LANSA Case Study

ITWAL takes control of its online order platform

Ordering goods over the Web may sound like the most common of all eCommerce requirements, but when your business model doesn't quite fit the standard B2B or B2C mold, the efficiencies and benefits that online orders may offer can be greatly diminished by the lack of control and flexibility that come with a hosted out-of-the-box Web solution.

ITWAL, Canada's national network of independent distributors, replaced a hosted shared code eCommerce system with a custom-developed online order solution. Being in control of its online order platform has allowed ITWAL to deliver focused functionality to its members, better alignment with its internal procedures and additional services to its suppliers.

The Challenge

ITWAL Limited, based in Ontario, Canada, was founded in 1966 by a small group of independent wholesale distributors, who were mostly active in the confectionery and tobacco sectors. They formed ITWAL to combine their collective buying power, thereby enabling them to compete effectively for the benefit of their customers. Since those early days, ITWAL has evolved into a national distribution network of wholesale distributor members, offering a wide assortment of grocery and foodservice products, and operating 149 warehouses across Canada.

By consolidating the orders of its member distributors, many of whom serve Canada's rural areas, ITWAL can offer economy of scale and supply chain efficiency to both member distributors and suppliers, while benefiting from large volume buying. Additionally, ITWAL offers its members specials and deals that are exclusively available to them.

"There are many elements in play that help us reduce the cost of getting goods to market. This makes it possible for consumers in rural areas to buy their goods at a similar price to what other people pay in metropolitan areas," summarizes Tom Mavroidis, president of NTM Consulting, on who ITWAL relies for its IT management.

Virtually all of ITWAL's IT systems are IBM i-based and in-house developed COBOL or RPG applications. Although a true blue shop, several Linux and Windows servers have been added over the years.

Simplified for ease of explanation, ITWAL's IT systems revolve around suppliers and member distributors. Suppliers provide their product and pricing information, which is made available to distributors to place their orders

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against. ITWAL then consolidates these individual orders and either fills them from its warehouse, or places an order with the respective supplier. In addition, ITWAL organizes a 'MarketPlace' show once a year, the largest trade show of its kind in Canada, where suppliers can showcase their products directly to ITWAL's distributors and offer trade show specials.

ITWAL's standard warehouse orders are handled by a Linux-based eCommerce system that NTM Consulting designed

Snapshot

Customer: ITWAL is Canada's national network of independent distributors. www.itwal.com

Challenge: The standard hosted shared code eCommerce system was not a good fit.

Solution: Develop a tailored online order solution.

Key Benefits: Focused functionality to members. Better alignment with internal procedures. Additional services to suppliers.

Product Used: Visual LANSA.

and implemented some 15 years ago. It involves a Windows component on the distributor's client PC that allows for secure encrypted exchange of information with ITWAL.

Until recently, the majority of the special order types were handled through a hosted eCommerce solution that ITWAL subscribed to four years ago. The hosted solution handled the job, but wasn't very well suited to ITWAL or its distributors. As a result, screens were cluttered with irrelevant menu options, fields and other information.

Only Four Months To Go

ITWAL decided to re-evaluate whether or not to continue using the third party system for its members and investigate alternatives. "We had two options," says Mavroidis. "One was to go back to the fax/email system that we had in place before we started using the hosted platform. The other option was to develop a suitable Web solution ourselves. Reverting back would mean letting our distributors down, so we had to move forward. When management approached me to look for alternatives, it was late September 2010. The next ITWAL Marketplace show was taking place in March, giving us only four months to develop a workable solution, an almost impossible task because of the scope of the project."

"At first I considered handling the project in-house, but I quickly put that idea to rest since ITWAL did not have the right resources or skill-set. Next I looked at bringing in additional NTM resources, but everyone was committed to other projects," continues Mavroidis.

"Then I remembered LANSA. I had approached them several years prior when I was researching technology options for another project. Back then other priorities took precedence and nothing ever transpired with the grand plan, but I was left with an extremely positive impression of LANSA's ability to bring a project to fruition. I knew LANSA could deliver on time and on budget. It has the services and the tools to support the project completely. During my original discovery phase I had spoken with some of LANSA's active customers and they spoke admirably about them. We decided to give it a try."

The Project

The first project scope meeting for the new ICON (ITWAL Custom Ordering Network) system was held in mid-October 2010. Because both time and budget were limited, Mavroidis decided to limit the number of order types ICON would handle to the most important ones (at least for stage one). Those were the Marketplace orders, that are shipped through the ITWAL warehouse, and Controlled Distribution orders, such as Limited Editions, New Products and many more.

Mavroidis also decided to develop the reports with ITWAL's own IT team and let the LANSA Professional Services consultants work solely on Web development.

Mavroidis and two other members of the IT team attended LANSA's classroom training. In addition they found it very convenient to use LANSA's remote mentoring assistance. "It's good to know that someone is available to walk you through a problem when you are stuck on an issue. I'd much rather have a programmer make a quick call to a mentor instead of spending hours digging through pages of documentation. Mentoring support is just one of the many advantages of using LANSA."

"Everyone from LANSA who worked on the project was very professional and disciplined. Also, from a contingency planning

"LANSA has the services and the tools to support the project completely."

point of view, it's comforting to know that there is a large pool of LANSA programmers that we can depend on if the need arises."

The project proceeded smoothly and in January, two and a half months after the project started, the Web solution was rolled out to a small group of pilot users, soon followed by the full rollout. "It was because of the commitment and dedication of the whole team at both ITWAL and LANSA that this project was as successful as it was," says Mavroidis.

Labor Savings and Better Visibility

"Now the solution is completely under ITWAL's control and its focused functionality targets directly what it is that the members need to do to place an order," continues Mavroidis. "The screens aren't cluttered with irrelevant information and the whole solution flows a lot nicer than before. ICON is one of the most frequently used applications by our member distributors and the labor savings are significant. Our members have nothing but praise for the new system."

Annè Nielsen, Marketing & Communications Manager at ITWAL, agrees. "The ICON solution is very efficient and completely tailored to our members. It takes just a few clicks for them to place an order."

"Another major efficiency for the distributors is that they now have better visibility of all the suppliers' offerings within an order type, e.g. 'New Products'. Previously they would have to select one supplier at a time," says Nielsen.

ITWAL is also achieving internal efficiencies because it can align the ICON order platform with its internal procedures. For example, the product information that a supplier provides is published with a consistent layout both on the ICON Web site and in the warehouse notes. Previously there were inconsistencies that could cause confusion.

Because of ICON's tight integration with ITWAL's IBM i back-end system, the entire ordering process is more transparent for the distributors.

ITWAL's suppliers are excited about ICON as well, because they have improved visibility within the supply chain, all the way down to the details of the individual orders placed by ITWAL's members. Knowing who is buying what allows suppliers to better target their sales and marketing efforts. In addition, suppliers have the opportunity to advertise on ICON.

Practical and Extendable Platform

Mavroidis considers the implementation of ICON phase one a tremendous success. "The definition of what was required was spec'd out well, in all its nuances. Everyone did their part and it all worked well. What was promised was delivered, on time and within the budget. We didn't have any difficulties whatsoever," he says. "Phase two of ICON is in planning and likely to handle additional order types and provide portal access to suppliers."

"There is so much variety of technology out there, that it sometimes isn't clear what it is we should be concentrating on. With LANSA we now have our own practical and extendable platform on which to build and further grow ITWAL's business. We are making real gains in delivering Web solutions to our partners ourselves."

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