



### Company Details

Despar Aspiag Service is one of 12 organisations that form Consorzio Despar Italia, part of SPAR International, the world's largest grocery chain. With 123 stores and 440 franchises, Aspiag has the largest market share in the north-east of Italy. It has 4,500+ employees and sales revenues of 1.1 B

### Location

- Italy

### Industry

- Retail

### Business Challenges

- Deliver Infrastructure to support strategy of acquisition to increase market share
- Increase forecast accuracy, store replenishment, promotion performance and loyalty
- Increase visibility across logistic and transportation services to achieve cost savings

### Solution Overview

- Implement a real-time Integrated Supply Chain with Business Activity Monitoring
- Introduce a Service-Oriented Architecture

### Business Benefits

- 80% cost savings due to reusability of integration components
- Real-Time visibility across POS, warehouse and transport services
- Increased effectiveness in promotions and sales

### Business Challenges

Faced with increased competition and market saturation, Despar extended its business through the acquisition of supermarket chains and the enlargement of its franchise network. In 1999, Despar began the rollout of Retek supply chain applications, integrating them through point-to-point interfaces to their heterogeneous IT ecosystem. However, problems occurred due to the time spent on maintenance and coding within the ERP system and as a result, the system became inflexible and unable to support Despar's new extended-enterprise business model, both in performance and functionality. The old system generated bottlenecks resulting in performance issues and was unable to meet user requirements in areas such as forecast accuracy, rapid store replenishment, or promotional performance.

With a large number of direct and indirect customers and an increasing array of products, the company needed to improve its visibility across operations, internally as well as externally. Improvements needed to be made in the areas of outsourced logistic and transportation services, streamlined business processes, and enhanced customer service in order to gain competitive advantage.

### Solution Overview

The company decided to modernise its IT architecture to optimise and manage key business processes in real-time across different operations. In addition to being able to quickly add or replace application components, the company was looking for additional capabilities to achieve real-time visibility of core business information, i.e. Business Activity Monitoring.

The new target architecture was called 'business-driven architecture'. It consisted of an integration framework based on a business-oriented communication protocol and a flexible and scalable event-driven integration platform with business process management capabilities to allow business users to automate multi-step processes, manage disparate resources and establish key business indicators.

The SeeBeyond implementation began with a project for frozen goods. The objectives were to automate the entire supply and demand chains of frozen food as well as to synchronise product information in real-time. This involved 18 different business processes and multiple message types ranging from 1 order line to 20 mega bytes. The integration project, which went live in March 2003, was designed and implemented in 22 weeks, linking stores, warehouses and the central merchandise system. The project team consisted of 5 people, including a SeeBeyond consultant.

Despar is using SeeBeyond's elnsight Business Process Manager to track activities and sub-processes to provide business users with statistical analysis on Key Performance Indicators (KPIs) in order to improve business performance and service level agreements. The projects are designed from the beginning with different layers, starting from business processes, then business rules and finally application integration and automation using xCBL within and among these different layers. The first project delivered a framework for a business-driven service-oriented architecture, resulting in the reusability of all the components including business rules, business processes, objects and collaborations. As a result, integration costs on the second project, consisting of real-time promotion management and tracking, were reduced by 80% compared to the traditional point-to-point approach previously used.

### Business Benefits

Despar has seen multiple benefits from combining a process-driven integration platform with the xCBL protocol. It has bridged the gap between business requirements and integration development initiatives and allows IT department to easily build, monitor, analyse and eventually change processes overtime without writing a single line of code. At the same time it has created a common language between operational and IT staff. The alerting, error and exception handling capabilities of SeeBeyond's elnsight Business Process Manager relieves users from lengthy maintenance tasks which allows them to focus on improving products and services to customers.

SeeBeyond enabled Despar to move from a system-based infrastructure to a business process-driven environment for end-to-end, real-time visibility on products and processes from order to delivery across point of sale, business applications, outsourced warehouses and transport services. Now, store clerks and franchises can manage and track orders, promotions and delivery status from different warehouses in near real-time. The service-oriented architecture also allows Despar to rapidly build and deploy new functionality and processes based on existing systems and to manage and change them overtime.

The benefits of this new infrastructure can be seen in the efficiency of the organisation and in bottom line sales. The performance of marketing, promotions and sales have been improved due to a more responsive business environment, which has increased speed and agility across supply and demand chains. The success of the project at Aspiag Service in Italy led SPAR Austria, its parent company, to use SeeBeyond from July 2003.

### Technology Profile

SeeBeyond Components

- eGate™ Integrator 4.5.3
- elnsight™ Business Process Management 4.5.3
- Batch eWay™
- Oracle eWay™
- Scheduler eWay™
- eGate™ API Kit

### Integrations

- Retek Merchandise System
- Retek Distribution Management
- Retek Data Warehouse
- Promotion Management
- SAP R/3 FI/CO
- Linfa Distribution Manager (LDM)
- Oracle Portal
- Bespoke Purchase Order Receiving application
- Versata Process Integration Utility database
- Lotus Notes email system
- INCAS' Warehouse and distribution system
- MicroStrategy
- Standard Protocol xCBL

### Sizing

- 121 stores and 460 franchises
- 20,000 SKUs – fresh food non food and grocery Messages from 1 order line to 20 mega bytes

### Hardware

- HP-UX 11.0