



CASE STUDY:

BALLANTYNES

INDUSTRY:

Retail

COUNTRY:

New Zealand

B2BE SOLUTIONS:



EDI



Web Portal

## AT A GLANCE

### BUSINESS OBJECTIVE

Fast-growing, multi-site department store retailer Ballantynes needed a supplier portal solution in order to automate its manual faxbased procurement procedures

### BUSINESS BENEFITS

Migrating Supplier communications onto the PINS web-based system linked directly to Ballantynes' ERP will improve stock delivery cycles, reduce admin costs, improve quality of service both internally and for customers, increase costing accuracy, and improve relations with suppliers

## Ballantynes plugs in suppliers with B2BE

When an iconic South Island department store chain needed to radically overhaul its procurement procedures, it turned to B2BE for a solution which is making life easier both for the retailer and its suppliers.

### The Client

Progressive South Island department store chain Ballantynes has stores in Christchurch, Timaru and two stores at Christchurch International Airport.

The business, which has a history dating back to 1854, also runs a nationwide catalogue business, an online shop and employs a total of around 500 staff.

### The Challenge

Due to the breadth of products it sells, Ballantynes has around 1,200 suppliers and as a result has been dealing with a mountain of procurement paperwork on a daily basis.

The company has been sending out approximately 160,000 Purchase Orders a year.

The formation of a new Logistics division within the business about two years ago provided the opportunity for a review of supply chain procedures with a focus on improvement for the mutual benefit of Ballantynes and its suppliers.

Logistics Manager Belinda Wallace says the company has been through a strong growth period over the past 5 or 6 years which, while positive for the business, meant more pressure on systems and processes.

"As a result of us needing to improve our processes to deal with this strong period of growth, the Logistics division started

looking at the market and looking at the supply chain to see where the inefficiencies were," says Belinda Wallace.

"We wanted to establish how we could improve our systems by putting in place a more sustainable model to support our growth going forward."

As Ballantynes puts considerable importance on its relationships with suppliers, supplier requirements were incorporated into the review process.

"What was really pertinent for us was looking at how we could drive both category and performance management with our suppliers. So we went back and looked at the way we were initially driving our whole procurement model and we found that it was very inefficient," Belinda Wallace says.

"We had a lot of manual intervention with everything. We measured our order/shipment cycle from placement of order right through to getting stock onto the shop floor, and the lead times were pretty extreme."

### The Solution

Ballantynes went to market for a solution to help improve and automate its procurement systems. They chose B2BE (formerly known as The ECN Group in New Zealand) to deploy a web based supplier portal solution and a standard EDI solution for larger suppliers.

## BALLANTYNES

B2BE is New Zealand's largest electronic data interchange (EDI) supplier and has been deploying supplier portals since 2001.

"We felt that B2BE was going to be able to provide the best solution for us around a B2B data exchange," says Belinda Wallace.

When it came to the deployment, Ballantynes' focus on its relationship with its suppliers was again top-of-mind.

"We have a wide breadth of suppliers and because we're a department store we're a little unlike other retail outlets, we're not niche in the product mix, we're very broad," says Belinda Wallace.

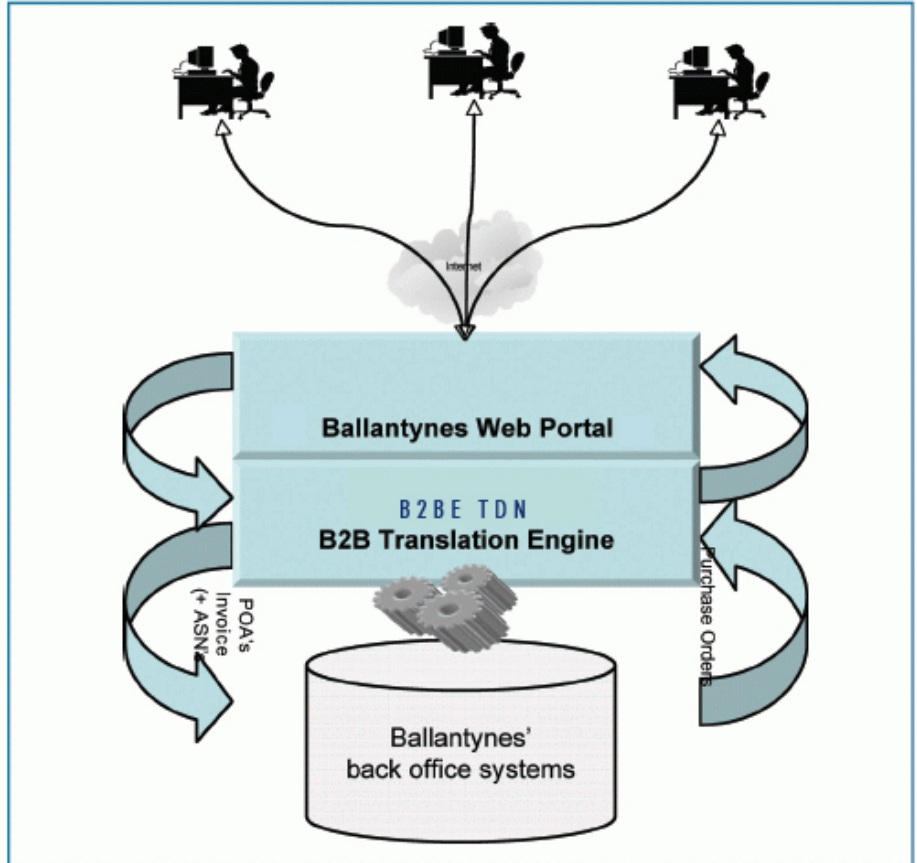
"As a result of that we have a very broad base of suppliers and there is a lot of information coming into our database. When you're relying on various manual processes to upload that information there are obviously going to be errors along the way," she says.

"We were in a position where, in order to make more pertinent decisions around where our growth opportunities were in conjunction with our suppliers, we needed that information to be sound and accurate."

B2BE deployed its Web Portal solution which enables EDI orders sent from Ballantynes' ERP system to be made available to the company's suppliers via an internet web page.

Suppliers can now interact with the orders on the website and then send them back to Ballantynes' ERP system from there. From a Supplier's perspective, using the system means faster processing and less errors, making Ballantynes a better company to supply.

### Solution Architecture



Also on the site, Suppliers can have structured stock conversations with Ballantynes using ASNs, POC and POA

documents and conduct and track split order deliveries. (As shown in the screen shot of the Web Portal below.)

The screenshot shows a web browser window displaying the Ballantynes Web Portal. The page has a navigation menu with links for 'Main Menu', 'Purchase Orders', 'Profile', 'Change Password', and 'Logout'. Below the navigation is a search bar and a table of purchase orders. The table has columns for Customer Name, Supplier Name, Partial Shipment, P.O. Number, P.O. Date, Delivery Date, Shipment ID, Invoice No, Cancellation Date, Version, and P.O. Status. The table contains 10 rows of data.

Customer Name	Supplier Name	Partial Shipment	P.O. Number	P.O. Date	Delivery Date	Shipment ID	Invoice No	Cancellation Date	Version	P.O. Status
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007			14-09-2007	1	OPEN ORIGINAL
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007			14-09-2007	1	OPEN ORIGINAL
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007			14-09-2007	2	ACCEPTED ORIGINAL
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007			14-09-2007	1	OPEN ORIGINAL
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007	1810050151		14-09-2007	2	ACCEPTED ORIGINAL
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	30-04-2007			14-09-2007	2	CHANGE REQUESTED
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-04-2007			14-09-2007	10	CHANGE REQUESTED
J Ballantynes & Co Ltd	Dummy Supplier	No	1.91000	04-04-2007	10-08-2007			14-09-2007	2	CHANGE REQUESTED

## BALLANTYNES

### The Results

Belinda Wallace says for Ballantynes, the benefits of the Web Portal solution will include improved stock delivery cycles, reduced costs through automation, improved quality of service both internally and for customers, and increased costing accuracy. So far 82 percent of the company's suppliers that have been approached have migrated to the new online system.

"The uptake from suppliers has been extremely positive with less than one percent not wanting to progress this," she says.

"Under the old model 99 percent of all orders were confirmed by faxing. Long-term, the portal will remove this tedious step which increases the work efficiency of the purchasing team."

She adds that previously 45 percent of all Invoices had different wholesale costs to the Purchase Order sent. "This new model will remove this issue."

One Ballantynes supplier commented: "The process where we receive automatic email notification of the order being created is brilliant. We can go straight to the portal, print the order and start reviewing price and availability immediately." Another supplier noted the web-based orders were much easier to read than faxes and when requesting approval for changes to an order, the turnaround has become much quicker than it was previously.

"For those suppliers that do not want to work towards a full EDI model for future trading, this model provides a simple and more cost effective business tool

with significant benefits for both parties long-term," says Belinda Wallace.

"This is particularly relevant for our small suppliers who are extremely important to our business."

B2BE product manager Chris Joel says the Web Portal is an off-the-shelf product offering, a powerful and scalable solution suitable for retailers of all sizes. "There are efficiency gains for any retailer, and also for their suppliers, that can be gained through a Web Portal deployment," Chris Joel says.

"It is a solution that has the potential to remove significant headaches and radically improve supplier relationships within a retail environment."