



## STREAMLINED PROCESSES ARE KEY AT SYSTEMBOLAGET

**Systembolaget is constantly seeking the smartest, most effective ways to exceed customer expectations. With IFS Applications the company has streamlined major parts of its operations by centralizing assortment, warehouse and distribution processes. All processes from tender until the product is on the shelf are handled in the solution.**

### FOCUS ON SOUND DRINKING CULTURE

When Sweden joined the European Union, its government monopoly on alcohol sales was limited to the retail trade. However, with 410 stores of its own as well as 560 distributors throughout the country, its business is still extremely extensive.

### NEEDED EFFICIENT IT SUPPORT

Although Systembolaget is a non-profit business, it has the expressed aim of continuously developing and managing its operations as efficiently as possible. In this respect, company management saw at an early stage that the right IT support would enable the company to streamline critical processes such as assortment planning, logistics and financial management.

### LACK OF COORDINATION OF DATA

The legacy IT software was a mixture of homegrown systems and applications. “The environment was poorly integrated, which made it difficult to get a good overview of our operations,” explains Mats Petersson, responsible for Systembolaget’s IT systems. “Instead, we wanted to install more standardized IT support that could be integrated throughout our operations. This would also make us independent of individual developers.”

### INEFFICIENT ASSORTMENT AND LOGISTICS MANAGEMENT

One of the areas offering great possibilities for improvement was assortment and inventory management. Previous routines enabled individual stores to decide—within a given framework—the product assortment they would offer customers. In addition, they planned both inventory and logistics themselves, which meant, among other things, that they were unable to benefit from the economies of scale and timesaving processes that result from coordinated supply chain management.

### KEY FIGURES AS BASIS FOR DECISION-MAKING

As well as supporting the company in its efforts to control logistics and assortment management from a corporate perspective, Systembolaget also wanted to provide its store managers and area managers with rapid access to critical key figures.

### IFS APPLICATIONS—BEST SOLUTION

As early as 2000, a preliminary study was carried out to examine IT support and changes to the business. After extensive evaluation, Systembolaget selected IFS

### ABOUT SYSTEMBOLAGET

Systembolaget, the Swedish Alcohol Retail Monopoly, is responsible for selling alcoholic beverages in Sweden. It has 410 own stores throughout Sweden and is represented by about 560 other distributors in small towns and in country areas. Revenue for 2005 totaled SKr 18,083 million.

The background to the establishment of Systembolaget can be attributed in part to a company founded in Gothenburg, Sweden, five years after the prohibition of home distillation of alcohol in 1860, to ensure that pubs were clean and proper. Moreover, an age limit of 18 was introduced for the purchase of alcohol.

Today, the main reason for maintaining the government monopoly is probably the health aspect. Experience shows that although Swedes are drinking more, the monopoly on sales helps slow down consumption. Moreover, Systembolaget offers one of the widest assortments of alcoholic beverages in the world.



Applications because it offered the best opportunities to coordinate and streamline its processes on a corporate level.

### **CENTRALIZED ASSORTMENT AND LOGISTICS MANAGEMENT**

From a central office, each store receives proposals concerning the assortment and respective quantities it should stock. The proposals are governed by a model that is maintained in IFS Applications and which is based on historical sales data. Store managers are then free to adapt their orders to local conditions and trends.

“IFS Applications is a key business tool for us,” says Pettersson. “This is where we manage our entire assortment, from requests for tender right through to placing the products on the shelves in the different stores. Without the functionality for coordination and planning offered by this type of system support, we would never have been able to manage our supply chains as efficiently as we do today.”

### **COMPANYWIDE FINANCIAL INFORMATION**

The components in IFS Financials™, which were implemented first, provide the finance department in Stockholm with continuous access to companywide information about all financial processes, including accounting.

### **MANAGEMENT TOOL FOR STORE AND AREA MANAGERS**

Another set of functionality that has received a very positive response in the stores is the tool that helps store and area managers get daily access to critical key figures. “Examples of such figures are those related to sales, customer volumes, or time consumed per sold product,” explains Pettersson. “This makes it easier for the managers to see their strengths and determine which areas need to be improved. The information then forms the basis for daily planning and is followed up each day.”

### **MORE TRANSPARENT RESULTS**

It has been some time since Systembolaget began to run IFS Applications, and the effects of the business software can clearly be seen in terms of better coordination, greater efficiency and time saved. “One significant improvement that produced tangible effects is that we have made great progress in collecting all information in one system,” says Pettersson. “Our goal is to be certain that the information we use is always updated.

Today, Systembolaget has a centralized flow of goods, which ensures substantially higher quality in logistics and frees more time. “Instead of 410 stores handling their own individual logistics planning, we run it centrally. It’s not hard to understand that the resulting gains are significant,” says Pettersson.

### **FUTURE PLANS**

“We are very satisfied with IFS Applications so far. As we are constantly developing our logistics operations, we’re excited about the new functionality that will be available in the latest release of IFS Applications,” concludes Pettersson.



**“IFS Applications is a key business tool for us”**

Mats Pettersson, responsible for Systembolaget's IT unit