

# National Newsagent Catapults Supply Chain into 21<sup>st</sup> Century



## Opresa transforms sales and distribution operations and becomes more profitable with Cisco Borderless Network solution

### EXECUTIVE SUMMARY

**Customer Name:** Opresa

**Industry:** Retail

**Location:** Bosnia and Herzegovina

**Number of Employees:** 650

#### Challenge

- Manual sales reporting with inadequate communications facilities between sales outlets and headquarters
- Inefficient supply chain processes and inability to take advantage of economies of scale with major suppliers or implement real time sales promotions

#### Solution

- Companywide adoption of retail ERP system supported by secure Cisco Borderless Network foundation with GSM connections for remote locations

#### Results

- Maximized stock control efficiencies with real time sales reporting and forecasting across all points of sale
- Integrated supply chain, and better terms with major suppliers, along with direct sourcing from manufacturer to point of sale
- Increased profitability from lower administrative overheads, better stock control, and ability to tap into new markets such as mobile top-ups

### Challenge

Headquartered in Sarajevo, with operations in Bosnia, Opresa is one of the region's leading newsagents and tobacco retailers. Convenience, product availability, and speed are the primary purchasing criteria of the thousands of consumers using Opresa kiosks every day. Arben Gagani, chief IT officer at Opresa, says: "Meeting these fundamental needs depends heavily on constant and carefully-targeted stock replenishment."

However, the company's sales and logistics operations were constrained by manually-driven processes, while it lacked connectivity between its headquarters, distribution warehouses in key cities, and its network of over 250 kiosks. These constraints led to fundamental supply chain, reporting, and sales management limitations. "Limited storage space in kiosks further underlines the critical importance of absolute stock control efficiency," says Gagani.

It could take up to five days to receive sales reports, many of which were handwritten, leading to a lack of real time insight into sales operations and stock levels, with suboptimal central data processing and analysis. In turn, these challenges severely constrained profitability and incurred high administrative overheads. Furthermore, the lack of a unified channel to reach sales outlets made it impossible to implement national sales promotions.

At the same time, mobile top-up cards form a buoyant and growing market. This is presently the only Opresa product line where purchases have to be enabled by a banking terminal, requiring close to a 100 percent reliable network connection.

### Solution

It was clear to the Opresa management team that a retail enterprise retail planning (ERP) system for supply chain management and real time reporting was required, along with a mobile banking terminal in each kiosk. A tender was issued. Cisco was chosen to provide the network elements of the solution, thanks to its widely-recognized reputation for reliability. In fact, over 95 percent of the Opresa corporate wide area network already ran over Cisco technology, offering the added benefit of a fully-integrated end-to-end Cisco environment to help ensure all applications would run smoothly and cohesively.



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Arben Gagani  
Chief IT Officer  
Opresa



**“It could have taken a year or more to bring all the kiosks online, but with the GSM capability of the Cisco Integrated Services Router, we were able to connect everything in just one month.”**

Arben Gagani  
Chief IT Officer  
Opresa

“We wanted a flexible architecture with room for future growth,” says Gagani, “providing completely reliable connectivity between the retail ERP client software in the kiosks and our Sarajevo head office data center.” Laboratory tests against two competitive product sets confirmed that the Cisco solution was by far the easiest to implement, and a fast-track deployment project followed.

Each kiosk was equipped with a PC on the counter running the ERP client software, with a network connection provided by a Cisco® 819X Series Integrated Services Router (ISR), one of the smallest Cisco IOS® Software-enabled routers with support for integrated fourth-generation wireless networking. It is rapidly deployable and reliable, offering a secure solution designed specifically for machine-to-machine applications.

Crucially, the Cisco 819X Series ISR was alone in being able to offer a Global System for Mobile Communications (GSM) wireless remote back-up facility, with the option to use a second subscriber identity module (SIM) to increase bandwidth in rural areas where broadband is slow or even unavailable. “It could have taken a year or more to bring all the kiosks online, but with the GSM capability of the Cisco Integrated Services Router, we were able to connect everything in just one month,” says Gagani.

In the Sarajevo corporate data center, twin redundant Cisco ASA 5500 Series Adaptive Security Appliances act as remote access concentrators. The device’s inbuilt advanced security features, such as its proven firewall and intrusion prevention software, offer advanced levels of network protection.

### Results

Opresa is finalizing the implementation of the ERP software, but is already able to see considerable benefits in its day-to-day operations such as real time sales performance reporting across its entire operation, six-month sales forecasts for each kiosk, and the ability to anticipate and instantly respond to pending stock outages. In addition, direct communication between sales representatives and headquarters is enabled.

This capability is giving the Opresa management team deeper insight into sales operations, with the ability to redistribute stock between kiosks for lower inventory levels and increased profitability. Opresa is also able to better manage costs and contracts across its supply chain from manufacturer through to distribution.

In addition, the company has optimized the number of communication links necessary in the kiosks, thereby reducing operational expenses while improving system reliability and maintaining responsiveness.

Further efficiencies and cost savings are now possible throughout the supply chain. For example, the introduction of six-monthly forecast has helped enable Opresa negotiate better terms with leading manufacturers who now distribute direct to the kiosks. This capability minimizes the risk of stock-outs and reduces the cost of operations.

### Next Steps

A future goal is to remove the need for a separate banking terminal by moving the function to the ERP system, with the Cisco ISR being the only communication device in the kiosk, further reducing operational costs. “What’s great is that with Cisco ISR devices we can do much more than just move information between the kiosk and central office,” says Gagani. The retailer is considering deploying a Cisco IP Telephony solution to further improve communications too. Also under consideration are a kiosk-based digital signage solution and a Cisco physical security solution to improve safety and reduce the possibility of theft.



### For More Information

To learn more about the Cisco technologies described above, please click on these links:

[www.cisco.com/go/borderless](http://www.cisco.com/go/borderless)

### Product List

#### Cisco Core Network

- Cisco 819X Series Integrated Services Routers
- Cisco ASA5500 Series Adaptive Security Appliances



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