



Woolworths
the fresh food people

CASE STUDY:

WOOLWORTHS

INDUSTRY:

FMCG
Retail

COUNTRY:

New Zealand

B2BE SOLUTIONS:



EDI

AT A GLANCE

BUSINESS OBJECTIVE

The deployment of a value added network (VAN) to facilitate e-commerce across Woolworths' newly-acquired Progressive Enterprises New Zealand business

SOLUTION

A New Zealand VAN deployed by B2BE, an accredited Woolworths technology partner.

BUSINESS BENEFITS

Business efficiencies, cost savings and error rate reductions for Woolworths and its participating partners / suppliers.

Woolworths suppliers check out B2BE's network

Woolworths' expansion into the New Zealand grocery market has led to B2B e-commerce enhancements that are benefiting both the retailer and its suppliers.

The Client

Woolworths Limited is a major publicly listed Trans-Tasman retail group with more than 3,000 stores and 180,000 employees in New Zealand and Australia.

In 2005 Woolworths became a significant player in the New Zealand grocery scene through the acquisition of Progressive Enterprises Limited (PEL), the local supermarket business previously owned by Foodland Australia, comprising the Foodtown, Woolworths, Countdown, Fresh Choice and Super Value supermarket brands.

The Challenge

Following the Progressive acquisition, one of Woolworths' business improvement focuses has involved working to integrate Progressive's electronic business to-business (B2B) platform for trading partners into Woolworths' own core systems.

"Woolworths has been engaged in B2B electronic messaging with a growing number of its trading partners for around a decade, and is well advanced in that space," explains Jason Steiner, Senior Project Manager, eBusiness, Woolworths Limited.

Progressive was less progressed in partner electronic messaging at the time of the acquisition, with around 30 vendors engaged in direct electronic Invoice messaging.

In the high-volume grocery industry, B2B messaging (EDI) plays a key role in improving efficiency and visibility in the supply chain.

The Solution

"B2B connections to Woolworths are in the main facilitated through a series of third-party technology providers (Value Added Networks). From our perspective, this approach removes for us the technical complexity in the B2B relationship in that we're dealing with trusted technology partners capable of addressing each vendors specific technical requirements. This allows us to focus on the business aspects of our B2B relationship," Steiner says.

"We have three such technology partners in Australia and with the move into the New Zealand market, we looked to establish relationships with local technology providers, the first being B2BE (then called the ECN Group)." B2BE specialises in providing integration and messaging solutions that enable businesses to electronically manage and exchange a broad range of information flows across their organisations and communities of interest.

As a result of its relationship with Woolworths, B2BE now facilitates the connections for the majority of those partners that were previously connecting to Progressive directly.



WOOLWORTHS

The Result

"The experience of working with B2BE to establish a messaging hub for Woolworths' New Zealand partners has been a positive one," Steiner says.

"In migrating the previous Progressive direct connections to the Woolworths' B2B platform, a substantial amount of routing and in-network translation work needed to be undertaken. This was facilitated smoothly by B2BE," Steiner says.

One supplier to experience the transition resulting from the appointment of B2BE as the local VAN (value added network) in New Zealand has been ABE'S Real Bagels Limited, an Auckland-based supplier of fresh bagels and bagel crisps to supermarket chains nationally and in Australia.

"We certainly wouldn't be without EDI, as we do almost 2000 Invoices per month to Progressive/ Woolworths alone," says ABE'S™ General Manager Brent Milburn.

"With the transition to Woolworths' B2B systems, we were required to send our B2B messages via a Woolworths Accredited VAN. This was somewhat different from the

direct web service based solution we had in place to deliver Invoices to Progressive previously," he says.

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Jason Steiner, Senior Project Manager, eBusiness, Woolworths Limited.

"With this requirement in mind , coupled with the phased requirements of the Woolworths store rollout plan the decision to appoint B2BE as our Value Added Network Provider was a smart decision. B2BE took out any complexity that existed with the transition allowing us to focus on our business and not be consumed with the technology aspects of the transition."

"We made a recent change to an ERP system, and we had to create a new orchestration on our BizTalk Server, so it made sense to align with the new Woolworths message schemas. B2BE have made it possible for us to use one XML output format, and send this to the Progressive Web Service Gateway as XML and Woolworths AS2 Gateway in EANCOM format, with little input from us.

"B2BE also worked well with our BizTalk supplier and Koorb, supplier of our Microsoft Dynamics AX ERP system. It was tight for everyone as we only have a live system, with no test or fallback environments.

"Work was completed in just three weeks from kick off - a great effort all round. Invoice flows to Foodstuffs were off for just that short time too, and again, the same XML output was translated to the requirements of the Foodstuffs Exchange," he says.

"Stage two for us will be to receive Purchase Orders from Woolworths and integrate directly into our ERP system, saving time, paper and obviously the manual keying. This to us was the number one benefit in adopting quickly the Woolworths B2B standards, and working with B2BE."

Steiner confirms that further B2B message automation to New Zealand suppliers is a key focus.

"Now that we have the local Value Added Network partners in place, and are getting some critical mass with our store conversion program, we have an opportunity to start extending our B2B reach with Purchase Order (PO) and the Purchase Order Acknowledgement (POA) to the New Zealand community," he says. "B2BE will play a key role in this further expansion."

MESSAGE FLOW TO & FROM WOOLWORTHS

