

Capital Intensive Jewelry Business Optimizes their Supply Chain

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Helge Bjørklund
Founder and General Manager

Keys to Success

The distribution and sale of capital-intensive products are huge challenges for Bjørklund, a leading Norwegian chain of watchmakers and jewelers. "The key to success lies in good logistics. Thanks to Profitbase, we can check which products are currently in stock in any Bjørklund store at all times," comments Helge Bjørklund, the founder and General Manager of Norway's largest chain of watchmakers and jewelers, with fifty stores throughout Norway.

"Our business is very capital intensive because we must stock expensive brand name products, as well as the more traditional jewelry and watches. This combination means our marketing activities and especially our logistics must be a point of focus for us," says, Bjørklund. Bjørklund's management team previously used Microsoft Excel™ for store and product analysis. Each of the fifty stores would either fax or mail their sales and inventory data to headquarters.

The information was then manually entered and analyzed before a confirmation was sent back to the stores. With Profitbase this process is automated, saving a great deal of time and money and most importantly the product mix, timing and accuracy of deliveries to each store is optimized. Bjørklund purchases all jewelry products directly, excluding expensive middlemen. The chain is the most active market player in the industry as well, and insists on high standards of product quality and excellent delivery precision—shipping the right order on time. Stock, sales and deliveries must be tracked every step of the way to achieve optimal stock flow.

Complete View of Business for Everyone

The Bjørklund chain is using Navision as their business system in the stores and at headquarters, and is extremely satisfied with this arrangement. All Bjørklund stores are franchised, although Bjørklund headquarters does all the franchises' accounting and bookkeeping work. The business management system from Navision has been



fully integrated with Profitbase, a performance management solution that provides store performance and sales statistics to the entire management team.

As well as improving their management reports and the quality of the information, Bjørklund has recently invested in an advanced Intranet solution, allowing stores and headquarters easily monitor sales statistics and actual figures. Furthermore, jewelry manufacturers are able to keep track of how their products are selling and how much of their stock is on sale in Bjørklund stores. Jewelry manufacturers now have a better idea of which designs are most popular and sell best in every part of Norway. This information is used to adapt their merchandise to cater to local tastes. Not only does this system contain the item numbers, but there are pictures of all the products as well. Manufacturers can now generate a list of sales statistics for gold rings containing blue gems, for instance, and use this information to develop new and/or complementary products to boost sales in a geographical area that has shown a preference this style of jewelry.

A Real-Time Business

All Bjørklund stores are located in shopping malls with intensive central advertising and marketing activities. Bjørklund stores also run their own campaigns and have frequent product promotions. "High activity levels mean that management has to keep close tabs on developments. Profitbase has improved delivery precision with the right products delivered to the right store at the right time. At the same time, we are quicker at making profitability assessments, since we can look at what is going on at each store and find out why one store sells better or worse than others," says Bjørklund. He goes on to say, "We care about each of our stores and help franchisees by making smart, practical suggestions based on accurate and current information."

At the Cutting Edge



Bjørklund has been a pilot company within the industry for the past eight years. Grants from the Norwegian Regional & Business Development Fund and the Norwegian Goldsmiths' and Watchmakers' Association have been invested in developing new systems like Profitbase, and in educating staff to train store assistants. "Profitbase is a superb management tool that provides comprehensive and detailed information on store performance and product sales; and yet, it is simple enough that users find the system straightforward to use and understand. The stores concentrate on their customers and on boosting sales, so we have to keep the logistics and sales modules simple," notes Bjørklund. "Thanks to Profitbase, we have resolved a great many problems. Profitbase is now an intrinsic part of our integrated business system and has given us extremely good results. Bjørklund's business concept rests on honesty and credibility. I'm convinced that our investment in the selected Intranet system and Profit Base will assure growth and profitability within the Bjørklund chain of stores for years to come," concludes Bjørklund.

About Profitbase Retail Business Intelligence

The Profitbase Retail Business Intelligence (BI) solution delivers Business Insight to retail decision makers enabling them to identify problems and opportunities and make better, faster decisions. The solution provides one consolidated view of information resulting in 360 degree visibility to all aspects of business performance including channels, stores, chains, categories, inventories and financials.

The solution enables users to track performance based on their roles enabling everyone from the CEO to the store manager to monitor performance anytime, anywhere. Using a browser and role-based self-service BI interface, empowered users are able to sort, filter and drill to detail to root out problems and solve them quickly. Retailers who deploy Profitbase Retail BI are able to reduce inventories, reduce Out-of-Stock occurrences, improve turnover and customer satisfaction giving them a competitive edge is securing customer loyalty while increasing margins and revenue.

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