

IFS Applications™ enhances analysis capabilities and improves business flows for fuel wholesaler

FH Arge began operations in 1990, specializing in wholesale and retail trade of liquid fuels, mineral oils and car accessories. It now administers a wholesale fuel and gas company as well as fuel oil wholesale companies throughout southern Poland. In the Cracow region, Arge is one of the largest private wholesale dealers in fuels and one of the leading independent companies specializing in the distribution of liquid fuels. Arge also has operations in the retail trade. The company administers a network of fuel stations in Southern Poland, also trading in lubricants, industrial fluids and spare parts. Annual turnover exceeds US \$50 million.



The challenge

Although many areas of the company's operations were computerized, the system was rather labor-intensive. It was difficult—sometimes impossible—to generate much of the information essential to running the company. Likewise the degree of integration of the software modules supporting financial management and distribution left much to be desired.

Krzysztof Kordeusz, president of Arge, explains, "The analytical tools we had at our disposal were too weak to meet our needs, and the frequent system failures and slow operating speed of the database were arguments for making a change. Apart from this, the reorganization of the company at the time made it easier to take the decision to purchase an integrated system that would support company management."

At the same time, the distribution network was developed, and the company's trade expanded enormously as it took over retail sales at fuel stations. As the quantity of information generated grew, it became increasingly apparent that the company needed some way of efficiently analyzing the data. The existing system was in no position to match such requirements and it was becoming increasingly necessary to keep track of the holding company's current situation, introduce efficient mechanisms for revenue control and to process and routinely analyze data.

The solution

Arge resolved to select a universal, modern solution independent of the system and hardware platform, with an Oracle database in the system. Selection criteria covered functionality, openness, security of data processing and analytical tools. An additional

requirement was the modularity of the system so that future expansion would be easy. Krzysztof Kordeusz again, "IFS was one of the few vendors to realize the value of a localized system. Apart from this, the component-based architecture appealed to us. We eventually chose IFS Distribution™ and IFS Financials™."

Implementation

The solutions were implemented simultaneously, in July 2000, while Arge continued its normal operations. The company began modernizing its computer hardware and network and training, and made some indispensable structural changes. Altogether a team of 12, divided into two groups, was trained who would operate Arge's financial and distribution systems in the future. Krzysztof Kordeusz adds, "IFS consultants conducted the training, and we are very satisfied with the work they carried out."

A special implementation team set the work schedule and pace for the system's implementation. The few minor departures from this schedule were mostly the result of an expansion of the system to include other companies from the Arge group in the course of the implementation process.

Advantages

In IFS Applications, Arge's management has an efficient tool for monitoring routines, and thanks to the detailed information available, can make more accurate business decisions.

Automation of entries has greatly facilitated the work of the accounts department, and the integration of IFS Distribution and IFS Financials enables financial data to be analyzed in a variety of ways. Moreover, thanks to the on-line integration of all wholesale companies, overdue payments and warehouse stocks can now be rapidly checked and analyzed. Sales can

also be analyzed from an optional number of angles. Krzysztof Kordeusz explains, "IFS Applications has brought about an increased feeling of security that is especially important in companies with large turnovers and low commercial profit margins. The marked increase in the efficiency of employees and collaborating companies has been a direct result of the increased speed of data transfer and the capability to analyze them. At the same time, communication between the management and our commercial and wholesale companies has improved, and reaction time to critical situations has been shortened. Despite the significant increase in the number of financial documents, there has been no need for any essential staff increases."

The company plans to use the Internet in its commercial operations. Krzysztof Kordeusz comments, "We are already using an Internet shop and CRM. I am also interested in the IFS Scorecard module, which allows companies to access business-critical information and provides an automatic warning when key indicators are exceeded. This is a very useful tool, especially when there is a need to constantly analyze a large number of parameters."

Krzysztof Kordeusz mentions one further benefit—Arge's relationship with IFS. "Collaboration with IFS has run smoothly, and whatever problems that occurred were quickly rectified. Its Cracow office is really on its toes, and we know that any problems we report will be solved right away," he concludes.

Software

IFS Financials, IFS Distribution

System and hardware platform

Central server—SUN 250,

Database system—Oracle 8i,

System-network software—Solaris, Novell NetWare.