

PROBLEM

- Integrating diverse systems and business cultures after a merger

RESULTS

- Fluid communication between independent stores and central systems
- Easy access to information from front- and back-office computers
- Lower ownership costs with a single-platform solution

LA RINASCENTE USES WRQ REFLECTION[®] TO SOOTHE MERGER HEADACHES

When La Rinascente, the largest distribution group in Italy, merged with Auchan, a prestigious French retailer, both organizations had to address profound differences to offer new services for consumers, while preserving La Rinascente's existing strong points.

In Italy, a La Rinascente's "hypermarket" extends over 6,000-14,000 square meters, employs from 250-500 employees, and offers consumers over 60,000 different products—from fresh and packaged food to non-food articles, such as fabrics, products for the home, appliances, computers, and tools for do-it-yourself-ers. In 1997, La Rinascente entered into an agreement with Auchan, a large-scale retail trade firm. As part of this agreement, La Rinascente began a campaign to intensify personnel training, review product offerings, modernize store layouts, and take a hard look at the technology supporting its underlying processes.

Merging Systems and Cultures

From a technology standpoint, the back-end systems supporting operations at La Rinascente and Auchan were not compatible. A few years before, La Rinascente had streamlined its infrastructure by moving its core applications—including those responsible for managing inventory, handling pricing, and tracking promotions—to UNIX systems. Auchan relied on IBM AS/400 applications for similar functions. La Rinascente's technology division found itself—at least in the short term—managing a mixed environment that included both UNIX and AS/400 systems.

"The organizational change inside the Hypermarkets Division constituted an important step in our strategy and was supported with all the tools necessary for innovation," recalls Marino Vignati, division technology manager for La Rinascente. "In particular, combining our two different brands under that same banner

increased the number of functional parameters (type of merchandise, merchandise value, quantity, type of supplier, etc.) that our infrastructure had to manage. Having two different environments further complicated matters."

The two organizations had to contend with cultural differences as well. La Rinascente favored centralized management, which kept the number of users accessing core applications very small; Auchan advocated decentralized management, providing full autonomy to individual stores and dramatically increasing the number of users accessing its core applications.

"The principal problem to confront was that of managing access to the commercial applications present in the UNIX and AS/400 environments," Vignati explains. "This need led us to survey the emulators available on the market to identify a single product that would provide standard access to our systems from all points-of-sale throughout the country."

La Rinascente selected WRQ Reflection[®] for its ability to connect to both AS/400 and UNIX systems with the same standard interface. Additionally, Reflection enabled La Rinascente to customize access to core applications to make them easier to use. As an example, La Rinascente created a simple desktop with intuitive icons for front-office users to access information required for their jobs. This helped them reduce training time and bring new employees up-to-speed fast. For back-office users, Reflection provides more extensive access to core applications.

Moving to an All-UNIX World

In 2000, La Rinascente and Auchan decided to retire their AS/400 systems and transition to a pure UNIX environment. The process of standardizing on UNIX took two years, with deployments at all 35 stores completed in December 2001. By moving to a single operating platform, La Rinascente simplified support, service, and on-going maintenance, thereby reducing their overall ownership costs.

Today, just three people and a call center support La Rinascente's 35 hypermarkets (now recognized under the Auchan sign) and 2800 computers. Each hypermarket has a front-office server for managing cash registers and other local functions, and a back-office server for the commercial management of the store. This structure enables each hypermarket to function autonomously, while still providing easy access to information such as pricing and promotions contained in the central system.

"The organized distribution system is an evolving, dynamic system," states Vignati. "Within this, changing operational models or even people's responsibilities has a strong impact on the entire organization. For us, having tools that were not capable of optimizing procedures and facilitating human interaction would have meant elevated costs and a loss of efficiency. Thanks to the WRQ[®] solution, we succeeded in providing a unique response to the technical problems and guaranteed a return on the investment that we made."

About WRQ

WRQ makes host applications more agile. Unlock the power of existing information by reusing what you have in new ways. To learn more about Reflection and Verastream[®] products, visit www.wrq.com/products.

Siosistemi, distributor of WRQ products in Italy, and Cortis Lentini, a WRQ reseller, helped to make the La Rinascente project a success.

About La Rinascente

The Rinascente Group is today one of the largest retail trade firms in Italy with 1,358 sales outlets (under direct management, affiliated, and associated) and approximately 30,000 employees. Auchan is one of the most prestigious large-scale retail trade firms in the world. Eurofind, a company shared by Ifil Spa and the French Group Auchan, holds the controlling stake in La Rinascente. For more information, visit the Rinascente Group's web site at www.rinascente.it.



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