



An Integration/Service Driven Approach To Convergence Profitable In The Short And Long Term

Business Challenges

In 1999, following the acquisition of two different franchisee networks – Unic and Nopri – and the outlet chain GB, Carrefour Belgium adopted a heterogeneous IT landscape. The company had no less than forty-two custom mainframe applications for managing the supply chain of its 400 stores, and no less than 5 different databases managing the same products. These “raised problems on information consistency”, says Fabrice Goffinet, project Manager for Carrefour Belgium.

“The implementation of SeeBeyond’s eGate Integrator as our EAI solution, played a key role in our successful SAP Retail migration project”

Michel S’Jongers, CIO, Carrefour Belgium

Eighteen months after the first deployment phase, which happened in November 2001, the company is getting the expected pay-back. This success is even more remarkable given the complexity of the project and the fact that a return on investment is rarely achieved quickly

Solution Overview

The Belgian subsidiary of Carrefour Group had made organisational changes before implementing its convergence project. The company decided to replace its forty-two legacy applications with SAP Retail and centralise their different product databases into a single repository with consistent product coding. This resulted in optimisation of their supply chain as well as enhanced customer service.

“The EAI solution enabled the progressive roll-out of SAP Retail, in-line with our business organisation,” points out S’Jongers. “From the beginning, Carrefour Belgium has avoided a big bang approach”. The company deployed one-by-one, end-to-end business processes, switching the respective product categories from the legacy applications to SAP Retail. In fact, today some users are working on SAP Retail, whilst others are still working on the legacy applications. The roll-out was driven by the business objectives and took more than two years. The different phases of deployment, allowed for corrections, fine tuning, impact analysis and measurements of each of the processes implemented. “This is a business project, not an IT project” emphasizes S’Jongers. “This deployment has had to comply with our organisational patterns, and not the opposite. SAP Retail allows for a progressive roll-out, enabling successive implementations of complete processes, and allowing us to add users immediately into the new system. This gives us two major benefits; users are less disturbed and it allows the IT department to meet the seasonality fluctuations. Indeed, the different phases were planned depending on the respective product categories”.

This approach by product gives another key benefit; the project was not intrusive to the complexity of the previous environment. The company just re-distributed the flows

COMPANY DETAILS

- Carrefour Belgium is the subsidiary of the second largest retailer in the World. It’s the largest Belgian retailer with approximately 500 stores serving more than 2 billion customers per day.

LOCATION

- Belgium

INDUSTRY

- Retail

BUSINESS CHALLENGES

- Acquisition of franchisee networks and the outlet chain GB
- Heterogeneous IT landscape including 42 legacy mainframe applications and 5 different product reference registries
- Consistency of information
- Support expected growth
- Enhance Customer Service

SOLUTION OVERVIEW

- Migration to SAP Retail
- Centralisation of the different products in a single repository
- Progressive roll-out by product category
- Coexistence of the legacy mainframe systems and the new system

BUSINESS BENEFITS

- Convergence programme migrating 42 mainframe legacy systems to SAP and UNIX
- Optimization of product rotations contributing to SAP Retail ROI
- Accurate and real-time vision of the number of articles remaining in stock and on the shelves
- Real-time vision of product references and business processes
- Foundation of a long-term infrastructure strategy for sharing information
- Even minor reductions in stock levels cause tremendous savings

SEEBEYOND COMPONENTS

- eGate™ Integrator

INTEGRATIONS

- SAP Retail • SAP FI/CO • Loyalty Card System
- 400 Winstore POS Servers • Dallas WMS
- EDI • Datawarehouse Loyalty Card System

SIZING

- 300,000 Articles • 8,000 transactions per second
- 2,5M product references shipped per day
- 50 Gb processed per day

HARDWARE/OS

- HP ProLiant DL760 Servers
- Windows 2000 Advanced

by redirecting them either to SAP Retail or towards the legacy applications, depending on the stage of the migration. This is exactly the point where SeeBeyond eGate Integrator has been playing a significant role. Initially, there were two separate projects with different requirements and different objectives: the first one was the SAP Retail implementation which was aimed at optimising supply chain management; and the second one was the implementation of SeeBeyond's eGate Integrator which was used for integrating different applications within the system.

By executing the two projects at the same time, Carrefour Belgium allowed its legacy systems to coexist with the new system, and therefore deliver a progressive roll-out by project. As an orchestrator, SeeBeyond was receiving data flows and redirecting them on demand, just with simple parameter changes, either towards the legacy systems or towards the new application. "Ideally, we should have deployed the EAI solution before starting the SAP project, rather than having two key projects running at the same time" recognizes Fabrice Goffinet. "Without eGate, we would have had to develop specific (COBOL) interfaces for the key sixty or seventy flows of SAP Retail. Those interfaces would then have been abandoned and replaced by those from eGate. The two projects were implemented at the same time to reduce the development costs and accelerate the time to market".

Business Benefits

eGate Integrator is not only enabling the coexistence of the two systems, it is also the foundation of a long-term infrastructure strategy for sharing information. It enables the communication between SAP Retail and the rest of the applications: store systems, warehouse management, etc. – and thus, manages processes in real-time. "Basically, we have an accurate and real-time vision of the number of articles remaining in stock and the number on the shelves" explained S'Jongers. "The optimisation of the product rotations we achieved has obviously contributed to SAP Retail's ROI". The EAI solution is also used between the EDI flows and SAP Retail. "eGate will also allow for evolution on the B2B side" added Eric Feron, Senior IT Architect for Carrefour Belgium. "We will replace our X400 messaging server with internet technologies (EDIINT) and add new functionalities through ebXML. In any case, we will leverage the existing environment, and we strongly rely on our EAI solution to help us make the new and existing systems to coexist". This ability which consists of planning for the long-term while responding to immediate requirements, as well as having global visibility of information whilst still focusing on the user, should pay-back.

ROI: Inventory management optimisation is the first area of gain – Although Carrefour Belgium cannot disclose the figures they calculated the ROI rigorously for 18 months. This only takes into account measurable indicators – some benefits such as customer service enhancements are not included in the calculation – and involved overall associated costs, such as user training expenditures. Inventory management is one of areas where gains are substantial. "As we have a great number of warehouses and stores, we have significant amounts of assets frozen in inventory" explained Michel S'Jongers. "With reductions in stock levels, even minor ones, the savings are tremendous". On the IT side, the ROI is coming from savings in development and maintenance costs: a single application versus forty-two, and UNIX systems being more cost-effective than mainframe systems.

Plans For The Future

SAP Retail is one of the several evolutions Carrefour Belgium planned. eGate is the platform for simplifying the coexistence of legacy systems and new applications in the short-term, as well as acting as a communication backbone for the long-term. The objectives are; Progressively replace mainframe systems by cost efficient UNIX systems; Rationalise the application landscape by replacing bespoke systems with best-of-breed applications when possible to achieve savings in maintenance costs; Streamline flows of information and business processes in real-time for supply chain optimisation.

"We are operating with more than 300,000 products. Unifying our information in a single registry, accessible for legacy systems as well as for SAP Retail, has significantly improved the quality and the consistency of the information."

Fabrice Goffinet, SAP Project Manager, Carrefour Belgium

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