

DT Group creates overview



OVERVIEW OF THE PURCHASING AND SALES LEAD TO SAVINGS RUNNING INTO MILLIONS AT DT GROUP

DT Group has grown large, and with just over 7,000 employees, more than 220 shops and an annual turnover of about 16 billion DKK, its Scandinavia's largest reseller and distributor of building materials for professionals and consumers.

DT Group has divisions in Denmark, Norway, Sweden and Finland and owns chains such as Stark, Silvan, Beijer Byggmaterial, Starkki, and Cheapy Lågprisbygg. The strategy in all countries has been growth via acquisition of existing DIY stores and timber merchants together with opening of brand new stores.

In line with DT Group's growth, the challenge of handling the different business systems of each division has also grown. Each division has registered and analyzed its information about purchases and sale in different ways. Therefore, DT Group missed the overview of, what items have

been sold in each store, which supplier the individual divisions have bought goods from, and whether for example Stark and Beijer Byggmaterial have bought from the same supplier without knowing it and therefore without getting the right discount.

"DT Group wants to aggregate its purchases and obtain larger savings, so we have had to consider the infrastructure and how to collect and share the information in each individual division. We decided to establish a common purchasing organization across the group, so that we buy from fewer suppliers, but get better discounts. We live by offering our customers attractive prices, so of course it is decisive for us that each purchasing unit is improved and optimized," says Robert Kjeldmand, Head of Development in DT Group.

OVERVIEW OF PURCHASES AND SALES

To realize the wish for a common purchasing strategy, DT Group has bought a data warehouse solution delivered by Microsoft and Hewlett-Packard and implemented by Platon. It consists of a SQL Server 2000, Integration Services 2005 and Analysis Server 2000, which will analyze and stored data efficiently. All data is stored in a gigantic database with 250 million rows on an external disc system (SAN).

FACT BOX

DT Group is Scandinavia's largest distributor of building materials. Today, the seven divisions of the group use three different ERP systems and consequently use many different numbers for the same goods and suppliers. In order to create even better purchasing agreements, DT Group has now started to align, collect and analyze all data. The result will be savings running into million DKK during the years to come, and continued low prices for the end customers.



DT Group



Once the data have been grouped and stored, DT Group can by means of the presentation tool see graphs of for example the contribution margin for selected items distributed by geographical area for a given period of time, or statistics showing the amount of trading with suppliers across the divisions.

FLEXIBLE SOLUTION

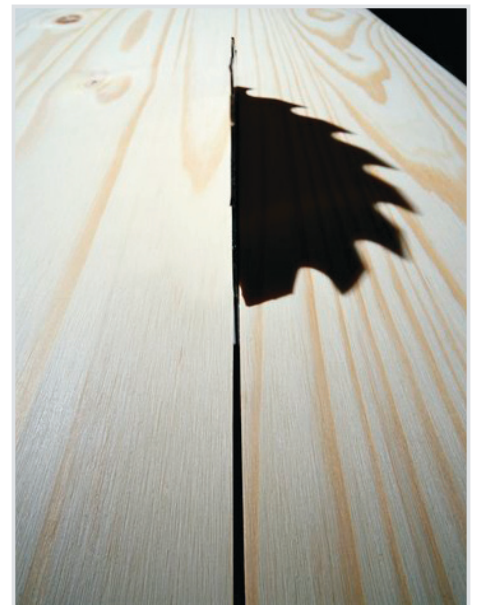
"We have deliberately been aiming at a flexible solution which can be expanded and changed in appearance over time. The vision is not just for the purchasing organization, but the entire DT Group should use the data warehouse and in the long term data mining, i.e. analysis to uncover the consumption patterns of the customers. So far, we have of course also analyzed our figures, but now we can do so for all divisions and with much faster response times, because we have the right tools and infrastructure," says Robert Kjeldmand.

SAVINGS RUNNING INTO MILLIONS WITHIN A FEW YEARS

The work on structuring data has required extensive consolidation work. Partly, the individual divisions have had different ERP systems, partly item and supplier numbers have varied, even though many items across the group are the same and bought from the same supplier. Neverthe-

less, DT Group was ready to launch its data warehouse solution in April 2005, only six months after the development was initiated.

"With our collaborators, we have implemented the project in record time. Time has been a material parameter for us. However, the most important thing is that the repayment period is expected to be only about one year, and that we will be saving several million kroner in the coming years. It is a large and important job for the development department to introduce a system which is used by all divisions, and we are certain that we have chosen the right foundation for a future data warehouse for all divisions," says Robert Kjeldmand, Head of Development, DT Group.



RESULTS:

DT Group now has a common purchasing strategy and can standardize, collect and analyze all data for all stores. DT Group expects the solution to lead to savings running into millions over the coming years – and thereby continue to ensure low prices for the end users.



PLATON

Platon was founded in 1999. With more than 140 employees and at least twice as many clients, offices in Denmark, Norway, Sweden, Finland and Iceland, we are today the largest independent consulting firm in the Nordic Region in our business area.

We have chosen to focus on Information Management and related fields. Our qualifications include Business Intelligence, Business Integration, Data Warehousing, Master Data Management, Financial Management, Customer Relationship Management and Knowledge Management.