
ILG Case study

Automated web-system
slashes ILG's
operating costs

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Automated ordering saves ILG members 50 cents per carton, slashing operating costs



The Independent Liquor Group (ILG) is a wholesale co-operative with warehouses in Sydney and Brisbane. It services more than 1100 liquor stores, pubs and restaurants in New South Wales and Queensland.

Being member-owned allows ILG to focus on providing a professional service to members and customers. With ILG's membership and sales volumes continually increasing, IT Manager Roger Miller saw a prime opportunity to upgrade the firm's order processing capacity by taking advantage of the latest software and web technologies.

The planned changes included consolidating and enhancing ILG's ordering system, a mix of disparate technologies that were proving costly and labour intensive to maintain. This outdated set-up was forcing staff to process orders by fax, phone and a legacy software program that required a direct link between two modems. "The old way of working was expensive and did not scale well," says Miller.

"Any increase in customer orders would have required an increase in staff numbers and additional cost to the organisation."

Miller wanted to automate the ordering process and leverage off the company's existing website, which suppliers were already using to download transactional information about product sales.

"Taking our ordering system online with a robust web application was a logical way to improve operations."

"Taking our order processing system online with a robust web application was seen as a logical way to improve operations. This would assist flexible buyer engagements, and allow us to process a higher volume of orders in less time using fewer people."

Supported by Managing Director John Raymond, who was keen to develop an electronic ordering capability, Miller began searching for a software developer with the mix of technical and business understanding needed to enhance and also cut the cost of order processing.

"DesignAvenue Software came to us highly recommended. Ultimately we selected them on their ability to manage the full software development life cycle in a transparent and flexible manner," says Miller.



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Building on ILG's existing database-driven website, DesignAvenue used its expertise in Microsoft technologies to create a powerful web-application, centralising and automating ILG's order system.

"The solution is proving highly scalable and has positioned ILG as a company in step with the latest technologies. Users can confidently place orders online at anytime, from anywhere," says Miller.

Working with ILG to ensure a controlled project aligned to business performance objectives, DesignAvenue's software team completed a 'ProjectVision', a blueprint specifying all technical aspects of the job upfront.

"The result was a more cost-effective and efficient system."

The result was DesignAvenue building and integrating an e-commerce interface into ILG's existing web application incorporating the legacy system for order processing. The legacy system included a VMS database and various supplementary applications. In a series of steps, data was migrated first to a Microsoft Access database, then to an SQL database application to manage the higher volume of sales activity.

Programming in a Microsoft .Net environment, DesignAvenue software engineers developed code in VB and C#, which was uploaded to ILG's server every two weeks as iterations were completed. This allowed ILG to use working software to measure the rate at which work was progressing, and to assess technical feasibility at each stage of the project.

Typically, DesignAvenue finds that as projects advance, clients will see their needs changing. Miller appreciated DesignAvenue's flexible development approach known as the 'PTR' methodology, which encouraged strong collaboration throughout the project.

"DesignAvenue's approach allowed us to add important changes to the workflow, allowing us to capture new ideas for the solution along the way."

"The result was a more cost-effective and functional system," says Miller. "For example, orders can now be assembled at several locations within the organization, as well as turn-in orders from supplier companies. This can all be done online prior to completing and approving the final order. The member only receives a single delivery and invoice. Pricing and freight can be calculated on the whole delivery."



Thanks to the high level of automation derived from the system, ILG has been able to keep staff numbers down while dealing comfortably with a steadily increasing volume of orders.

"The combination of analyses and business logic built into the system has made the ordering process more transparent and increased accuracy. As a result, stock returns are considerably lower. In addition, electronic transmission has reduced transcription error rates. Without this new web capability, we'd need to employ extra staff to cope with the higher volume of transactions," says Miller.

"ILG's members now save 50 cents off the price of every carton ordered electronically."

The ordering system has also bought a new measure of clarity to inventory management. "Because all transactions are centralised and automated, we have a clear snapshot of transaction history and extra control over stock. Moreover, the time that members and suppliers spend placing orders has been slashed."

According to Miller the new e-commerce site is the best electronic ordering facility available in the liquor industry and has increased customer satisfaction and sales volumes.

ILG values its close and interactive working relationship with Design Avenue. In addition, Miller appreciated the firm's commitment to customer service and focus on meeting ILG's deadline and budget.

"DesignAvenue's technical expertise and commercial understanding ensured a successful business outcome. Service delivery has been improved considerably and ILG's members now save 50 cents off the price of every carton ordered electronically. Since we sell more than 2.5 million cases of liquor each year, this is a considerable saving for members."



If you'd like more information on how your company's systems can be automated, please contact DesignAvenue Software today on 9698 2511 (ext 408).

