

The STL decentralizes the supply process with Virtuo

The city of Laval's transportation corporation (STL) was looking for proven and flexible software to manage its inventory, purchases and finances. It found the solution with Virtuo.

The STL operates a fleet of 216 buses and has over 600 employees, including drivers as well as maintenance, engineering, administrative and support staff. With the approach of the year 2000, the STL had to rapidly install new software that would not only prepare it for the challenges of the new millennium but also offer new ways of managing the approximately 10,400 items stored in its three warehouses. The inventory at these facilities is primarily made up of buses, the parts required to maintain the transportation network and uniforms.

In October 1999, the STL began using Virtuo software, a package developed and marketed by the CIO company of Laval, Quebec. Designed to operate in a Windows environment, Virtuo offers a complete line of financial and material resources management software (ERP) that makes it possible to, among other things, decentralize operations, transfer accountability to users, access selected data, integrate intermodules through drill down and access relational databases. The financial-management module comprises numerous functionalities, including budget monitoring and control,

project costing, projections and financial commitments. As for the material-resources management module, it includes functionalities related to purchasing, corporate assets, inventory and customer orders.

Virtuo has not yet been fully installed at the STL; less urgently needed functionalities are currently being added. But in just 21 weeks, the STL has successfully implemented the purchasing and inventory modules, as well as certain portions of the financial module, without experiencing any cost overruns whatsoever.

The software was selected in April 1999 and should be fully installed by the end of this year. The STL wanted a product with proven reliability to meet urgent needs, and had no interest in serving as an "experimental platform" for a supplier. "We were looking for ready-to-use software, because we knew our operations wouldn't require us to do a lot of customization," explains Guy Martineau, head of purchasing at the STL. "We were after software that would allow us to locate items rapidly and to assign specific names to pieces and product lines, and we wanted everything to work very quickly."



The inventory-management functionalities have allowed the STL to reclassify almost all the parts in stock using a well-defined and user-friendly naming system. With the old system, someone not familiar with the suppliers' parts numbers could easily run into trouble. With Virtuo, the STL now has a parts coding system arranged hierarchically and in order of significance. "An ordinary person can easily find the number of a bus part by following the hierarchical logic—in the case of a windshield, for example, by looking for the names body, then panel, structure, windows and windshield," Mr. Martineau points out. Users, even occasional ones, can thus find a part number without knowing the manufacturer's number, or even the internal number assigned by the STL. Another functionality Virtuo has made available to the STL is the ability to verify that the budget is available when requesting a part. Previously, the availability of purchase budgets was established by the purchasing department, after the order had been prepared. The person making the request could thus do a significant amount of work only to find out that no budget was available when

the purchase order was issued. With Virtuo, the person requesting the part can confirm that the budget is available when the purchase requisition is drawn up: if the budget is not available, the request will simply not be forwarded to the purchasing department. It is still too soon to calculate the savings that will result from the installation of the software, because the decentralization process has yet to be completed. But by the end of the year, users will no longer have to communicate with the purchasing department to check on the status of an order. They will be able to display their requests on screen and find out which purchaser is looking after the order, if a search has been conducted, and which suppliers are involved, and so on, users will also be able to place direct orders if an agreement between the supplier and the purchasing department has been negotiated in advance.

The STL anticipates that purchase requisitions will be processed much more smoothly. This should allow the purchasing department to devote more time to the negotiation of contracts and to the search for suppliers, which should in turn lead to reductions in acquisition costs. ■