been lowered, because the expedition management prepares optimized stock deliveries using pallets.

Radiofrequency terminals managed warehouse lowers the man-hours needed to maintain and manage it. Items are send off faster, and it allows for comparison of individual warehouse workers. Such information can then be used when calculating their pay benefits.

New wholesale warehouse with bigger capacity allows expanding the customer's portfolio and/or stocking of external goods. Support of those processes in MBS Navision allows the Opava cooperative extend the portfolio of its services.

On-line access to information

All data is available to all users in the entire company immediately without any need to modify or evaluate it in packets. Secured possibility of a user to access data significantly improved the knowledge about the company's status quo.

Enabling company's integration into on-line business domain

Electronic connection of suppliers and customers of TEMPO cooperative through the [ORION](#) system together with the data correction in the iCOOP system is supported directly by the MBS Navision system. This fact made the work in the trade and financial department much more efficient.

Final status - summary

Microsoft® Business Solutions (MBS)–Navision® gathers and evaluated requirements of the commercial segment of the chain. Warehouse or trade department can fulfil these requirements immediately. EDI ORION system supports TEMPO cooperative electronically with its suppliers and consumers.

The time needed to prepare a delivery for individual shops is also shorter now. The warehouse is capable of quicker more efficient response to change in any customers demand.

CUSTOMER	SITUATION	SOLUTION	BENEFITS
<p>TEMPO, trading cooperative offers in its retail and wholesale chain items of daily need and building materials. About a hundred of their retail shops is located in the Moravia-Silesia region.</p>	<p>TEMPO, trading cooperative needed to unify an information system, so that it could better deal with the trading and delivery processes. It also needed to substitute its old diverse UNIX based system, which could no longer handle complex requirements of the business and distribution. Its aim was to relocate wholesale into one location and closely integrate them with the entire chain of shops so that distribution would become faster and more efficient.</p>	<p>Microsoft™ Business Solutions–Navision® in connection with EDI ORION system provides on-line connection with all integral parts of the process of a business transaction of a company both internally and in the relation to its suppliers' web.</p>	<ul style="list-style-type: none"> ▪ Distribution of the goods requires less work ▪ Electronic interconnection allows automatically communicate with the suppliers and customers ▪ Overall stock were lowered ▪ Service provision level has improved, requirements on goods transport were minimized ▪ A new capacity for supplying further customers was created

Customer's feedback

"Navision has brought me a huge amount of information in real time. I now have a good overview over where there is a problem and I can immediately get to sorting it out. Even the work of our employees is now better quality for they ceased to be anonymous. If I use a mobile phone or a laptop I can access required information almost instantly."

Ing. Tomáš Hrachovec
Chief of the executive committee,
manager
TEMPO, trading cooperative

"Before today acquiring information was counterproductive and often impossible. Finally we have a modern and user/friendly IS, working in real time with unified user interface."

Ing. Alexandr Ryška
Chief of the trade department
TEMPO, trading cooperative

"All upper management now evaluates and decides based on information, which are accessible to all its members"

Ing. Jaromíra Holubová
Deputy Chief and Chief of the
financial department
TEMPO, trading cooperative

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