



Drugstore Chain Streamlines Data Management

Connected Retail helps Hungarian retailer to work more efficiently and improve data protection

Customer Name: **dm-drogeriemarkt**
Industry: **Retail**
Location: **Hungary**
Company Size: **2000**

Case Study



Business Impact

Benefits delivered by the Cisco® solution include:

- **Advanced remote monitoring, which has reduced on-site visits and operating costs**
- **Increased availability of wireless network to better support in-store processes**
- **Encrypted private network for improved protection of store data**

Business Challenge

For over a decade, German drugstore chain dm-drogeriemarkt (dm) has been focused on international expansion. This strategy has seen the company grow rapidly in new markets, such as Austria, Bulgaria, and Hungary, where it currently has 235 stores trading under the dm brand.

IT and the network play an important role in dm's success. By linking cash registers to the warehouse, the network helps to ensure high availability of more than 10,000 products without the need for individual stores to hold large inventories. Data is updated at the end of each day to provide clear and concise sales information for the next morning.

Having upgraded to broadband connections, the company was keen to optimize the management and performance of its network. As well as enabling remote monitoring capabilities, dm wanted the flexibility to support other key requirements. For example, in-store kiosks relied heavily on network connectivity to provide mandatory information on 150 different types of medicine. Security was another important consideration. Employees used notebooks and wireless devices to monitor shelf displays and the movement of goods.

Solution and Results

The company decided to implement Cisco® intelligent switches and wireless access points with Cisco IPsec (IP security). Ferenc Fenyvesi, IT director of dm Kft, says: "We opted for Cisco products again because we wanted to install advanced devices that fit well into the existing network infrastructure."

The advantages provided by remote access and data encryption become apparent whenever there is a device or network problem. In the past, a problem would affect the shopping experience, because stores had no alternative but to revert back to slow paper-based processes. As a result, goods would not reach shelves in a timely manner, and staff would be too busy to attend to customers properly. This circumstance would often also have a secondary effect at the end of the day, with staff having to stay late to continue re-stocking.

Fenyvesi says: "Thanks to remote monitoring, we are able to view the local devices. In many cases, we can solve problems remotely. Even if we need to visit the store, we can provide our specialist with information in advance, avoiding the need to waste time investigating the problem on-site."

"Cisco's standing in the marketplace provides us with a sense of additional security, both regarding the stability of technical support and in terms of the enduring value of our investment."

Ferenc Fenyvesi
IT Manager, dm Kft

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