



## IBM Customer Reference

# *Lojas Cem S/A*

**Synopsis:**

IBM Global Services - Integrated Technology Services designs, implements and supports a resilient and flexible infrastructure for a Brazilian retailer that mobilizes the company's sales personnel to provide customers with up-to-date information and integrates with vendors to streamline supply chain processes

**Location:**

São Paulo, Brazil

**Industry:**

Retail

**Focus Area:**

e-business infrastructure, Small & Medium Business

**URL:**

<http://www.lojascem.com.br/>

**Customer Background:**

Lojas Cem S/A, the fifth largest retailer in Brazil, sells furniture and household electronics and generates annual revenues of US\$260 million. Founded in 1952, the company employs 4,000 people and has 130 show rooms located throughout the country. Orders from each store are fulfilled from a central delivery center in Salto, a small city situated about two hundred kilometers from São Paulo.

**Business Need:**

Lojas Cem conducted business using conventional, manual processes. When a customer came into a Lojas Cem showroom, a Lojas Cem sales person would show them the various sample items, help them browse through a printed catalog and would then fill out paper forms to submit an order to the central delivery center. In the face of increasing pressure from competitors, Lojas Cem realized that it was not offering its customers the most convenient sales process. Lojas Cem had no realtime visibility to the latest product images and inventory levels at the delivery center. This lack of information could result in customers failing to place orders due to inability to visualize their preferred styles, or in delayed order confirmation and potential cancellation, which could also be enough to terminate a potential sale. And it also required sales personnel to dedicate much time to each customer prior to closing a deal - an unproductive system that was impacting Lojas Cem's productivity.

Additionally, Lojas Cem's central delivery center did not allow vendors access to supply chain data - instead using manual methods to communicate with vendors. This inefficient process frustrated vendors and ultimately extended replenishment times, impacting customer order lead times.

Lojas was determined to improve its customers' sales experiences while minimizing its overhead costs per sale. Such a shift required the company to develop an innovative new sales approach, one that would enable it to make its sales personnel mobile and more productive, arming them with more information on the show room floor to help customers visualize the perfect product and place an order in realtime. Lojas Cem also needed to integrate with its vendors to eliminate the

communication gaps that were causing supply chain delays. It was concerned about the implementation cost and additional resources that might be required to manage the system on a daily basis and it wanted any new solution to be scalable to accommodate future growth. Lojas Cem did not have the IT infrastructure nor the in-house expertise required to implement and support such a system - it needed a technology partner that could help make its vision a reality by providing an end-to-end solution and then offering around-the-clock support in the future.

**Solution:**

Lojas Cem contacted IBM Global Services - Integrated Technology Services to help the company design an innovative system that would help it to mobilize its sales personnel to improve the customer experience and integrate with its vendors to streamline the supply chain. IBM Integrated Technology Services designed a resilient and flexible infrastructure that connects every Lojas Cem showroom and provided sales personnel with wireless access to product images, up-to-date inventory and realtime ordering. The IBM solution comprises hardware from IBM Business Partner, including Cisco Catalyst 3548 and 4006 switches, a Cisco 2600 router and a Cisco Aironet 350 Wireless Bridge. Sales personnel are now able to provide customers with the information they desire when they want it, which improves the customers' sales experiences, shortens the sales process and makes Lojas Cem's sales team more productive.

The central delivery center is also linked into the robust IT platform and Lojas Cem's vendors can now access the data center remotely to check order status and inventory levels. This enables vendors to deliver products more quickly, which ultimately will help to Lojas Cem and shorten lead times. The entire infrastructure is protected by IBM security features such as advanced firewall and cryptography functionality and user authentication to prevent external intrusion. And the system is highly scalable - Lojas Cem has the capacity to support nearly double its current number of showrooms. And IBM provides 24x7 support with a guaranteed four hour response time to address any issues that arise.

**Benefits of the Solution:**

Lojas Cem has successfully empowered its sales personnel with a wireless solution that enables them to provide customers with the information they need when they need it. Ultimately, the company expects the increased responsiveness of its sales force to customers and their increased productivity to lead to more sales and a lower overhead cost per sale. And on the supply chain side, Lojas Cem has integrated with its vendors, providing them with the remote access to the system that ultimately streamlines the replenishment process. And the company's concerns regarding the cost and resiliency of its new infrastructure and wireless communication capabilities have been allayed by the security-rich features provided by the solution managed end-to-end by IBM Global Services - Integrated Technology Services.

**Customer Quote:**

"The modernization of our IT environment was one of the top priorities of the company to guarantee that the systems were reliable and to attend to clients' needs with agility and resilience, including in rush times."

--Roberto Benito Júnior, CIO, Lojas Cem S/A