

Asbis:

on IT4profit

"Our sales of Hard Disk Drives increased by 37% in the first two months of implementing IT4profit."

Paul Griffin, Executive Vice President
ASBIS Enterprises (www.asbis.com)
№1 Distributor for Seagate, Maxtor
and Intel in Eastern Europe.

Success story

year
2003

IT4profit

Bringing
You
Visibility,
Velocity
& Value



ABOUT ASBIS

ASBIS is one of the largest suppliers of computer components in the emerging markets of Europe, Middle East and North Africa. The company was established in 1990 and today has 32 offices in 22 countries. Turnover for 2002 was 540 million USD.

ASBIS is one of the most dynamic companies in the Central European region. The company serves over 6000 active customers via 3 distribution centers and 21 local warehouses across its regions.

ASBIS combines extensive knowledge of the local markets with a strong international team to bring value to its vendors and customers. The company offers over 2000 products from a select group of world leaders such as Intel, Seagate, IBM, Maxtor, Microsoft and others. As a direct result of ASBIS' market focus and investment in infrastructure, it has become the largest distributor in Eastern Europe and former Soviet Union for Intel, Seagate, Maxtor and IBM Technology Group.

ASBIS is actively developing and integrating Internet solutions throughout its business. The new business model - combination of traditional distribution channels with the on-line business-to-business operations - enables ASBIS to do over 60% of its purchases over the Net. All internal product management processes are designed for the Internet, including order management, shipment update, pricing, and product availability.

ASBIS offers its customers a unique combination of the best quality products, warranty service and technical support with strong local teams and international expertise.

CHALLENGES

ASBIS is one of the most dynamically developing companies on the IT market due to constant improvement and optimization of business - processes. ASBIS always pays special attention to business-processes automation, actively develops and implements internet-based solutions.

Managing large and highly diversified operations is not an easy task, especially with tightening economic conditions in the European emerging markets and around the globe. ASBIS faces standing task to keep the market share at the expense of internal purchasing process optimization, establishing connections with new suppliers, constant extending of customers database and product range, and new markets outlets.

To address such challenges, ASBIS has launched an initiative to implement internet-based B2B ASP solution integrated with internal ERP systems and to create own online business community. This initiative is at the center of ASBIS' goal to continuously reduce costs and increase profits.

SELECTING A
B2B SOLUTION
TO GROW WITH

Every company faces the same issues today - shortages of trained staff, too much to do with little resource and severe demands upon capital within the business.

ASBIS worked out the set of key criteria to identify B2B solution providers that were best capable of supporting this initiative and for selecting the solution that would power the operation of ASBIS' online business community.

- ✓ **High level of integration:** ASBIS needed a solution that could easily integrate and interoperate with the ERP systems implemented at its operating companies and locations.
- ✓ **Effective catalog management tools and services:** Because of complexities involved with aggregating and managing suppliers' products and services catalog content, ASBIS would only consider solutions that provided effective catalog management tools and services, including price administration and price distribution to multiple channels: buyers, resellers, OEMs and other partners according to the price categories. Web catalog has to be easy searchable, because adoption and use of the solution would largely depend on its ability to enable users to rapidly search and compare suppliers and products.
- ✓ **Multi-level approval process:** With cost control as a key goal, ASBIS required a solution that enabled individual operating offices to determine the type and level of rules and approvals that would drive units' procurement processes.
- ✓ **Multiple parameter negotiation tools:** ASBIS needed a B2B solution that would allow individual operating offices and the business partners to find real prices for goods and services at the local markets and to determine own priorities to each deal by multiple business parameters.
- ✓ **Global solution:** With locations in 21 countries, ASBIS needed a solution that would support multiple, geographically dispersed organizations on a single platform.

IT4profit B2B exchange solution rendered the best price-quality-aptitude balance and met all above key criteria.

IT4profit solution in the best way meets needs of ASBIS, the large-scale distributor of computer components and network products with branching network of customers and suppliers, and big number of offices in different countries. It is of big importance that IT4profit offers the solution on B2B ASP base, considerably decreasing gross investments and implementation risks.

ASBIS ON IT4PROFIT

In 2001 ASBIS became a platinum member of the IT4profit B2B Exchange to create its own community of customers, suppliers and value added service providers.

"As soon as we get experience to work online with our customers, we plan to provide rights to selected authorized resellers of ours and OEMs and System Integrators to trade our goods via the exchange with their customers or to trade ready PC and servers."

Sergey Kostevich,
President and CEO of ASBIS

Back-end functionality

IT4profit provides fully automatic accounting connectivity with customer's office systems or ERP systems. Following the two year success with ASBIS - one of the largest suppliers of computer components and networking products in the European emerging markets, IT4profit has started providing support for the connectivity to the EXACT accounting system for a variety of ASBIS offices.

This connectivity is built on the IT4profit proprietary integration components that logically connects IT4profit Web applications and EXACT® software by means of a customizable connector (the Light Rosetta communication protocol) and event mapping and document handling system. The connectivity is in terms of two-way capturing, tracking and execution of orders and logistic documents, update and synchronization of inventory, customer information and payment performance. Incoming and outgoing transactions from EXACT to the Web and back will be tracked and matched.

The Web transactions will be executed in the customer's ERP via the adjusting the file and document queue processing connector through the companies' specially organized interfaces. The connector will be called on a periodic basis or whenever a new sales order matches a buy order, changes its status or whenever the user (seller) withdraws the order from the system by canceling it. The interconnection is based on two key integration principles - the event-based document messaging and document delivery tracking, control and error reporting through the IT4profit Notification/Alarm/Event system. The event-based system allows for any possible transaction message.

RESULTS AND EXPECTATIONS

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Paul Griffin,
Executive Vice President
ASBIS Enterprises,
N1 Distributor for Seagate,
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in Eastern Europe.

"We are satisfied with the first results of using IT4profit B2B exchange and expect further cost saving from IT4profit membership in the nearest future."

Sergey Kostevich,
President and CEO of ASBIS

Through participation in this B2B exchange, ASBIS expects to increase sales and reduce operating costs dramatically as it enters new markets and expands its current database of customers.

In spite of not all of the offices embraced, IT4profit is already delivering valuable benefits for ASBIS:

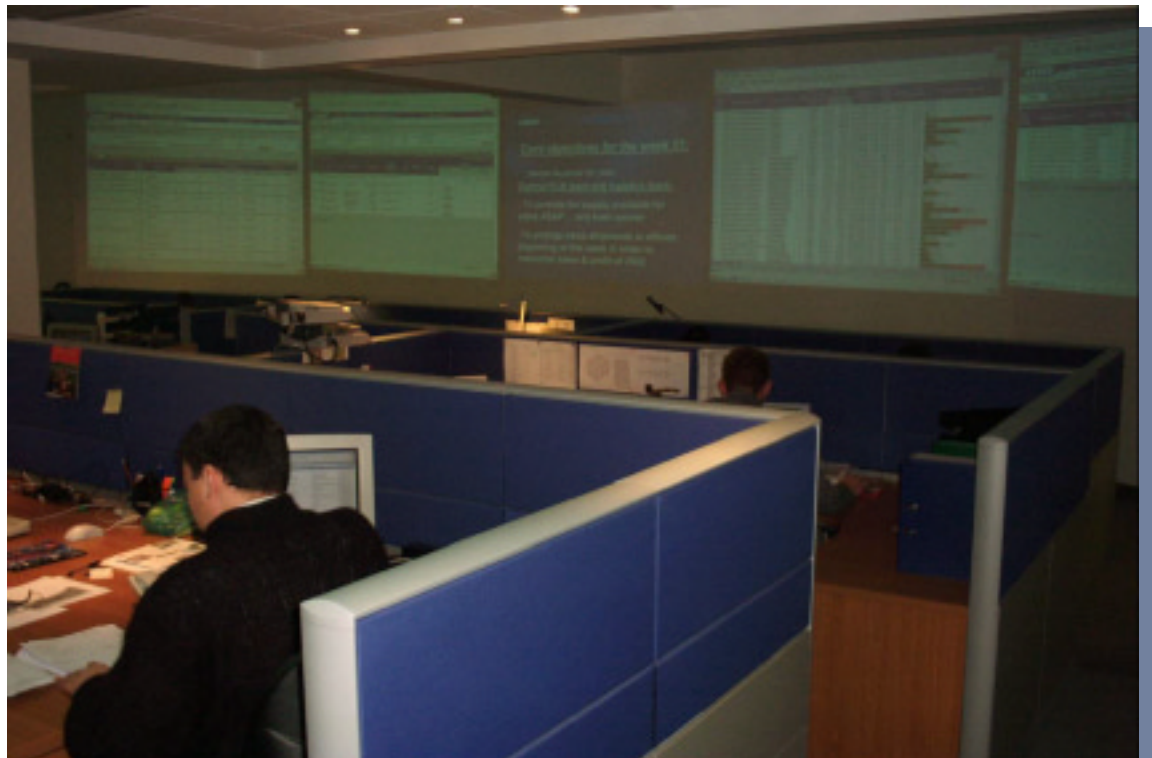
- ✔ Customer database increased by 17 % without recruiting additional sales personnel.
- ✔ Sales of Hard Disk Drives increased by 37% in the first two months of implementing IT4profit.
- ✔ The total sum of deals per week has exceeded the level of \$3 million.
- ✔ The new business model - combination of traditional distribution channels with the on-line business-to-business operations - enables ASBIS to do over 60% of its purchases over the Net.

IT4profit becomes a single point of integration for all ASBIS operating offices to share information across ASBIS business units, with the partners and, when appropriate, with other business networks.

ASBIS expects from participation in IT4profit decrease of costs and optimization of business processes, forecasts improvement and decision-making process acceleration due to access to updated real-time information and its analysis, inventory optimization, communication process and customers service improvement and, as a result, getting new competitive advantages and sources of revenue growth.



ASBIS "NASA" Centre: Online monitoring of demand - supply ratio on big screens installed in the Head Office of the company.



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