

Reitan Convenience

Managing several hundred franchises with a third of the staff

Unit4 Financials' high level of systems integration support has significantly reduced Reitan's administrative burden, enabling it to focus on increasing market share.

The situation

Reitan Convenience is the second largest owner of franchise-based businesses in the convenience retail sector in Europe, with approximately 3000 outlets throughout Norway, Sweden, Denmark, Finland, Estonia, Lithuania and Latvia. In addition to these stores, it also owns service stations.

Part of the Reitan group and headquartered in Oslo, Reitan Convenience Norway (RCN) has itself seen extensive growth into and across Europe for over a decade – not just from organic development but also from major acquisition and partnership. For example, an agreement signed in 2007 with fuel giant Shell had, by 2009, led to the creation of 270 Shell/7-Eleven stores in Norway, Sweden and Denmark.

The need

At any one time, RCN now manages approximately 550 franchisees and growth remains a major objective for the company. Rolf Hansen, senior system administrator at RCN says, "Our ambition is to continue increasing our European market share, primarily through growth in existing outlets and, to a lesser extent, by increasing the number of outlets. At the same time we strive to be number one when it comes to implementing new products and services."

The nature of its growth means the company has to deal with two types of organizational change:

- Sudden large growth involving the absorption of hundreds of new franchisees due to acquisition
- The daily changes in franchisees details and operations.

It is in fact the latter, says Rolf Hansen, which proves the bigger challenge: "Every month at least 10 franchisees join us or change their details and we have to ensure that the management of these constant back-end changes doesn't distract us from pursuing our business goals."

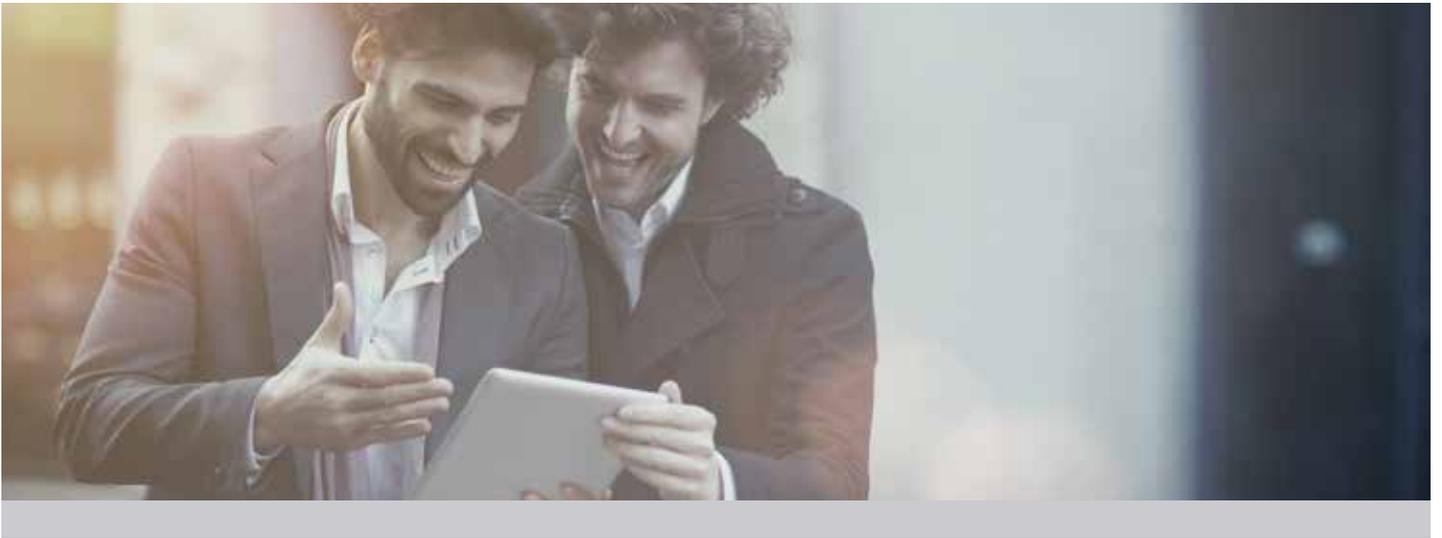


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As far back as 1999, RCN realized that the significant amount of time and resource it was spending keeping the books up to date and managing the fast-changing franchise base was a potential hindrance to growth. It wanted to remove the complexity of maintaining accurate data for this group by finding a system that would, from a single point of entry, allow new franchisees to be brought online with no disruption to its day-to-day business, and at the same time help to keep the number of administrative staff low and allow the company to focus on business development.

“ We've never experienced any problems with Unit4 Financials' integration with other systems. There's never been any significant downtime or disruption – and despite using it for over a decade, I've not lost a single hour's sleep worrying about what the system can handle.”

Rolf Hansen,
senior system administrator, RCN



Without such a system, RCN would have had to hire many more staff and the costs of funding this would have impacted both franchisees and RCN itself: it would have been harder to attract and keep franchisees and Reitan's ability to seize new acquisition opportunities would have been damaged.

Over time the company has also faced other challenges and changes:

- New financial regulations have required its systems to be updated to enable the company to remain compliant.
- The emergence of sale of electronic products (such as mobile phone call time, tickets and internet access codes) while offering great business opportunities has been demanding, in terms of finding good settlement procedures to control what Reitan is charged by suppliers against what it has actually sold.
- In 2009, the organization undertook a major restructuring, whereby Reitan moved ownership of its stores from itself to the individual franchisees.

Throughout, Reitan has been keen to ensure that its systems can not only support whatever changes it needs to make, but will also enable it to meet its objective of constantly offering new products and services to its customers.

The solution

Unit4 Financials (formerly Coda) provided, and over a decade later continues to provide, exactly what Reitan was looking for: the reduction of both the complexity of the accounting processes and the time spent on administrative details, together with ability to support major organizational and system changes.

At the heart of the solution is Unit4 Financials' seamless integration, via RCN's Neo Vici workflow system, with the company's other best-of-breed business systems, including its Framework information platform and its Storepoint system which handles the turnover of all its shops.

InterCompany functionality, a shared service within Unit4 Financials, manages the entire bookkeeping for all shopkeepers. Through InterCompany, postings and payments are made automatically via a single Unit4 client in a cross-company update, with control postings ensuring that transactions in both the sending and the receiving company are balanced. Similarly, the registration of a new shopkeeper in RCN's database is entirely automated through Unit4 Financials, as are changes to existing shopkeepers' details. For example, if a franchise holder's bank account changes, RCN enters the change in its database and the information is automatically transferred to Unit4 Financials, saving time and helping prevent incompatibility of data as information is typed in only once.

Business benefits

Rolf Hansen says of the efficiencies that Unit4 Financials has enabled RCN to achieve, "Although the number of shopkeepers keeps growing and changing, managing the bookkeeping is actually much easier today than it used to be before our Unit4 days. In fact, the daily routine for handling our 550 or so clients takes no more than half an hour each day. Invoice payments and transactions happen in a simple and intelligent way, and InterCompany makes a big difference and is one of the main reasons that we're so satisfied with the Unit4 system."

He says, “We have around 50 staff using Unit4 Financials on a day-to-day basis but if we were on a different financials system we would need to triple this number. When there are new franchisees, we don’t have to bring on more staff because everything is so streamlined. New franchisees are brought online seamlessly overnight. This ability to automate and handle our large-scale operations so smoothly is the key to our success with Unit4 Financials.”

Similarly, there is almost no system support requirement. RCN has just one person using only 10% of his time on maintaining the solution. Rolf Hansen says “If we had lots of disparate systems, we would have to allow for a great deal more support resource.”

With these efficiencies, RCN has been able to focus on continued expansion of its franchise base, quickly and easily bringing on board new companies and chains, in new countries and with new currencies. However, the removal of much of the administrative burden associated with managing a large-scale, franchise operation is only part of the benefit that Unit4 Financials brings to RCN.

Underpinning all Unit4 Financials’ time-saving functionality is the high level of interoperability of the Link architecture. Rolf Hansen says that most of the systems that the company has integrated with Unit4 Financials have been changed and upgraded over time to bring them up to date, to streamline operations and to meet new financial regulations – all without

difficulty. He says “new services in particular require a well-functioning application landscape which the Link architecture provides us. As our range of applications continues to change over time, we know that they can be easily integrated, or removed, because of the sophisticated nature of the underlying Link architecture.”

Being able to integrate new systems swiftly is key to the company’s success. Rolf Hansen says, “Reitan Convenience is a family-owned business and the focus on minimizing bureaucracy is a core part of the company’s business philosophy. We operate on short, quick decision lines and have equally short deadlines for new integrations. ”

He concludes, “We’ve never experienced any problems with Unit4 Financials’ integration with other systems. There’s never been any significant downtime or disruption – and despite using it for over a decade, I’ve not lost a single hour’s sleep worrying about what the system can handle.”

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Rolf Hansen,
senior system administrator, RCN

About Unit4

Unit4 is a leading provider of enterprise applications empowering people in service organizations. With annual revenue north of 500M Euro and more than 4000 employees world-wide, Unit4 delivers ERP, industry-focused and best-in-class applications. Thousands of organizations from sectors including professional services, education, public services, not-for-profit, real estate, wholesale, and financial services benefit from Unit4 solutions. Unit4 is in business for people.

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