



Company Details

WHSmith is one of the UK's leading retail groups, with nearly 1,500 stores in 12 countries worldwide and sales of some £2.9 billion.

Location

- United Kingdom

Industry

- Retail

Business Challenges

- Respond to competitive pressures with more effective demand forecasting and merchandising
- Replace inflexible legacy applications with a new retail management system
- Phased migration by product line

Solution Overview

- WHSmith implemented Retek for forecasting and merchandising
- SeeBeyond used to integrate new applications with existing applications
- Accenture managed the implementation with SeeBeyond consultants providing support

"So far eGate Integrator has met all our expectations. It is a product of very high quality, backed up by excellent support from SeeBeyond and Accenture." **Iain Winskill**, business systems manager, WHSmith.

Business Challenges

WHSmith's high street retail outlets face increasing competition from several directions, including Internet-based retailers, supermarkets, and specialist bookshops and music stores. "One effect of this competitive pressure is that the Christmas trading period – when WHSmith comes into its own as a single source of gifts, wrapping paper and cards – is more important than ever" stated Helen Brunt, business systems project director, WHSmith. Another is a growing requirement for the product range to be tailored to the needs of different stores. Effective demand forecasting and merchandising are therefore very important, especially during the few crucial weeks leading up to Christmas.

Unfortunately, WHSmith found that its complex multivendor architecture, based around a mainframe computer, made it difficult to achieve these objectives. Many of the legacy applications running on this architecture were inflexible and did not support change. A new retail management system, including demand forecasting and merchandising applications, was required.

The challenge then was how to incorporate these new applications within the WHSmith infrastructure. The sheer scale of the work involved made it impossible to replace the entire infrastructure, so WHSmith looked instead at ways of integrating the old and the new. Since point-to-point interfaces would create a new architecture that was just as complex and difficult to change as the old one, the company decided instead to implement an enterprise integration platform.

Solution Overview

Having chosen Retek Demand Forecasting (RDF) and Retek Merchandising System (RMS), WHSmith looked at integration platforms from three different vendors, inviting two of them to proof-of-concept. At the end of the evaluation, it opted for the SeeBeyond Business Integration Suite. As well as having an RMS interface, SeeBeyond offered a more scalable solution with simpler data transformation and formatting.

"Where the other vendors offered an integration platform as one product among many, SeeBeyond was totally focused on integration. The difference was reflected in its people's attitude: they were 100 per cent committed to their company's product and to delivering a working solution," commented business systems manager Iain Winskill.

Business Benefits

The project as a whole is expected to increase product availability and decrease stock levels in WHSmith outlets, with different stores being able to offer a product range tailored more closely to their customers' needs. As well as boosting revenues, this is expected to save the company £10 million a year through better stock management.

The SeeBeyond solution will play an integral part in achieving these business benefits. It will also make the integration of additional systems and applications much easier in future. For example, stock belonging to one of the group's travel companies will soon be made available in WHSmith's high-street stores. Winskill estimates that the effort required to integrate the underlying systems will be 70 per cent less than it would otherwise have been, with immediate success being much more likely.

One major additional benefit of eGate Integrator became apparent during the transition from the old forecasting and merchandising systems to the new. Having decided that a phased implementation by product group would involve substantially less risk than a "big bang" rollout, WHSmith was faced with the need to run the old and new systems in parallel for a short time. During this period, orders would be sent to the company's warehouse from both systems, and sales and ordering information would be fed into the data warehouse from both systems. Using eGate Integrator, WHSmith was able to combine files from the two systems and output them as one, with the data reformatted to make it acceptable to the receiving system.

"eGate Integrator was of great benefit to us during the transition period," said **Winskill**. "It would have taken a huge effort to develop this level of intelligence using point-to-point interfaces."

Plans for the Future

WHSmith now plans to replace its remaining mainframe-based legacy systems and link the new equivalents using eGate Integrator. Oracle Financials, for example, will replace the existing UOLAS finance system. The fact that all applications communicate via the eGate Integrator hub, with no direct touch points between them, will result in a much more flexible infrastructure. This infrastructure, unlike the old one, will also be readily scalable and extendable.

"The biggest benefit of SeeBeyond is the flexibility it brings to the infrastructure. All the complexity traditionally associated with integrating different systems is gone," **Iain Winskill**, WHSmith.

Business Benefits

- Increase product availability and decrease stock levels in stores
- As well as boosting revenues, savings of £10 million a year to be made through better stock management
- Integration of additional systems can be achieved using only 30% of the effort required in the past

Technology Profile

- SeeBeyond Components
- eGate™ Integrator

Integrations

- Retek Merchandising System (RMS)
- Retek Demand Forecasting (RDF)
- Galleria VMCS
- UOLAS
- Teradata data warehouse

Sizing

- Sales and stock information relating to 120,000 product lines in 550 stores
- Three years' historical data in data warehouse

Hardware/OS

- IBM pSeries 690
- IBM AIX