



Hungarian Retailer Manages Growth

Rossmann drugstore chain supports business expansion and controls costs with secure Cisco wired and wireless network

Customer Name: **Rossmann Magyarország**
Industry: **Retail**
Location: **Hungary**
Company Size: **1200 employees**

Case Study



Business Impact

Benefits delivered by the Cisco solution include:

- **Communications costs cut by 33-50 percent**
- **Processes automated, leading to increased efficiency**
- **Flexible working supported, helping to improve productivity**

Business Challenge

Rossmann Magyarország Kft. is one of the most dynamically developing chains of drugstores in Hungary. It has over 180 stores in Budapest and the larger rural towns, with plans to add 15-20 new stores per year in the coming years. A subsidiary of Rossmann, Germany's third largest drugstore chain, the company has nearly 1200 employees and its annual turnover exceeds US\$218 million.

Having grown steadily since the first store was opened in 1993, Rossmann Magyarország has adapted its technology and processes to accommodate the increasing complexity of its business. Initially it used traditional cash registers and transmitted orders via analog modem connections. This soon created a problem because only a limited number of orders could reach the central server at the same time.

The company needed a fast, reliable, and secure platform on which to automate its commercial transactions and back-office processes. With 6000 items available in-store, top priorities were to reduce administrative costs and improve stock control systems. Rossmann also wanted to enhance staff productivity by offering more flexible internal communications.

Solution and Results

Rossmann installed a wired and wireless network based on a Cisco® Catalyst® 4506 switch at head office and a Cisco 2801 Integrated Services router in each store. These solutions are cost effective for businesses with a network of retail outlets because they support several services, including security, voice, video, and wireless.

Rossmann has automated processes for ordering products and changing prices, moving almost all of its internal data flow to the network. Wireless links have enabled the company to improve stock control and support flexible internal communications. Staff can also connect securely to the corporate network over the Internet, using their laptops, when they are working from home or travelling abroad.

Thanks to the new system, overall communications costs have not noticeably increased even though the number of stores is growing. Operating costs at head office have stayed the same, monthly communications costs at the stores have decreased by more than one third, and monthly telecommunications costs have also dropped by about half. Rossmann expects to recover its US\$87,000 investment in less than two years.

“In addition to improving productivity and streamlining operations, we have cut our communications costs by more than one third. We expect to recover our investment in Cisco technology in less than two years.”

Attila Hadár

CIO, Rossmann Magyarország

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