

HOW KWANTUM MAKES PROGRESS



MAINTAINING A COMPETITIVE ADVANTAGE THROUGH INTEGRATION

Kwantum offers the best deals in home furnishings and home decoration in the Benelux region through 85 stores in the Netherlands and 17 in Belgium. As part of its strategy to maintain market leadership through efficient and reliable systems, Kwantum sought to integrate online and offline merchandising and provide retail locations with near real-time access to inventory.

Management wanted to gain a competitive advantage by integrating inventory, article management and promotion capabilities so Kwantum could continuously drive down inventory levels and swiftly design marketing campaigns to increase sales. However, their current legacy merchandising system lacked the e-commerce capabilities to support these evolving business requirements.

KWANTUM

CHALLENGE

Maintain market leadership

SOLUTION

A customized merchandise management solution based on Progress® OpenEdge®

BENEFIT

Can now develop targeted marketing promotions to increase revenue, customer loyalty; reduced product replenishment times for its retail stores by 33%; drove down inventory costs by reducing safety stock requirements by 15%

Kwantum was already using the Progress® OpenEdge® platform for around-the-clock availability and relies on business-critical applications from Progress business partners, including the Fujitsu Services MLS warehouse management system and the Paymate personnel applications from Exact. “Merchandising is the center of our business processes, and Kwantum wanted to develop our own application so we could implement unique article management capabilities,” said Jan Willem van’t Hof, Manager of Information Communication Technology for Kwantum. “We wanted tight integration with our Fujitsu MLS warehouse management system, and we did not want to have to deploy and maintain a separate content management system for our e-commerce site.”

Management considered packaged applications—but in the end chose to address its merchandising needs by replacing its existing merchandising system and teaming with Progress Professional Services to build the merchandising application system for Kwantum (MASK) to integrate online and offline merchandising and improve operational efficiency. “Progress understands our business and offers the technology, tools, development skills, and retail industry knowledge that help us gain a competitive advantage,” said van’t Hof. “We work with Progress to define the functionality and Progress manages the application development cycle and provides us with the modules we need.”

“We are confident Progress will continue to help us adapt our business to meet the demands of the market to maintain a competitive advantage.”

*Jan Willem van’t Hof
Manager of Information
Communication
Technology*

AUTOMATED MERCHANDISING SYSTEM REDUCES INVENTORY AND INCREASES SALES

From the start, Kwantum recognized the need to integrate all article (product) information across online and offline channels. This would allow the company to expose all inventory information to store personnel and online shoppers, and it would avoid data redundancy since all data related to article items sold by Kwantum would be available in a single, highly reliable database. The article data module even includes easily customized fields so Kwantum can dynamically add unique article information that can support online or offline merchandising efforts.

“Our logistical systems were previously decentralized, but MASK allows us to leverage a single database of all article content and expose this information to online shoppers via the Web site and to headquarters, warehouse, and retail site employees over our Intranet,” explained van’t Hof. Kwantum not only eliminated the data redundancy but has unified logistics for managing and replenishing inventory for both online and offline sales.

Kwantum has already received major business advantages from MASK. Previously, it took retail stores three days to replenish their inventory, and Kwantum has reduced replenishment to two days. “We not only reduced product replenishment times by a third, we also reduced our safety stock requirements by 15 percent,” stated van’t Hof. The safety stock—the buffer inventory that protects Kwantum against running out of an article item—is lower because of the speed of replenishment and the increased insight into a single common inventory for both online and offline channels.

IMPROVING WAREHOUSE EFFICIENCY WITH WIRELESS STOCK TRACKING

Kwantum has integrated MASK with the Progress-based Fujitsu MLS warehouse management system, which it has relied on for over eight years. Recently Radio Frequency (RF) communications were added to accelerate stock picking and increase the accuracy of shipments sent to online customers and retail stores.

All inventory items are bar-coded and scanned using handheld scanners linked via wireless RF communications to the Fujitsu MLS application. According to van’t Hof, “We now have greater control of our inventory and have absolute confidence in the quality of the information captured in our inventory reports. We worked with Progress to integrate MASK with our MLS warehouse management system, and we now have clear and accurate information on inventory levels in our two warehouses and out at our retail stores.”

DRIVING SALES BY CREATING CUSTOM PROMOTIONS

Since all article information is centrally stored and captured, Kwantum has tremendous capabilities for designing and implementing highly flexible and targeted online and print merchandising campaigns. Kwantum analyzes inventory levels and sales performance and swiftly creates promotions to increase sales. For example, product pictures, descriptions, and specifications can be easily extracted from the database and posted to the e-commerce Web site, or Kwantum can quickly develop print advertisements that are targeted by region or area of interest.

REDUCING COSTS AND ACCELERATING ACCESS TO BUSINESS INFORMATION

Kwantum is now in the process of reducing IT costs while accelerating the availability of sales and inventory information. Currently, each store has a server, but all of these servers will be replaced by low-cost PCs that will tunnel in over the Internet to gain browser-based access to merchandising and inventory information.

“Retail stores are currently running back-office applications locally, but we will shortly be providing them with access to central information and applications,” said van’t Hof. “Instead of batch uploads and downloads, they will have near real-time access to inventory and merchandising information.”

Kwantum executives will be able to analyze sales data for any store within a few minutes of actual sales, and business agility will be further accelerated by providing near real-time information on the flow of products from inventory through sales.

Kwantum will be able to gain more detailed and timely insights into sales results so the company can continue to improve its forecasting and hone its merchandising programs.

The OpenEdge database has delivered 100 percent reliability and has provided the extensibility that has allowed Kwantum to integrate online and offline channels and continuously improve inventory management. “Progress provides

not only the platform to help Kwantum meet our business goals, but also the development expertise we need to evolve MASK to increase our merchandising efficiency and allow us to increase revenues and profits,” said van’t Hof. “We are confident Progress will continue to help us adapt our business to meet the demands of the market to maintain a competitive advantage.”

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

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