



Costcutter

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Kevin Widdrington, IT Director at Costcutter

Costcutter buys into Vialtus for new IT system



Supermarket group, Costcutter, is one of the country's leading food retailers and was recently named Symbol/Fascia Group Retailer of the Year at the 2008 Retail Industry Awards. Working with Vialtus Solutions, Costcutter has implemented a private MPLS network across 200 of its UK-wide stores, which incorporates capabilities for radio streaming, online ordering and remote access to store systems. Since implementation, Costcutter has seen numerous benefits including:

- Centralised Chip and PIN solution.
- Remote network capabilities for any location access.
- Cost reductions and increased speed of the network.
- Streaming of in-store radio station over the broadband connection.
- Dramatic reductions in time-consuming procedures from seven hours to 15 minutes.

ABOUT COSTCUTTER

Founded in 1986, Costcutter has 30 company-owned stores, 60 licensed stores and 1,450 independent retailers across the UK. Costcutter is one of the UK's fastest growing companies with its turnover and number of trading stores increasing year on year.

Despite massive competition from huge multiples moving into the convenience store sector, Costcutter continues to expand by offering a flexible style and attitude, coupled with extensive marketing and promotional campaigns. Almost two million consumer leaflets are distributed door-to-door every three weeks with supporting national press and television advertising.

CUTTING THE WIRES

"Using an old system that included highly restrictive dial-up connectivity, Costcutter needed a secure and reliable network to provide increased bandwidth." Kevin Widdrington, IT Director at Costcutter, explains, "In order to achieve our IT strategy, we needed to implement a broadband connection that would enable us to explore other opportunities, such as electronic invoicing and the delivery of a streamed regional radio service. Our legacy systems were too slow for our requirements and meant that we were unable to upgrade the infrastructure to incorporate these new aspects."

Costcutter provides its own EPoS system, C-PoS, to help its outlets manage all aspects of the retail environment and communicate with head office. Costcutter's Retail Solutions team not only handle sales of C-PoS, but also installations and helpdesk support for in-store software and hardware. With its legacy infrastructure, Costcutter found operating the helpdesk costly and ineffective,

especially as the IT team knew that with much improved network connectivity, the majority of support issues could be automated or managed remotely.

Promotions also play a large role in convenience store retailing success and the ability to get promotions operational in store quickly and view real time sales is imperative for Costcutter.

"C-PoS helps us to manage and run price and product promotions. However, in order to implement these at store level, many tasks had to be replicated by every one of our retailers, which is extremely time consuming. We needed a system that would enable these processes to be handled by head office, reducing the amount of time investment needed from the individual stores," continues Widdrington.

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SHOPPING FOR A SOLUTION

In 2005, Costcutter discussed its requirements with several providers before opting for Vialtus Solutions. "Vialtus were keen to understand our business and IT strategy, enabling them to develop a scalable and future-proof system for us," continues Widdrington. "We identified Vialtus as a strong player in the retail IT sector with excellent credentials. The Vialtus offering would also mean we had access to a one-stop shop for all our VPN (virtual private network), hosting and security requirements at an extremely competitive price."

BUYING INTO NEW IT

Costcutter now has a private MPLS (multi protocol label switching) network which links back into the secure Vialtus data centre at Harbour Exchange in London. MPLS is a flexible solution that facilitates the deployment of VPN services capable of maximising bandwidth.

The connection enables the stores to run a number of its key systems quickly and securely. "The new network that we now have is vital to the effective running of Costcutter stores," adds Widdrington. "Security is of paramount importance to us, and as part of the solution, Vialtus provides a range of security features. A managed firewall, anti-virus and anti-spam services are all included to protect the network and Costcutter's sensitive data."

Vialtus also provides a 2Mb leased line into the Costcutter head office in York, enabling staff to effectively and securely communicate with stores across the country. Costcutter managers also have the capabilities to access store systems and stock information remotely from any location or device, with the confidence that the necessary security measures are in place.

COUNTING THE SAVINGS

Since implementing the Vialtus solution, Costcutter has seen significant cost savings, as well as dramatic cuts in the time it takes to complete essential procedures. Widdrington continues, "One of the major benefits of the solution is the secure link we now have across our entire store network into C-PoS at head office. It is reliable and gives us the ability to analyse sales and stock data, and has eradicated time-consuming processes."

"A specific example of this is promotions," explains Widdrington. "Every retailer across Costcutter used to spend approximately seven hours every three weeks setting up leaflet promotions in store. Thanks to the speed and capability of the new Vialtus system, we are able to complete the promotions set up at head office and send this out to all stores, reducing the time it takes to implement in-store promotions to just 15 minutes. That's a huge time and resource saving for us and our stores."

Thanks to the scalability and security of the new Vialtus network, Costcutter stores now have an online ordering system with the ability to receive delivery notes and invoices electronically. This has reduced time-consuming administration processes and stock checking, audit procedures have considerably improved.

'InTune' Radio, Costcutter's internal radio station, can stream effortlessly over the robust Vialtus broadband connection. Individual stores are now able to broadcast regional content and store-specific promotions. It has also provided additional revenue-generating opportunities through offering advertising space on the station.

Widdrington adds, "By implementing Vialtus' MPLS network, we were able to remove the cost of traditional dial-up and gain quicker access to stores, allowing us to support more outlets with the existing levels of staff that we have at the C-PoS Helpdesk."

LOOKING FORWARD

"We are currently evaluating a number of future projects with Vialtus and I'm confident that Vialtus' innovative technology in the retail space will help us continually evolve our business," concludes Widdrington.



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