

Case study



Company profile

ÁTVR, the State Alcohol and Tobacco Monopoly of Iceland, was established in 1922 after the ban on alcohol was lifted within the country. They are the only tobacco wholesaler and alcohol retailer within the country with 50 stores throughout all of Iceland.

Challenges

- 50 different store managers ordering from the warehouse
- Lack of overview for all purchasing and store performance
- Many new SKUs often coming in and out of the product range

Benefits

- More control over the flow of goods within the supply chain
- Increased control over the inventory levels
- Better overview after switching to specialised purchasing department



AGR Dynamics is a supply chain planning specialist and Dynamics NAV reseller, offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies.



The AGR solution increases profits by eliminating unnecessary costs from the supply chain. It uses raw data from any ERP system and automatically selects the best-fitting forecasting method to estimate future demand.

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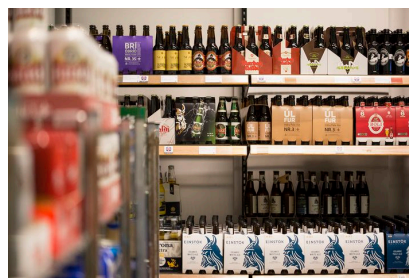
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Gold Application Development

Centralised purchasing and increased control of inventory with AGR

“Our work processes are more professional, we have a better overview of the company, which allows us to control the flow of goods in the supply chain from concrete information and not feelings.”

Sveinn Víkingur Árnason, Managing Director, ÁTVR



After lifting the prohibition on wine in 1922, the Icelandic government established the State Alcohol and Tobacco Monopoly of Iceland to manage and control the sale of alcohol, which included liquor in 1935 and beer in 1989. Today, ÁTVR (Áfengis- og Tóbaksverslun Ríkisins) has over 50 stores throughout the country, about 3000 SKUs, and sells around 21 millions litres of alcohol per year.

Background and needs

Prior to utilising the AGR software, ÁTVR had 50 different store managers ordering for their individual store from the warehouse. On top of that, there are about from 50 up to about 150 new SKUs coming in and out of the stores product range every month. ÁTVR was looking for options to improve visibility over their retail operations and increase control over both inventory levels and the flow of goods within the supply chain. Implementing AGR allowed the company to take the feelings out of ordering and basing it on the facts presented by the system; doing this meant taking the control of purchasing away from each store manager and setting up centralised purchasing managed by five specialists working on the AGR system. Before implementation, ÁTVR worked hard to convince the store managers that a / this ?? new way of doing business would prove useful and not leave them with stock outs in their store.

The outcome of this change in process was successful, as Sveinn Víkingur Árnason, Managing Director of ÁTVR explains, “Our work processes are more professional, we have better overview of the company, which allows us to control the flow of goods in the supply chain based on concrete information and not feelings”

AGR Dynamics has worked alongside ÁTVR in syncing and pulling the relevant data from their ERP solution, Microsoft NAV, to make the AGR system work for them in the best way possible. As ÁTVR is a government entity, there were a number of special requirements that they had upon implementation, and AGR Dynamics worked hard to make sure that the software worked in the way that they needed to. “We have much better control of our inventory levels, we can now drive them up or down, depending on other factors that affect the inventory costs. We have more control over turnover rate, and we have better control over our service level,” says Árnason. “[AGR Dynamics] is very positive to interact with and there is a personal connection, which really matters a lot when something comes up within the system.”