Ahlsell

Our partnership with IBM is a key component of our overall business strategy

Overview

Business Challenge

Become a market leader in each of its target regions and sectors.

Solution

- IBM Connectivity and Integration
  - IBM Sterling B2B Integrator

Ahlsell is a wholesale trading company, established since 1877 and fully owned by Goldman Sachs and Cinven. The company offers professionals a wide range of products and services within the plumbing, electricity, tooling and machinery, and "do-it-yourself" (DIY) industries. With a presence across more than 200 different locations in the Nordic markets and an employee base of more than 4,000, the company is well established. Ahlsell has an annual turnover of SEK 20 billion, of which almost 60 percent is in Sweden.

Business challenge

Ahlsell is committed to becoming a leading player in each of its core product areas, and across the Nordic countries in which it operates.

The challenges Ahlsell faces go hand in hand with its criteria for success. As the company readily acknowledges, Ahlsell's product range is not unique. Differentiation, therefore, is rooted in providing added value for customers, in terms of careful selection of product lines and exceptional service beyond the usual order fulfilment and delivery.

"Our ambition is to create an above average service level by keeping ourselves at the absolute forefront when it comes to logistics and e-business. In Ahlsell, the customer finds a trading partner that is easy to do business with and where they have the flexibility of selecting the option that suits them best," says Mårten Forssell, e-Business Manager at Ahlsell.

Solution

Mårten Forssell, e-Business Manager at Ahlsell, is responsible for the company's integration of external partners and customers. He and his team support a company vision that is committed to successfully navigating its way through a rapidly evolving sales and marketing environment while ensuring that its offering to business partners remains as flexible as possible.

Business benefits:

- A complete B2B platform
- Enables scalable and platform-agnostic integration between Ahlsell and its external business partners
- Flexibility provides substantial possibilities for future development and bespoke adaptation of the solution

As a means of implementing a customer and supplier relationship management model based on the principle of choice, Ahlsell was looking for an integration platform that would help ensure the reliable sharing of order-related information in real-time for customers and suppliers, as well as providing visibility straight through to completion of a transaction.

Ahlsell selected Sterling B2B Integrator from IBM, a modular and comprehensive B2B integration platform, which manages the integration between organisations and their business partners. The company selected Sterling B2B Integrator for its flexibility, scalability and platform independence, allowing Ahlsell to manage the integration of processes for logistics and e-business infrastructure and extending this to external business partners.

Ahlsell and IBM had a successful track record through the previous implementation of IBM® Sterling Gentran:Server® for EDI and the wide range of communications protocols and standards supported within Sterling B2B Integrator further fuelled Ahlsell's decision to partner with IBM in B2B integration. Mr. Forssell adds, "We have always been impressed by IBM project management skills, first class support and general commitment to providing solutions to our specific business issues."

Key benefits

As a result of the deployment of Sterling B2B Integrator, information about the order process is now designed to be available in real-time for customers from the point at which the order is placed online, an order acknowledgement returned, and through to delivery notification. The transaction is completed with an invoice being sent. The potential benefit to customers is their ability to integrate their systems with Ahlsell's, independently of their ERP system. Orders, requests and purchasing can now be managed in real-time, which is an important step to reach the desired common efficiency gains for both customers

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— Mårten Forssell, e-Business Manager, Ahlsell

and suppliers. In addition, Ahlsell can now better expose inventory information to key customers via Web services and enable their customer to post stock level request with near real-time response, thus giving improved forecasting information and ultimately enhanced customer service.

In terms of internal benefits, Mr. Forssell adds "Our sales people have been freed up from timeconsuming administrative tasks, enabling them to concentrate on focused customer and supplier relations while eliminating the previously numerous possibilities for human error."

Currently, approximately 400 business partners are connected with Ahlsell via Sterling B2B Integrator, and the plan is to increase this number considerably. "Our larger suppliers are nearly all integrated, and we are currently exploring with IBM the possibility of rolling out a Web-EDI solution for our smaller supplier base," says Forssell.

"We aim to enable trading partners to migrate to AS2, a standard for secure data interchange between trading partners that transmits data in real-time over the Internet. The objective is to provide our partners and customers with a pre-configured AS2 client that provides a platform for cost efficient, secure information exchange."

In parallel, Ahlsell has a number of ongoing pilot projects such as a vendor-managed inventory (VMI) pilot in Finland in which inventory is handled by the supplier who has the ability to track and replenish stock levels proactively. Internally, there are also considerable integration efficiency measures underway, as is the case at Ahlsell's central distribution centre in Hallsberg, whereby implementation between the company's ERP system and a new logistics system (ASTRO) is enabled by Sterling B2B Integrator.

"Together with IBM, we have given ourselves a significant competitive edge while future-proofing our investment as our marketplace continues to evolve. Communications with our customers can be made via a range of options, including physical stores, online shopping, and traditional telecommunications or using any communications protocol or standard they prefer, whether it is Web services, RosettaNet, EDI, or XML," concludes Mårten Forssell.

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