

Complete system solution for store chains

Agenda

- Presentation of Munk IT
- Focus on a client project for Kvik Kitchens, which started in 2002 with 40 stores in Denmark.
- Today, the number of stores involved has grown to 94:
 - 45 stores in Denmark
 - 15 stores in Sweden
 - 15 stores in Norway (Hands)
 - 10 stores in Finland (Tietoenator)
 - 5 stores in the Netherlands
 - 2 stores in Belgium (V-Concept)
 - 1 store in Iceland
 - 1 store in Spain (Arquiconsult)

Kvik's rate of expansion is 30% per annum.



Kvik køkkener

A franchise chain with expansion plans
– both domestically and internationally



ALLE HAR RET TIL ET FEDT KØKKEN

kvik

Kvik køkkener

From pencil and paper to a modern store solution:

“Kvik Køkkener A/S sells kitchen, bathroom and wardrobe units from more than 90 stores in eight countries. All the stores are serviced from the chain’s head office in Vildbjerg near Herning, Denmark. The stores have online access to head office IT systems so they can rapidly handle all procurement, logistics and stock management processes. LS Retail is the lynchpin of the retail solution generating significant resource savings.”

*Jørn M. Andersen,
IT Retail Manager & Project Manager*

ALLE HAR RET TIL ET FEDT KØKKEN



Who is Munk IT?

- A complete and specialist supplier of IT finance solutions for small and medium-sized businesses
- Founded in 1993
- Employs 110 people
- Offices in Copenhagen, Odense, Kolding and Silkeborg, Denmark
- Annual turnover in excess of € 20 million
- More than 1,500 active clients
- Taken over in 2005 by employees of Munk IT and Mezzanin Capital



Focus

“We will concentrate exclusively on what we do well.”

Bjarne Søballe, CEO, Munk IT

Fact file – Bjarne Søballe

- 20 years experience in the IT sector
- International experience with the establishment of a subsidiary in Australia, and a year as national manager in UK
- Previously founder and owner of Naviteam
- Currently CEO and principal shareholder in Munk IT



DIREKTØR
BJARNE SØBALLE

Strategy – The agreed quality on time, every time **kvik**

No project is too small

“We take professional pride in being the best sounding board available, and we guarantee that your project will be taken seriously, no matter how big or small it may be.”









Bjarne Søballe, CEO, Munk IT

- The right employees
- The right skills
- The right solutions







Bjarne Søballe







Complete system supplier – with specialists

Dynamics NAV (Navision) 	C5 	XAL 
Detail 	Infrastructure and hardware 	Hosting and remote backup 
Microsoft CRM 	Integration solutions	Business Intelligence 

LS Retail sector solutions

Kitchens	Clothes and shoes	White goods	Hardware
			

Complete system supplier to the retail sector

<p>POS equipment</p>	<p>Payment terminals</p>	<p>Scanners</p>	<p>Monitoring</p>	<p>Item security</p>	<p>Large screens</p>
					

Three most recent customers



145 stores



225 stores



4,000 stores worldwide



Other customer references – 25 Retail chains

Maibom Sko

EUROSKO

Lipo Lipo



Mr Aabenraa

DIN TØJMAND

claire.dk
inspires you



Dress Partner



alle har ret til et fedt køkken **kvik**



The retail problem areas most often mentioned

1. **Too many separate systems** – many applications are not linked to the cash desk, causing too much manual processing.
2. **Complicated stock status** – we want a better overview of our own stores – and others' – and to reduce shrinkage/theft.
3. **Updates are complicated** – and currently have to be performed manually, meaning expensive and time-consuming store visits.

The retail problem areas most often mentioned

- 4. Management and service from head office** – we want to help our stores more with for example item updates, price updates and campaigns.
- 5. Using the data collated** – today, obtaining an overview of turnover, finances, earnings, contribution margin, and activity measurement data from the stores is too time-consuming.

Carsten Andersen, CEO – Kvik A/S

- “Printing a receipt is so easy now”
- “Focus on losses and theft”
- “Stock control – approx. 5,000 item numbers”
- “View the day’s sales figures”
- “Increases efficiency of orders and counts”
- “Makes data accessible”
- “Improved profitability – drop weekend costs”



Carsten Andersen, CEO – Kvik A/S

“We win on knowledge and fast reactions”

- “Overview – see orders from stores”
- “Overview – see goods on the way ”
- “Overview – see customer loyalty”
- “Overview – see operations/statistics”
- “Overview – see/move campaign items”
- “Overview – see residual orders”
- “Overview – see/correct packing errors”



Kvik A/S – a new concept for a new age

- Less time spent on hardware in stores
- Less time spent on software in stores
- All support direct from central server
- Lower investment costs per store
- Minimal training needs (online training available)
- Centrally controlled updates via Citrix MetaFrame
- High level of motivation
- High productivity in busy everyday work situations
- Shorter ROI period

EFFICIENCY – LOW COSTS – MAJOR OPERATIONS



Interview in the warehouse sale stores



Frank Andreas
Jochumsen
Proprietor

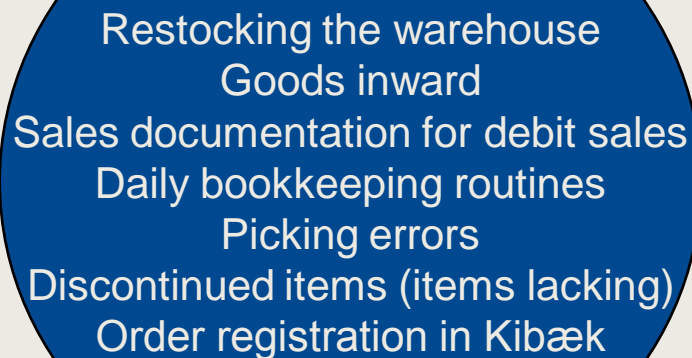
- “We look forward to automating and raising the efficiency of a number of our daily work processes”
- “One of our most important tools – and one of the tools we use most often – is our order sheet, but we spend a lot of time adding things up on a calculator and we often have to check our figures once or twice again”
- “I would like to see bar codes on the order sheets”
- “If we could do stocktaking with a handheld scanner, we would save time, improve control and limit shrinkage”
- “We would be happy to act as a test store”



Analysis – new POS solution for Kvik stores

Internal work processes and problem areas

Investment in a new IT system should pay for itself through rationalisation of day-to-day work processes and elimination of errors linked to the sales process.



- Restocking the warehouse
- Goods inward
- Sales documentation for debit sales
- Daily bookkeeping routines
- Picking errors
- Discontinued items (items lacking)
- Order registration in Kibæk

Return On Investment

- If each store loses goods valued at € 7,- every day for 325 days of operation, a 75% reduction in this loss will have the following effect on the stores' bottom lines:
- For the whole chain: € 152.750,- per year
- Per store: € 1.625,- per year

Return On Investment

- If more efficient ordering makes it possible to avoid saying NO to a customer because an item that costs € 20 in the database is not in stock every day for 325 days of operation, a 75% reduction in these lost sales will have the following effect on the stores' bottom lines:
 - For the whole chain: € 458.250,- per year
 - Per store: € 4.875,- per year

Return On Investment

- If it is possible to save 1 hour a week per store for 50 weeks of operation, stores will have the following extra hours to serve customers and make sales:
- For the whole chain, an annual increase of 4,700 extra sales hours per year
- Per store: 50 hours per year

Return On Investment

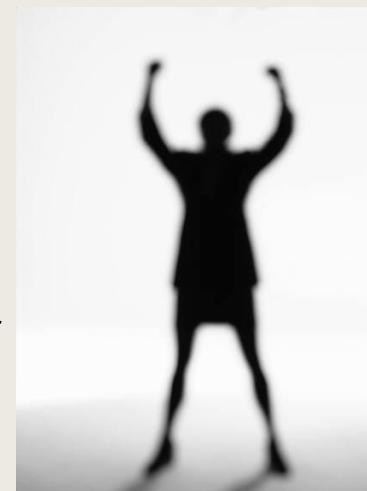
- What is improved customer service worth?
 - More error-free deliveries
 - Fewer returned goods
 - Fewer residual orders
 - Delivery on time
 - *PostIt* notes – “remember the glue”



Kvik A/S + Munk IT = SUCCESS

- ✓ Efficient stock management (stocks cut by 10%)
- ✓ A lot of time saved on ordering (reduced by 75%)
- ✓ Time saved on stocktaking and status (reduced by 90%)
- ✓ All yellow “*PostIt*” notes replaced by IT and automation
- ✓ Fewer packing errors result in greater customer satisfaction
- ✓ More efficient selling by store staff
- ✓ Better monitoring tools for the proprietor
- ✓ Better tools for trimming the range
- ✓ Much better options for chain optimisation
- ✓ Keep IT Simple

*Jørn M. Andersen,
IT Retail Manager & Project Manager*



“Getting started” ... The project phases

- The sales phase
- Clarification of system building blocks
- GAP/Fit analysis/workshop
- Contract negotiation
- Training project managers
- Detailed analyses
- Prototype programming
- Design phase



Project management concept

- Maintain control – control the process
- Involve the customer
- System owners
- Quality control
- Project organisation
 - Steering group
 - Project groups



Questions ...