

Farner-Bocken Deploys Web-based Convenience Store Convenience

The Farner-Bocken Company is a wholesale distributor of convenience store merchandise. The family-owned company serves midwestern restaurants, schools, and convenience stores with over 12,000 products, ranging from fresh produce to cigarettes and snack foods. The impetus to Web-enable their customer service division came from the customers themselves, who wanted a self-serve environment and faster access to information. In response, Farner-Bocken deployed its business-to-business Web site ahead of schedule and under budget, extending their AS/400 data to the Web quickly and easily. Even more remarkable, they built the solution with their existing skill set by using the mrc-Productivity Series.

Farner-Bocken uses multiple AS/400s to store and process its purchasing, distribution, inventory, billing, and customer information, and to calculate the complex pricing of its products. From the highly automated warehouse to the salesperson at the client location, all aspects of the company's business are stored on the AS/400. When Farner-Bocken moved their business to the Internet, they remained faithful to the AS/400, serving their Web site from a Domino Web server. As

John Perrin, IS Director at Farner-Bocken, explains, "The AS/400 is hands-down the best, most stable, most cost-effective platform around. Our business is not restricted with the AS/400. We can drive our business without having to worry about re-investing in hardware over and over again."

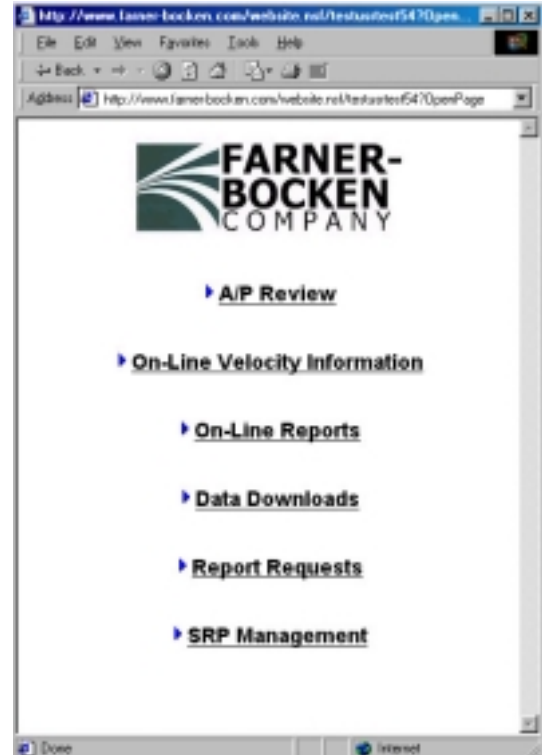
The AS/400 strengths shine in the management of product pricing. The suggested retail price (SRP)

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of products is essential to retail accounting; inventory is valued and quantified by SRP, not cost. The SRP is calculated based on cost plus desired profit margin, then rounded to the nearest \$.05, \$.09, or \$.00. This aspect of convenience store product sales must be managed as efficiently and accurately as possible. Farner-Bocken manages the SRP of 12,000 different products for their customers, all of whom have varying profit margins and pricing models for the same prod-

ucts. The AS/400 is the machine of choice for its data processing power and reliability, and easily handles the complex calculations of the convenience store industry.

Essential to retail merchandise distribution management is the maintenance of constantly changing SRPs. Any change in product



Shown: the Farner-Bocken customer menu of Web applications built with the mrc-Productivity Series²⁰⁰⁰.

cost or desired profit margin must be reflected in the product's SRP as quickly as possible. Farner-Bocken employed two full-time people to work with the store managers to maintain accurate and current SRPs of all products.

As the convenience store industry evolved and broadened its product line, however, manual maintenance of this much information became unwieldy. Store managers wanted to avoid delays in product pricing, and requested instant access to pricing data and sales figures.

Farner-Bocken had considered an Internet strategy for years, but was reluctant to risk moving to unproven technologies.

Perrin explains, "Our approach was different. We didn't move to the Internet just to become an e-commerce company. That's risky and expensive, and isn't in the best interest of the customer. A rash decision four years ago could be a very costly mistake by today. Our goal is always to do what's best for the profitability of the customer while providing the best service possible."

When software-development vendor mrc (michaels, ross & cole) enhanced the rapid application development and report writing capabilities of the mrc-Productivity Series to include Web site creation and Web application development, Perrin took notice. "We have owned the mrc-Productivity Series for a number of years, and it was well-positioned within our company. We developed many of our busi-

ness applications with it very cost-effectively, such as reports, drill-downs, and maintenance applications. Our end users were already using it to run reports and main-

tain files. Then along came mrc's Web development capabilities, and it made perfect sense for us to try them."

Farner-Bocken considered the cost of adding another programming language, such as Java, to be

the greatest risk in its Internet strategy. The cost of training their existing staff or hiring additional staff was a substantial investment, and the future of new languages is unknown. "These languages are maturing as we speak. Java and XML are not like RPG, which has been around for a long time. I don't want to invest in the time and effort of programming these applications today, only to have to re-program them again in two years when the technology changes," explains Perrin. "We've

eliminated that risk by building our Web applications with the mrc-Productivity Series."

Perrin and two project leaders began developing Web applications right away. Their familiarity with the mrc-Productivity Series and the customers' business needs made it very easy for them to build Java applications, HTML pages, and Web-based reports right away, without any manual programming. Adds Perrin, "The beauty of building these applications with the mrc-Productivity Series is that I could use my strongest skills – knowledge of our core business and of the AS/400 – to develop these Web applications, without learning the programming languages that they were built in."

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Farner-Bocken's e-business solution was quickly ready for customer use. The site contains a secure logon area; record-level security determined which records would be available to which cus-

tomers. The customer is then presented with a wide range of selections from which they can choose, such as download spreadsheet data, SRP management, view accounts payable summaries, and the option to run various reports.

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The Web applications access live AS/400 data and provide store managers with instant access to their mission-critical data.

Customers can now maintain their own pricing, adjusting prices to maximize revenue. They can also access sales figures at their fingertips – a crucial plus in the convenience store world, where product manufacturers pay bonuses to the stores that move the most merchandise. Explains Perrin, “Product manufacturers visit the convenience stores to promote new products and to compete for prominent display space. When a store manager can prove that product sales are up, by running one of our reports during the representative’s visit, the store is often rewarded by the manufacturer.”

The results of their e-business solution have greatly transformed the way Farner-Bocken communicates with and serves its customers. Customer service representatives no longer run and mail hun-

dreds of reports every day. Convenience stores now access their mission-critical information instantly. The IS Department spends its valuable time resolving business issues – not learning new programming languages. Not to mention that the e-business solution was deployed well within the desired period. Perrin explains, “In three weeks I created all the e-business applications I needed to launch our site. Through traditional methods, they’d have taken six to eight months.”

In addition to the speed with which the e-business applications were developed, Farner-Bocken deployed their business-to-business solution under budget. The savings of both time and money for this project were considerable; the project was completed at an eighth the estimated cost. Perrin comments, “Most high-profile IT projects carry great risks, and are frequently over budget and behind schedule. By developing our Web applications with the mrc-Productivity Series, we deployed a highly-visible e-business site under budget and ahead of schedule.”

Management couldn’t be happier. The customers are pleased, and enjoy an unprecedented benefit. “If our customers request a change to an application, or want an additional option made available to them, the mrc-Productivity Series makes it very easy for me to customize the applications to suit the individual customer’s needs,” says Perrin. “It’s so easy to modify the mrc-generated applications that I can quickly give the customer what

they are asking for. How many Web sites can you visit, request a change, and then see that change later on that day?”

But what about the two employees who worked full-time to run reports and manually enter data? “They still work with the customers, but now they are conducting training classes and helping the customers take full advantage of our Web applications,” answers Perrin.

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