

Sainsbury's

Company Details

Sainsbury's Supermarkets, founded in 1869, is Britain's longest-standing major food retailing chain. Its 535 UK stores employ more than 145,000 people and serve more than 11 million customers every week.

Location

- United Kingdom

Industry

- Retail

Business challenges

- Reduce IT costs by replacing existing infrastructure
- Implement an integration solution
- Support new loyalty programme by integration

Solution overview

- Accenture to execute transformation project
- SeeBeyond acts as the foundation for integration platform
- Integration of a wide range of internal and external applications for the Nectar loyalty programme

"SeeBeyond has provided us with a highly scalable, enterprise-wide integration solution that helps to improve operational efficiency, reduce errors and cut costs. Ultimately, this enhances every customer's shopping experience." **Maggie Miller**, Business Transformation Director (CIO), Sainsbury's Supermarkets

Business Challenges

Sainsbury's Supermarkets ran more than 750 different systems, with much duplication of data and applications. Faced with annual increases of 20 per cent in its IT costs, Sainsbury's decided to replace its legacy business applications with best-of-breed equivalents running on a new high-performance infrastructure.

One of the main disadvantages of the Sainsbury's legacy architecture was a lack of integration among the many disparate systems. Integration of data and applications, both within the company and across the supply chain, would create the opportunity to make further cost savings through removing inefficiencies as well as supporting better service levels through more accurate planning, forecasting and stock management.

One of the early challenges for the Sainsbury's eAI solution would be its ability to support the company's participation in a collaborative customer loyalty programme, Nectar, which also involves Debenhams, BP, Vodafone and Barclaycard. Implementation of Nectar at Sainsbury's demanded integration with a wide variety of systems, including point-of-sale (POS) systems for the collection of transaction data and the distribution of revised point balances.

Solution Overview

To put its cost reduction strategy into practice, Sainsbury's awarded a seven-year transformation and outsourcing contract to Accenture. SeeBeyond was chosen to provide the eAI solution for the new Sainsbury's Integration Architecture. SeeBeyond effectively partnered with Accenture to deploy the eAI solution across the enterprise. eGate Integrator now serves as the Sainsbury's enterprise-standard eAI platform and is used to integrate all re-platformed systems. It currently provides connectivity among a variety of disparate systems and applications, including HR, financial, depot management, customer contact management, eCommerce and store-based ePOS solutions.

"Not only did the SeeBeyond Business Integration Suite meet our functional requirements extremely well, but it boasted a strong track record of implementation in the retail industry. We felt confident that SeeBeyond had the skills and services required to ensure a successful implementation in collaboration with Accenture," said Ian Notley, Accenture Partner and Infrastructure Transformation Lead for Sainsbury's Programme.

Successful implementation of the Nectar programme involved the use of eGate Integrator to integrate five different versions of Sainsbury's POS systems. Other systems integrated included Oracle Financials, Siebel, a customer data warehouse and – during the changeover period – the existing mainframe-based customer loyalty system. External links were created with J. Sainsbury's Bank and with the systems of Loyalty Management UK, the scheme operator.

Business Benefits

Sainsbury's is using the SeeBeyond solution to help streamline application integration, data distribution and coordination across multiple systems and the supply chain. Duplication of data flows is reduced, whilst the solution incorporates redundancy, resilience and guaranteed message delivery for improved operability. It provides consistent information across all customer and supplier channels, with seamless business-to-business connectivity.

Lower total cost of ownership (TCO) is perhaps the most important single benefit of the solution. Indeed, the transformation project as a whole aims to reduce costs by 50 per cent over seven years. SeeBeyond contributes to these savings by providing a simplified, consistent integration architecture that delivers lower support, maintenance and development costs. The use of a centralised interface development centre leads to additional savings. The real-time connectivity provided by SeeBeyond also provides effective support for both current and future integration requirements thereby providing a measure of "future proofing".

As a launch project for the eAI solution, the Nectar project has successfully demonstrated the capabilities and benefits of eAI with participants able to earn loyalty points whenever they make a purchase at any branch of Sainsbury's. Within two months from its launch, Nectar had become the UK's largest loyalty programme with more than 11 million card holders.

Plans for the Future

The flexibility and expandability of the SeeBeyond architecture provides excellent support for future growth at Sainsbury's, with the effort involved in integrating additional systems being significantly reduced. Recently, the scope of the integration solution was extended to encompass the company's retail management and trading partner systems. Others due to be added in the short term include promotional advertising and stores supply chain systems.

"Our investment in eAI allows us to constantly improve the customer experience. SeeBeyond technology gives us enhanced visibility of our supply chain processes and enables us to deliver superior service levels in terms of inventory management and business process management." **Maggie Miller**, Business Transformation Director (CIO), Sainsbury's Supermarkets

Business Benefits

- Streamline application integration and data distribution across multiple systems
- Contributes to lower Total Cost of Ownership.
- Flexible solution capable of supporting future growth requirements

Technology profile

- Retek
- Manhattan PKMS
- Oracle Financials
- Siebel
- TempoSoft
- Remedy
- Blue Martini
- Control-M
- NCR Teradata
- PVCS

SeeBeyond components

- eGate™ Integrator
- eXchange™ Partner Manager

Hardware/os

- 3 x Sun Enterprise Servers
- HP Windows NT Servers
- Sun Solaris
- Windows NT