

CUSTOMER PROFILE

MANUFACTURING

LAWSON AT MIO



MIO Gains Powerful Tool to Grow Its Business

Furniture retailer MIO is using technology to remodel its supply chain, and Lawson M3 is the catalyst for reducing delivery times, shortening product development cycles, eliminating “distress” sales, and creating a “never-out-of-stock”, Internet-led business culture designed to increase the company’s market share.

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Business Benefits

Just a few short months into the rollout of its Lawson M3 implementation, MIO has already begun to see a fundamental transformation in the way it does business. However, it's the prospect of big business benefits that really excites Lars Aberg, the IT manager at MIO, as he recounts the role of IAS as a catalyst for change.

“We've developed a POS system like no other using Lawson's IBrix,” Aberg explains. “It doesn't just handle sales transactions. It gives us a real-time view of stock and delivery times. And each retail sale automatically triggers a supplier purchase order.”

Aberg says that the POS system is integrated with IAS, which makes future upgrading a relatively simple task. He adds, “The POS system is highly responsive and makes each sale more informed, quicker and easier, both for the salesperson and the customer. It has created a new consumer service dynamic and given each store a tangible competitive edge.”

Aberg goes on to say that one of the big business benefits from IAS is 100 percent stock visibility and control, as well as the eradication of “distress” sales.

“In the past we've suffered both from overstocking and understocking,” Aberg admits. “In the first instance, it meant we were forced into heavy discounting at year-end. And in the second, customers either had to wait far too long for their goods to be delivered, or we missed a sale.

“IAS has changed all that. Now we've got the ability to always carry the optimum amount of the right stock, and we're also aiming to reduce delivery times from suppliers and our central warehouse to stores by a third.”

Aberg elaborates on the impact IAS is having on product planning. “Furniture is a very traditional market, but as the supply chain lengthens geographically, we're quickly changing our attitudes and processes.

“We are adopting the more responsive type of approaches found in faster-moving retail sectors, and part of this process means significantly reducing the length of the annual product planning cycle.”

Aberg adds that IAS is enabling MIO to more accurately analyze the best selling and most profitable product lines. This is resulting in more effective and market responsive product planning.

The system also provides the information MIO and the retail stores need to analyze and determine the optimum number of sales staff needed in each store each day.

However, IAS has also been a more fundamental catalyst for change. MIO is owned by the individual retailers and previously the focus tended to be wholly on each store as the customer. But this has changed. MIO has become more centralized in its management to the extent that the stores are now regarded as franchises.

In addition, suppliers are also coming around to the realization that the consuming customer is king, first and last.

“In many ways we are reinventing the business,” Aberg says. “We came to the stark realization that we operate in a tough and uncompromising market where consumers have tangible choices and are often unforgiving if we get it wrong.

“We need to both meet the needs of customers on a 'local-for-local' basis and also plan and run the business with a common set of organization-wide processes that make us more coherent and therefore a more efficient and effective business.

“For example, the Internet gives consumers the opportunity for instant product comparison at all levels, and it's vital that we are present with the right offer at the precise moment decisions are made.”

Aberg explains that together with Lawson, MIO is putting substantial efforts into developing its Internet capabilities.



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Ingemar Ojhage
Store Manager, MIO



“We’re developing an aggressive Internet strategy for the whole business, which will benefit each store individually,” he says. “It will enable us to present consumers with a strong offer and back it up with a service promise through each store.”

But in the final analysis, the unifying effect of IAS has provided one of the biggest benefits so far. Ready access to consolidated information has put the company onto a new level of understanding about its performance, and it has given managers and planners the tools with which to develop more aggressive growth plans.

This more cohesive and transparent understanding of the business is being extended into each store.

Ingemar Ojhage is manager of the Jönköping store. He says that before IAS, the lack of integration made it difficult to always ensure that the right product lines were available at the right times.

“We had some difficulty in knowing for certain which product lines we should be stocking and which were the best sellers,” Ojhage explains.

He continues, “IAS has opened up a new world for us and we are just beginning to understand the full impact of the information we’ve started receiving. IAS is already proving to be a powerful weapon in our efforts to grow the business, both strategically and at a local level.

“The product information we now have is accurate and up to date, and we have better control of delivery times. And full visibility of the whole supply chain enables us to make considerable improvements to customer service levels.

“It’s a very powerful service proposition to be able to give customers a real-time view of product availability. It gives us enormous credibility.”

About the Company

MIO has 68 retail stores throughout Sweden. It is one of that country’s leading furniture retailers and its products range from sofas, tables and chairs to glasses, cutlery and lamps.

Why Lawson?

Aberg says that Lawson didn’t just “confine its pitch to the boardroom”. Lawson undertook considerable process analysis and demonstrated how IAS could be set up to run the processes at MIO.

He comments, “Lawson responded to us in a serious way and it also quickly became apparent that the company really understood our business and the market. The work was excellent.”

The Implementation

“Working with Lawson has been a good experience,” Aberg says. “We are a very difficult customer to please, but Lawson is responding well and meeting all our needs.

“In my experience, the main reason that IT projects go wrong is a lack of clarity by the client company of what it wants to achieve, leaving too many defining decisions to the IT supplier.”

He adds, “It’s vital that client companies have clear and achievable objectives and that sufficient resources are committed from senior management down.”

IAS went live at MIO’s head office in November 2004. The first stores went live in May 2005, and completion at all stores is scheduled for 2010.



Future Plans

One of the big challenges for MIO is to change attitudes among its 80 suppliers and get them to focus on consumers.

"We need our suppliers to be more responsive and to buy into automatic replenishment," Aberg says. "We plan to give them direct access to demand and stock information, and to open up the supply chain in order to further increase efficiencies."

He adds "We will also be introducing bar coding at our central warehouse, which will enable us to accurately track and trace individual products as they move through the supply chain."

MIO is also using IBrix with Lawson's Workplace solution, and Aberg plans to add the ability to use a full range of graphics.

About the Solution

MIO is running the Java version of IAS on two IBM Series 825 servers. The platforms are Intel and Windows.

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About Mio

Since it was founded over 40 years ago, Mio has expanded from being a procurement company to establishing a strong brand name with a nationwide chain of stores. Annual sales in Mio's stores total more than two billion Swedish krona (including VAT) in furniture and decorating accessories. Most of the company's 70 stores are franchises, while some 10 stores are run by Mio. The company's headquarters are in Tibro, Sweden where its service office, display rooms, photography studio and main warehouse are centralized. Mio is owned by just over 30 boutique companies as well as other parties interested in the Mio furniture chain, and has approximately 1,100 employees. Mio is the second largest company on the Swedish furniture market and has approximately 15 percent market share. Mio is the largest company when it comes to number of stores in Sweden. The Mio brand name stands for high quality design, selection and customer service.