

Selver 4DOC Project

Alar Vares
Selver AS

10.11.2011

SELVER

H e a m õ t e

What is Selver?

Selver is a chain of super- and hypermarkets operating in Estonian cities.

The purpose of Selver is to provide its customers all the necessary quality provisions and commodities quickly and conveniently at one place.

Selver is a retail chain based on Estonian capital.

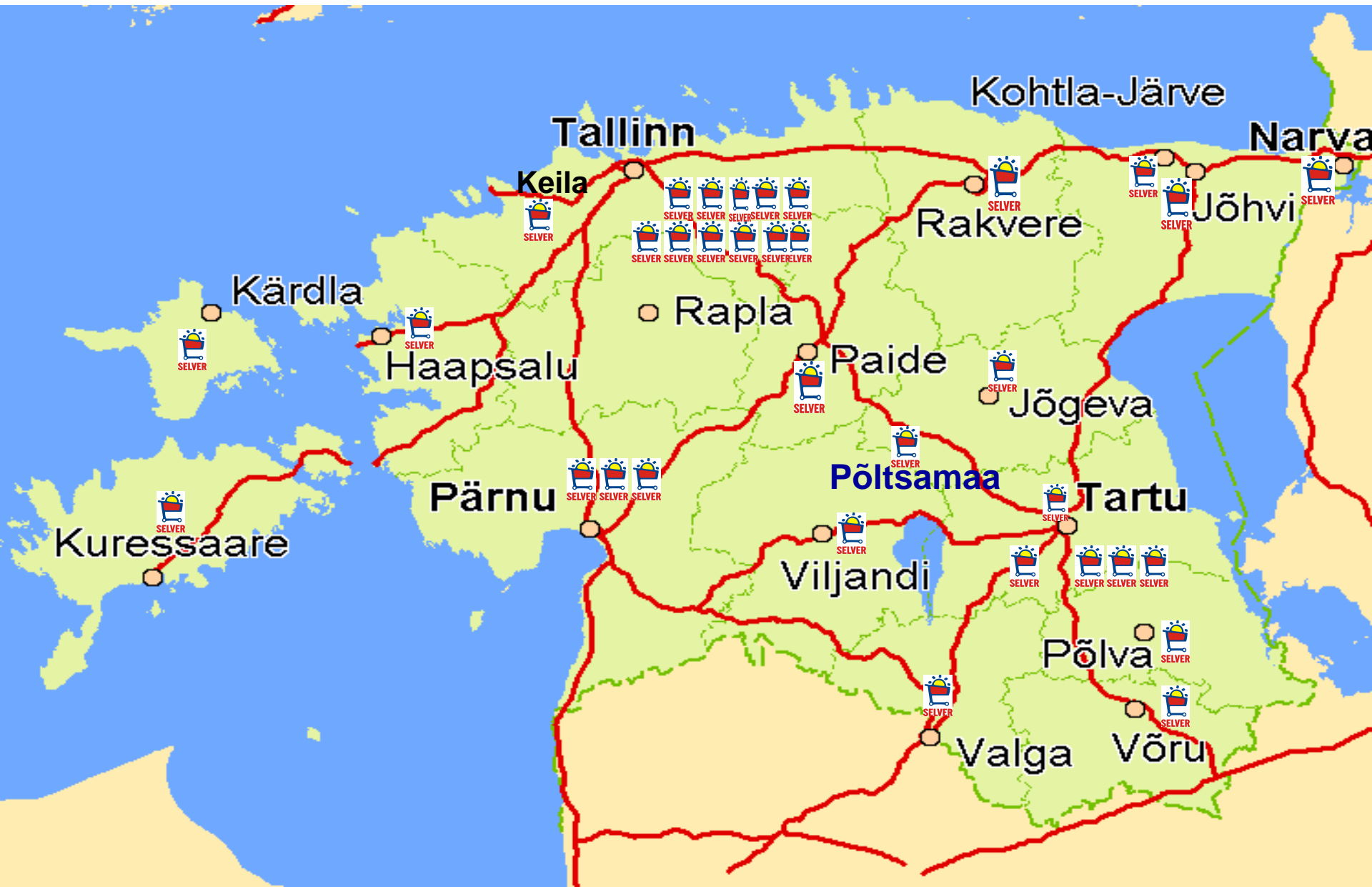


Facts about Selver AS

- A stock exchange company
- Member of NG Group, the holding company
- Affiliate of Tallinna Kaubamaja AS
- First store was opened in 1995 in Tallinn
- Today 34 super- and hypermarkets
 - Tallinn – 11 stores
 - Tartu – 5 stores
 - Pärnu – 3 stores
- Ca 2500 employees
- Turnover in 2010 was 360 million €



Selver stores in Estonia

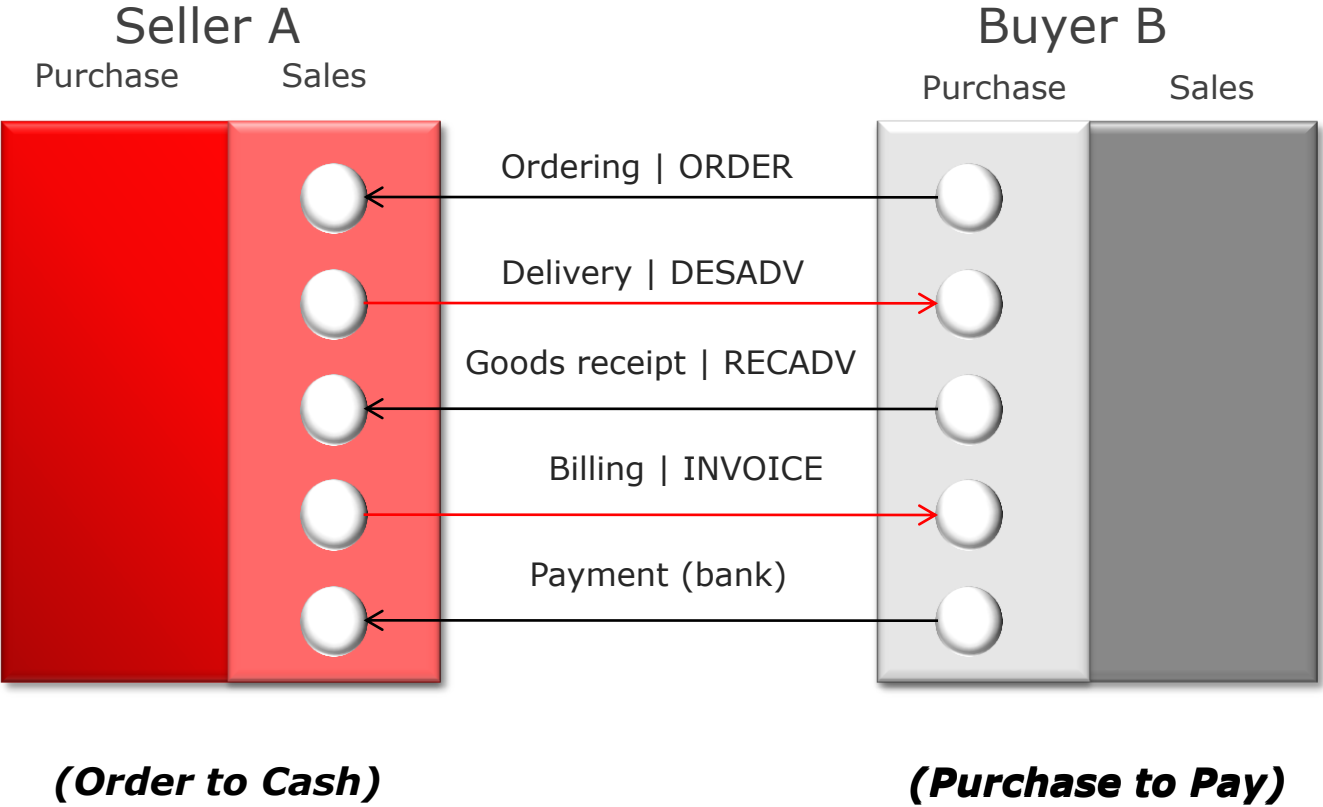


Results 2010-2011

- First place among supermarkets based on Emor Service Survey (2010)
- First place in the Competition for Health Promoting Companies held by the Estonian National Institute for Health Development (2010)
- Estonians' most favoured shopping place according to a Emor survey (2011)
- First place as to supermarket consumer loyalty and customer satisfaction in an EPSI Baltic survey (2010)
- Eighth place in overall assessment in the Reputation Survey of Estonia's Most Successful Large Enterprises. Selver is the only retail chain in TOP 20 and has developed (2011)
- First place in Nielsen's retail chain consumer survey Shopper Trends. Growth compared to 2010 (2011)



Documents between Seller and Buyer

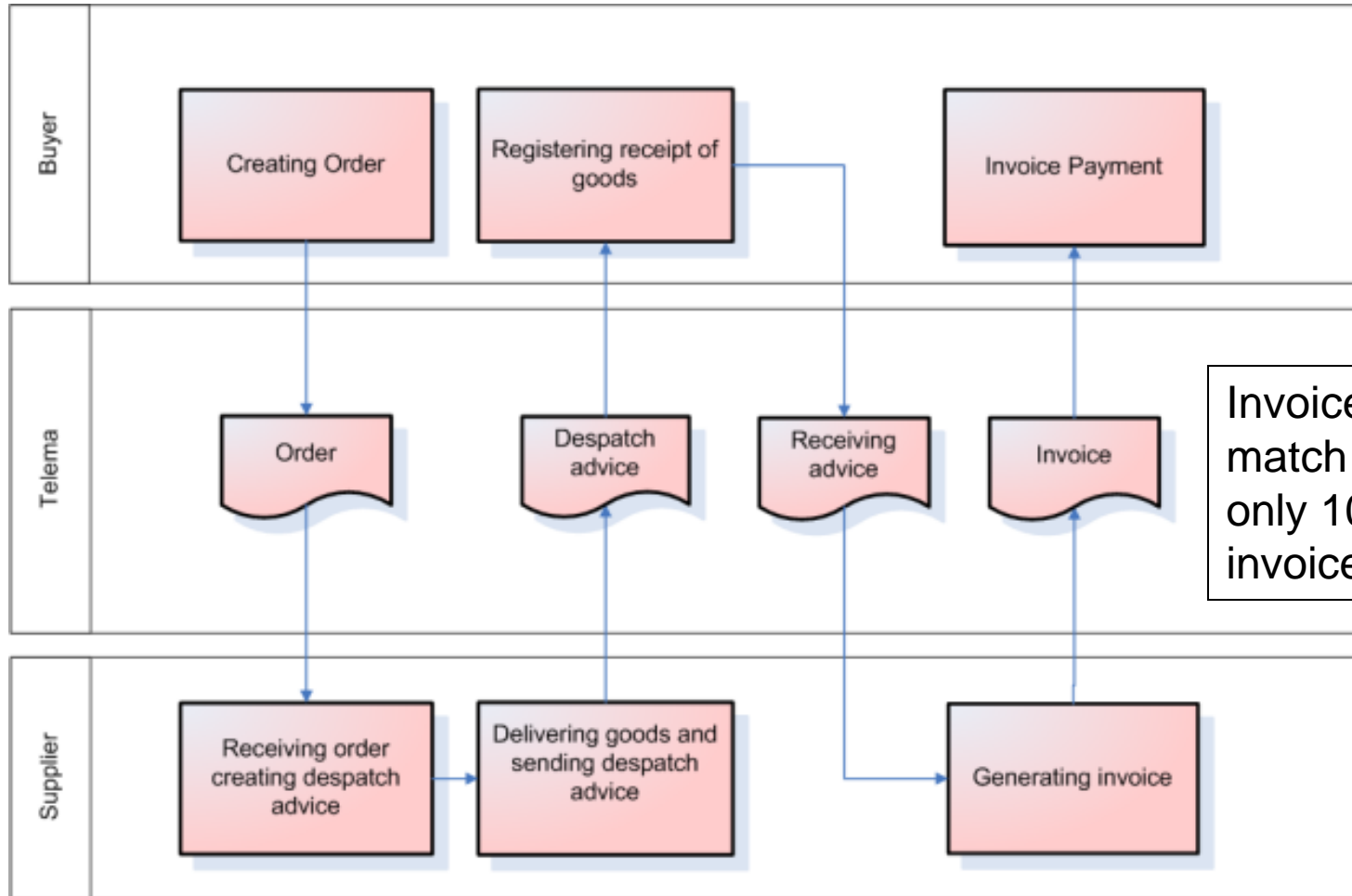


4DOC Advantages

- Invoice matches received goods
 - Telema's built-in control
- Many hours saved dealing with problematic invoices
- Distribution center workers/transportation do not have access to price info
- Distribution center workers know next day's predicted volumes



Matching invoice vs receiving advice



Invoice vs recadv match (article+qty): only 100% matching invoices are forwarded



Project Management “From 2DOC to 4DOC”

- Top Management decision
- Supply contracts need to be changed
- Set a deadline for suppliers (be realistic!)
- Be ready for delays
 - Suppliers are not ready technically
- Do not change requirements in the middle of project
 - Expensive for suppliers



Selver 4Doc for chilled & frozen goods

- Total 40 suppliers
 1. 75% of them are capable of using all 4 documents in their ERP
 - It takes time and money to set it up
 2. 25% of suppliers are not capable of using 4 documents in ERP (some do not have ERP!)
 - Arrange for an alternative (web portal)



1. Integrated suppliers

- Depends on supplier's ERP how easy or difficult is the integration
- Usually development needed
- Can be time consuming and costly if the requirements are not understood correctly and not developed according to the requirements



2. Smaller suppliers: Telema WEBSupplier 4DOC

- Functionality available:
 - Receive ORDERS
 - Create & send DESPATCH ADVICES (based on orders)
 - Receive RECEIVING ADVICES
 - Create INVOICES (based on receiving advices)
- First version was launched in May 2010
- New version available from November 2011



Selver has gained

- Supply accuracy – monthly average, on row based, is 99,6%
- 100% correct invoices in the stores
- Invoice printout layout is in the same format
- Problems are solved in one location (DC)



Lessons learned

- Starting a project is not a easy task when changes are not welcomed
- All suppliers are different
- You need to have a good EDI partner
- You need to have an alternative solution



Summary

- The trend is to move from 2DOC to 4DOC
- Suppliers in Baltics are getting ready
- Benefits to both sides
 - Quicker process
 - Better confidentiality
 - Less errors
 - Cost economies



Tänan!

SELVER

H e a m õ t e