



**Pacorini is on top of the global logistics market
with IBM SOA solution**

13 th June 2006 - IBM

SOA Executive Summit Paris

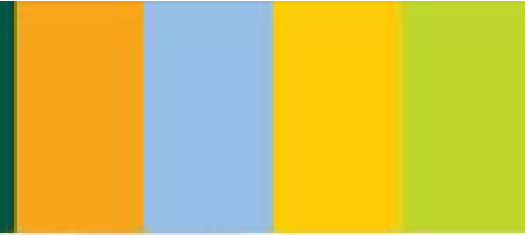
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CIO

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Agenda

- Pacorini Group
- Pacorini Group ICT needs
- Corporate Portal Development
- Coffee Customers Integration
- Internal Developments
- Summary

A faint, light gray world map is visible in the background of the slide.

Pacorini Group

OUR HISTORY



1933

A most important Italian operator in transport, warehousing and handling of products and commodities



2006

OUR CORE BUSINESSES



industrial
processing



coffee and soft
commodities



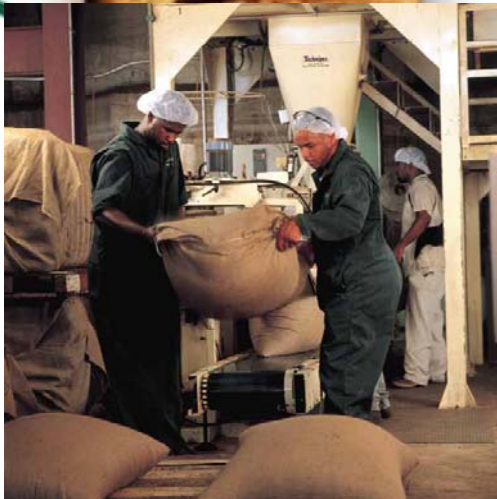
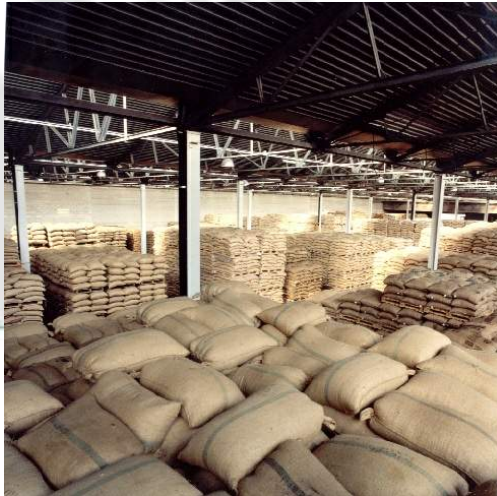
non-ferrous
metals



distribution

Terminal operations and logistic platforms

COFFEE MARKET



10%
market share

The Pacorini Group has a worldwide leading position in coffee logistics and processing

Pacorini operations cover about 10% of the raw coffee exported in the world

PACORINI IN THE COFFEE MARKET

WHAT DO WE DO?

Freight forwarding services <

Handling, storing and distribution services <

Industrial services <

Collateral Management services <

PACORINI IN THE METAL MARKET

WHAT DO WE DO?

Freight forwarding services <

Handling, distribution services <

Specialized Warehousing services (LME) <

DISTRIBUTION AND TRANSPORT

Our integrated logistics creates solutions in order to deliver products and commodities to final destination at the right time and at competitive rates.

Global service from Producer to final Consumer



FREIGHT FORWARDING

Thanks to a wide network of agents and partners dedicated to the freight forwarding business we can offer any kind of logistic solution, both by sea and by air, for import and export, door-to-door, on a worldwide basis



LOCATIONS

ITALY

Trieste (Head Office)
Bergamo
Vicenza
Milano
Genova
Vado Ligure
Livorno
Salerno
Gioia Tauro

SLOVENJA

Koper

U.S.A.

New Orleans
Baltimore

SINGAPORE

Singapore

SPAIN

Barcelona
Bilbao

SERBIA

Beograd

BRASIL

San Paolo
Vitoria

VIETNAM

Ho Chi Minh City

OLANDA

Vlissingen
Rotterdam

MONTENEGRO

Bar

KOREA

Gwangyang
Busan

CHINA

Shanghai

UK

London

U.A.E.

Dubai

MALAYSIA

Johor Baru



Pacorini Group ICT Needs

SOA Philosophy

Why SOA - General considerations

- We'd like to underline some common considerations published on the "*Service-Oriented Architecture Compass*" (AA.VV. - IBM Press - 2006):
 - *"Given the rate at which market is evolving, it is almost impossible to carry out long-term planning. It is critical **to be able to plan on rolling basis**, rapidly and continuously";*
 - *Other SOA business drivers are:*
 - *Anticipate market changes;*
 - *Develop new ways to build relations with suppliers, customers and finally partners;*
 - *Improve time-to-market;*
 - *Create custom and tailored solutions for customers and partners;*
 - *Operational cost reduction.*

Why SOA - Specific Considerations

...As-it-was

- Many process islands not covered;
- Many old Packages;
- Many Application/site islands;
- Applications with low degree to specification;
- Applications not integrated with processes;
- Low flexibility and high resistance to change;



SOA

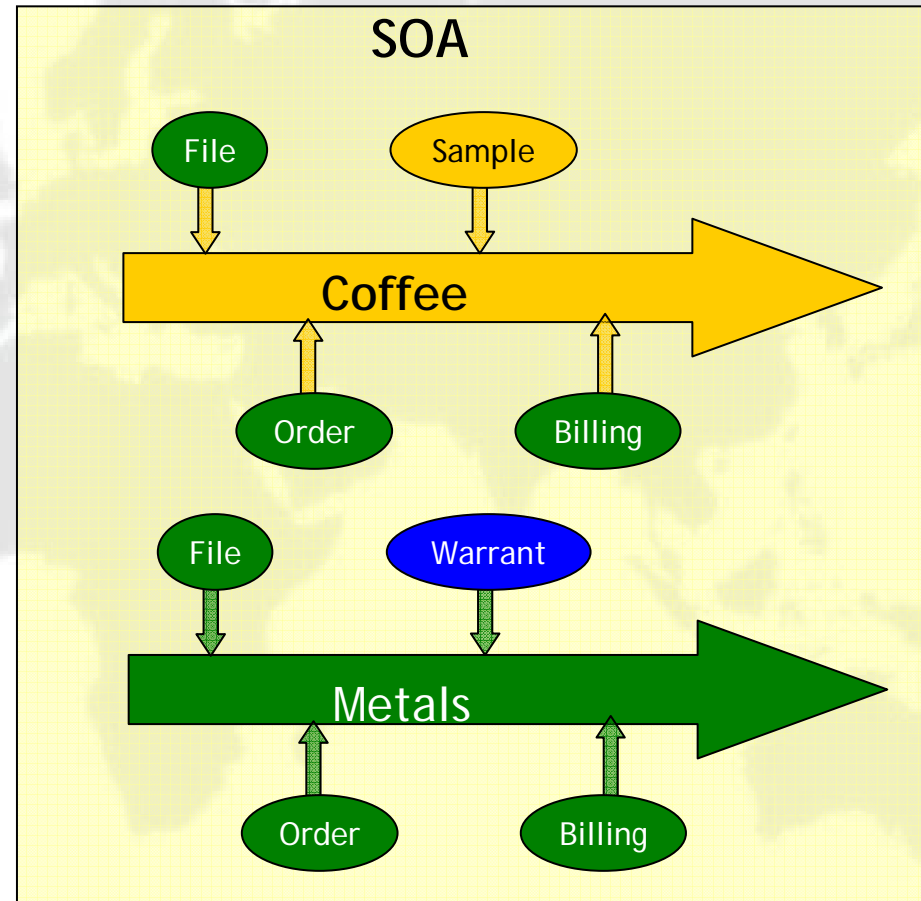
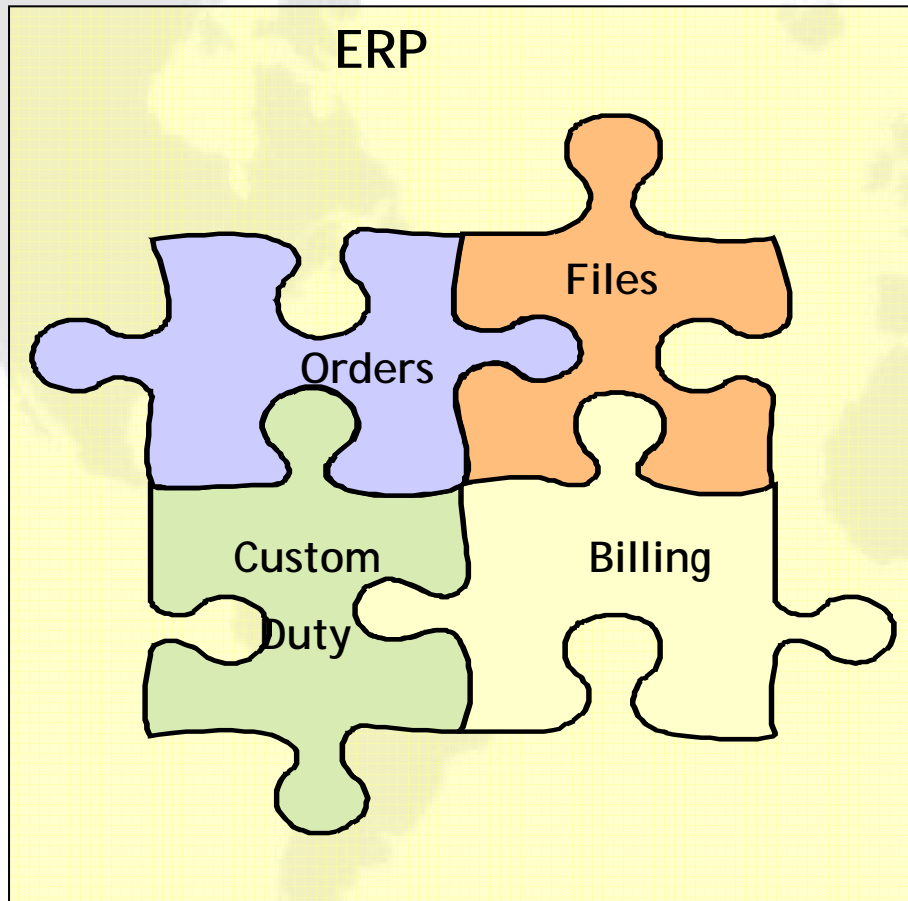
...To-Be

- Internal and external integration;
- Modular (BUs/Functions);
- Process Oriented;
- Flexible;
- Long-planning Investment;
- Standardization of software development;
- Off-shore parts of development;

A *service-oriented architecture* is a framework for integrating *business process* and supporting IT infrastructure as secure, *standardized components* - services - that can be *reused* and *combined* to address changing business priorities.

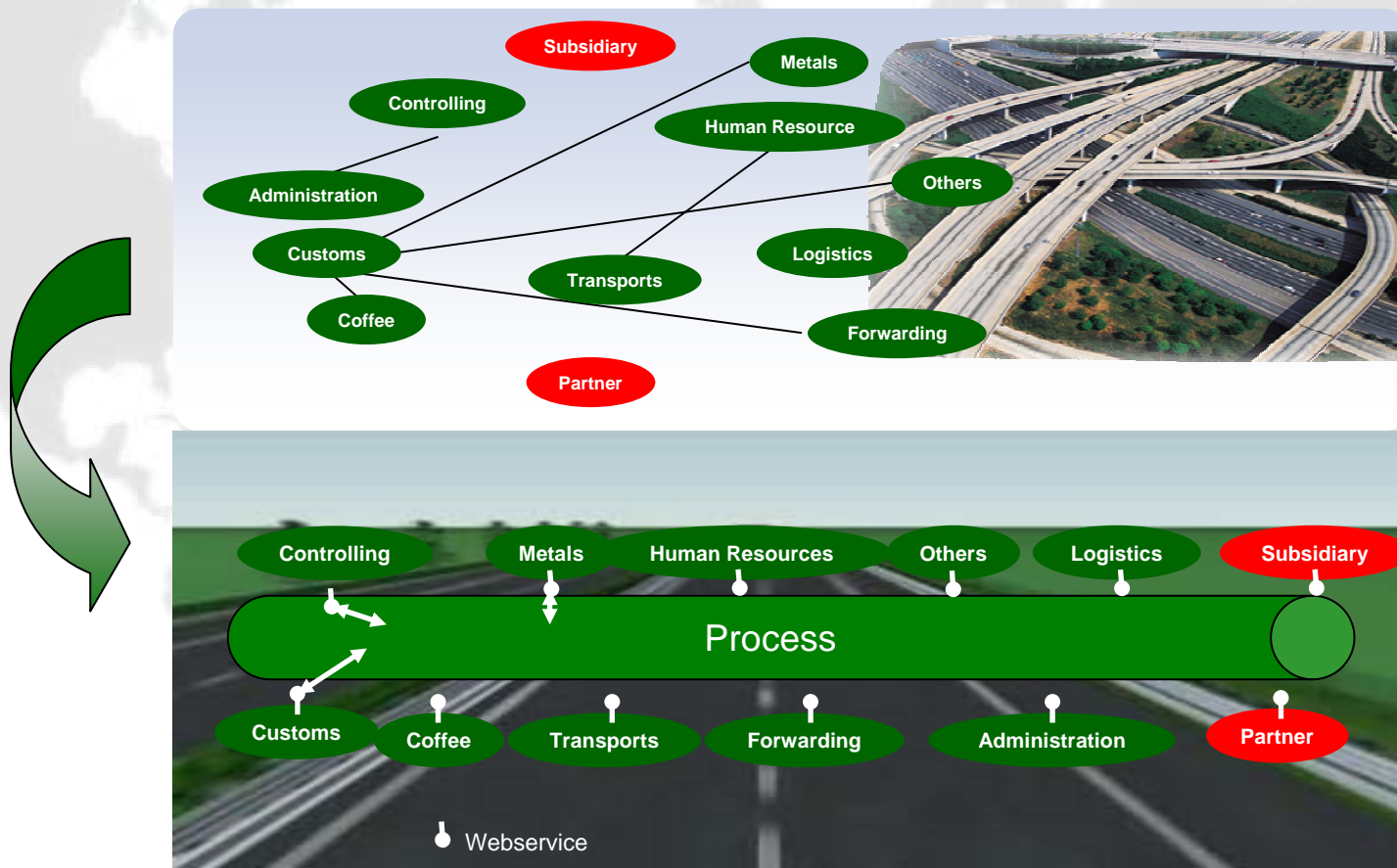
Why SOA: From monolith to modular

- With SOA I have more ways to *compose* and *orchestrate* the business process flow, as an example I could use a common process *specialized* in some component for the particular business/country/location.



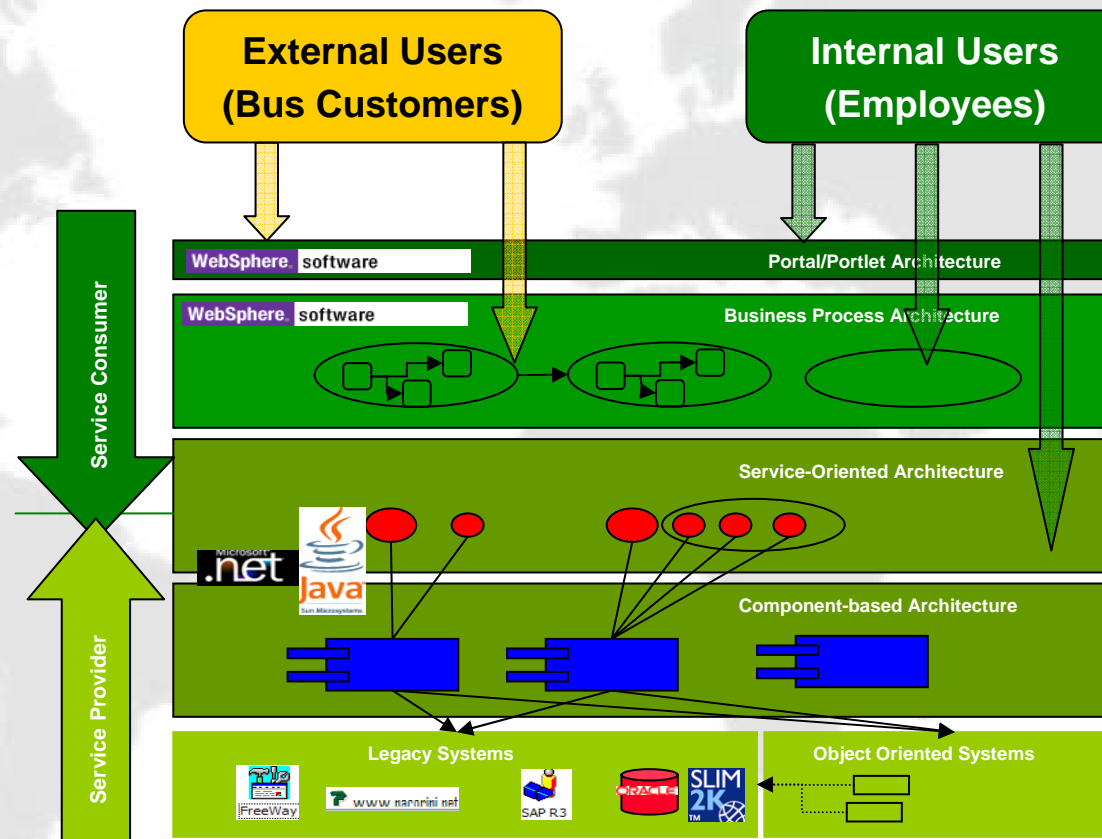
Why SOA: Application Domains Islands

- The SOA philosophy simplifies the *application domains integration* and also it's a useful way to integrate the subsidiary islands in an economical way.



Why SOA: Loosely-Coupling and layering

- The SOA "platform" is based on many layers that enables the reusability of many old applications, information stores, etc.. The same service may be used both for external or internal users with no need of further activities other than security enhancements.

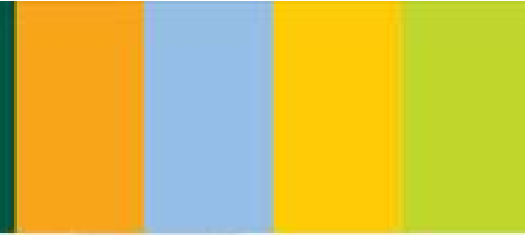


SOA Development Team

- SOA Development needs new roles like SOA Architect, Service Modeler, Process Flow Designer, UDDI Designer e Administrator, etc.. These new needs are on top the standard roles of a development project (Project Manager, Business Analyst, Security Specialist, DBA, etc.);
- Pacorini has adopted a mixed make-or-buy strategy keeping in house the high development skills and out-tasking all the “operational” activities. We are also thinking to off-shore (near-shore) some development tasks;
- The internal competence that has been built with the support of IBM Italy and Santin e Associati (www.santineassociati.com) are:
 - Process Flow Designer
 - SOA Architect;
 - Service Developer;
 - Integration Specialist.

Towards the future

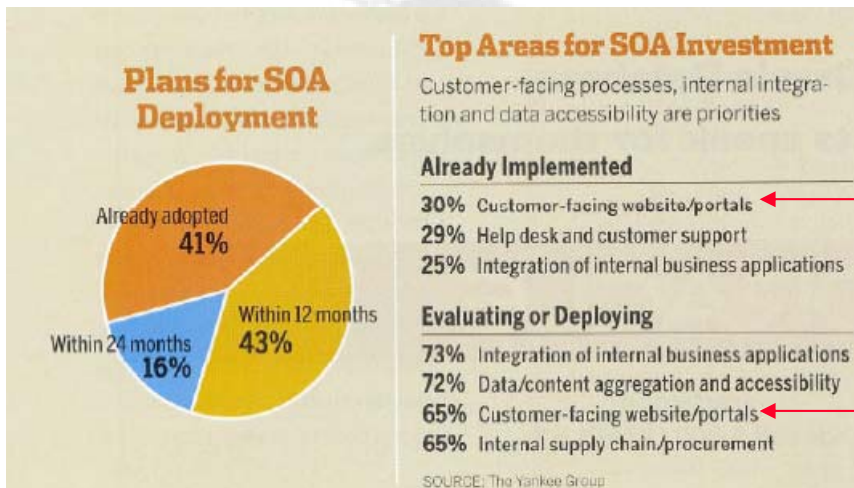
- We briefly summarize the main decisions of the Pacorini Group:
 - Adopt the *SOA Philosophy* in the development of the new components and in the revamping of the current ones;
 - *IBM WebSphere* is the centerpiece of any SOA development;
 - Start the developments from the “perimeter” *Portal* and *Customer Integration*: Traditional EAI and Web Services;
 - *.Net and Java* as the development platforms ;
 - All the market packages introduced or revamped must be *SOA compliant*;
 - All the *subsidiary islands* must adopt the corporate integration protocol.

A faint, light gray world map is visible in the background of the slide.

Corporate Portal Development

Why the corporate portal

- The Gartner Group definition of portal says:
 - “access to and interaction with relevant information assets (information/content, applications and business processes), knowledge assets and human assets by select targeted audiences, delivered in a highly personalized manner.”
- The Corporate Portal development is a fastest and successful way for introducing SOA:
 - The Portal infrastructure uses a lot of service-oriented concepts;
 - The Portal may be a leverage for extending WebServices;
 - The Portal uses the portlets, that are ideal for orchestrating, linking or communicating with the SOA objects;
- The Corporate Portal is a good entry point so tangible and with full visibility for the entire organization;

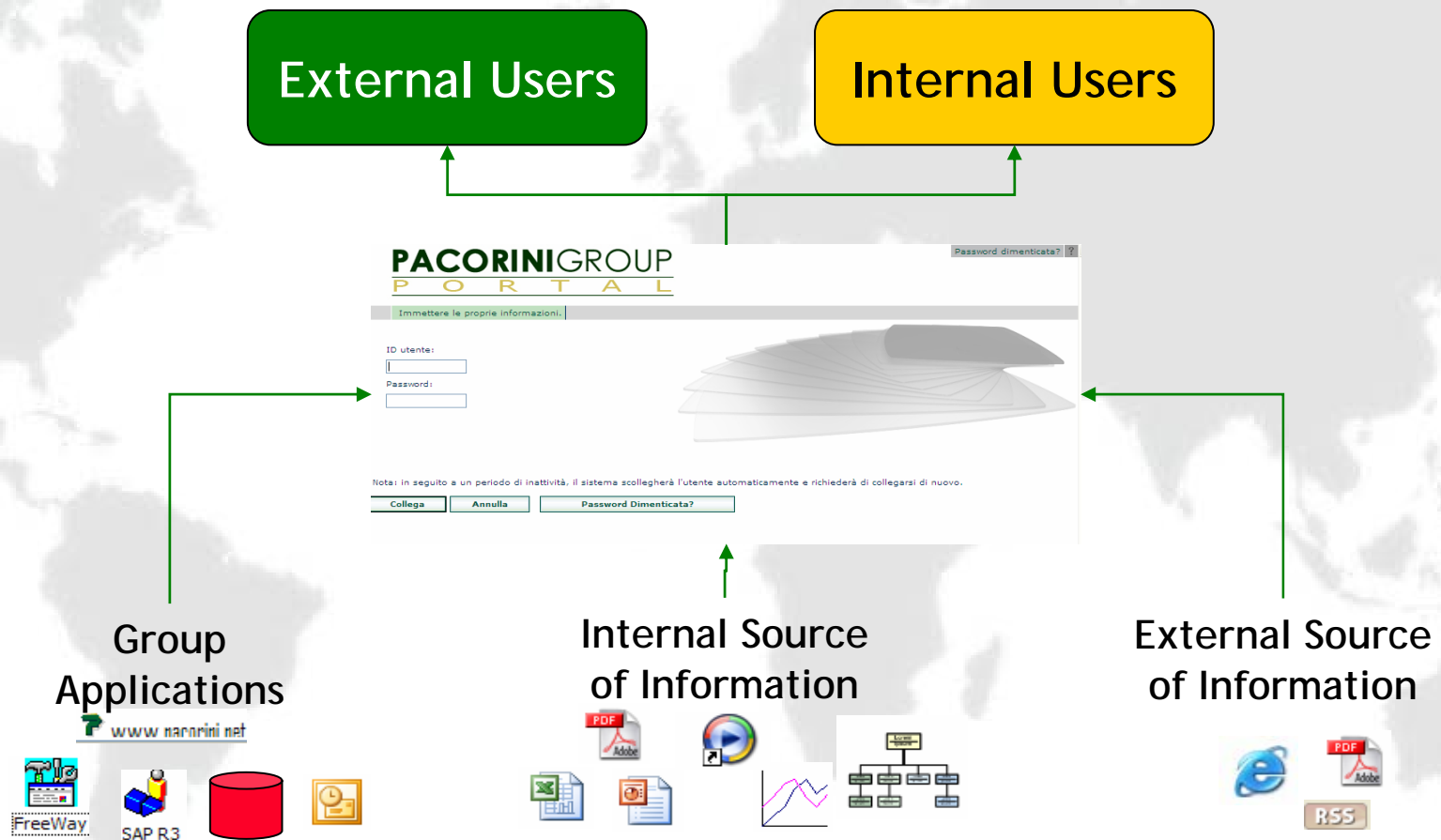


Source: CIO Magazine
April 2006

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Pacorini Group

Corporate Portal - Pacorini Vision

- The mission of the portal is to concentrate in a common view all the information system services, internal and external information.



Coffee Customer Integration

CoffeeSquare

1. Analysis

2. Integration
Strategy
Definition

3. Customer
Integration
Master Plan

4. Prototpal
Execution

5. Extension to
other Clients
and Methods

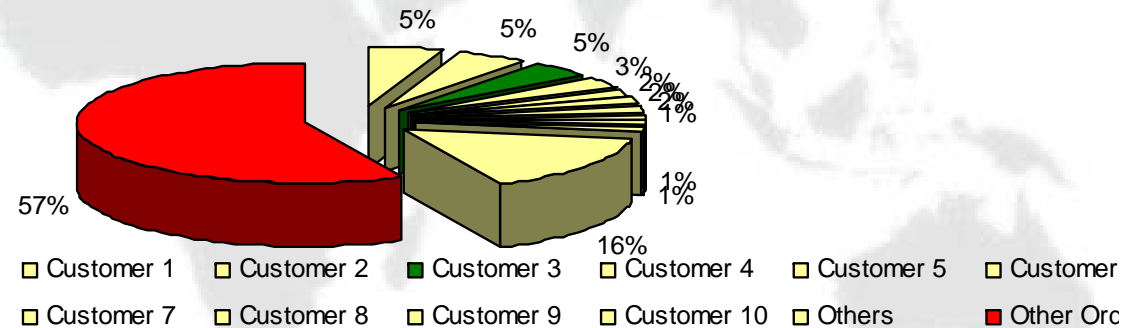
Coffee Customer Integration - Objectives

- *Objectives:*
 - B2B integration of *the customer order flow*;
 - *Eliminate/reduce* the Email/Fax/Phone/... communication with customers;
 - Improve the *efficiency* of customer order process;
 - *Reduce order errors*;
 - Increment the Customer loyalty in order to maintain the *leadership position in a mature coffee market*;

Coffee Customer Integration - Order Analysis

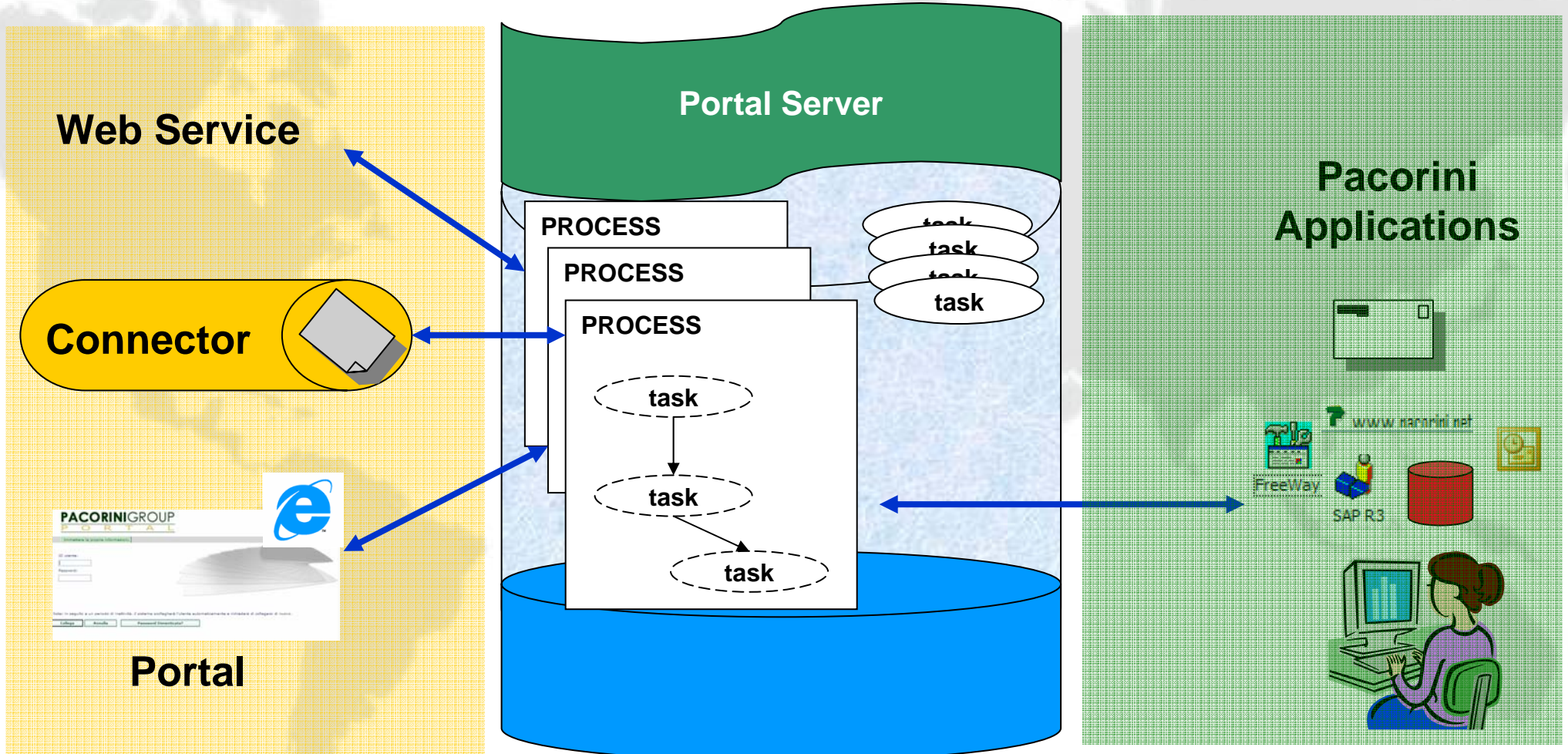
- As the first step we have analyzed the customer orders of the 2004 in order to find out the best strategy in terms of financial (capital budget) indicators like ROI, NPV, IRR, Payback;
- We have found out that:
 - We had 33 different kinds of orders;
 - Approximately 43% of the orders were of type OdV1 and OdV2;
 - Approximately 30% of the OdV1 and OdV2 orders were generated by 10 Customers;

Customer Order Description	Number of Orders
OdV1 and OdV2 Orders	
Customer 1	3198
Customer 2	2978
Customer 3	2718
Customer 4	1943
Customer 5	1191
Customer 6	1071
Customer 7	996
Customer 8	865
Customer 9	799
Customer 10	792
Others	9386
Tot. OdV1 and OdV2 Orders	25937
Other Orders	34370
TOT. Orders	60307



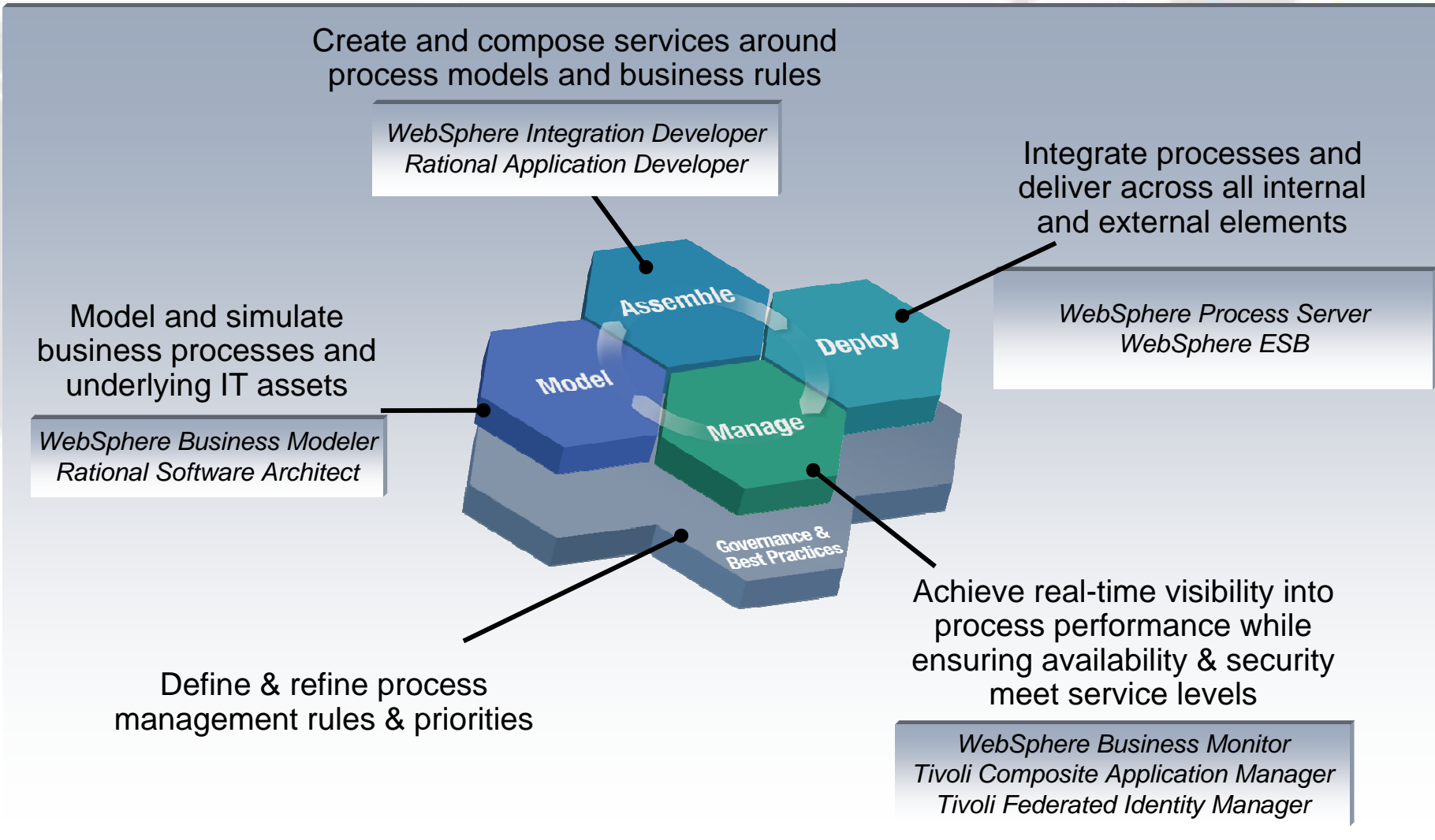
Coffee Customer Integration - Platform

- We have adopted an integration platform that it's easily extended to any type of external connection: Web service, Connector, Portal.



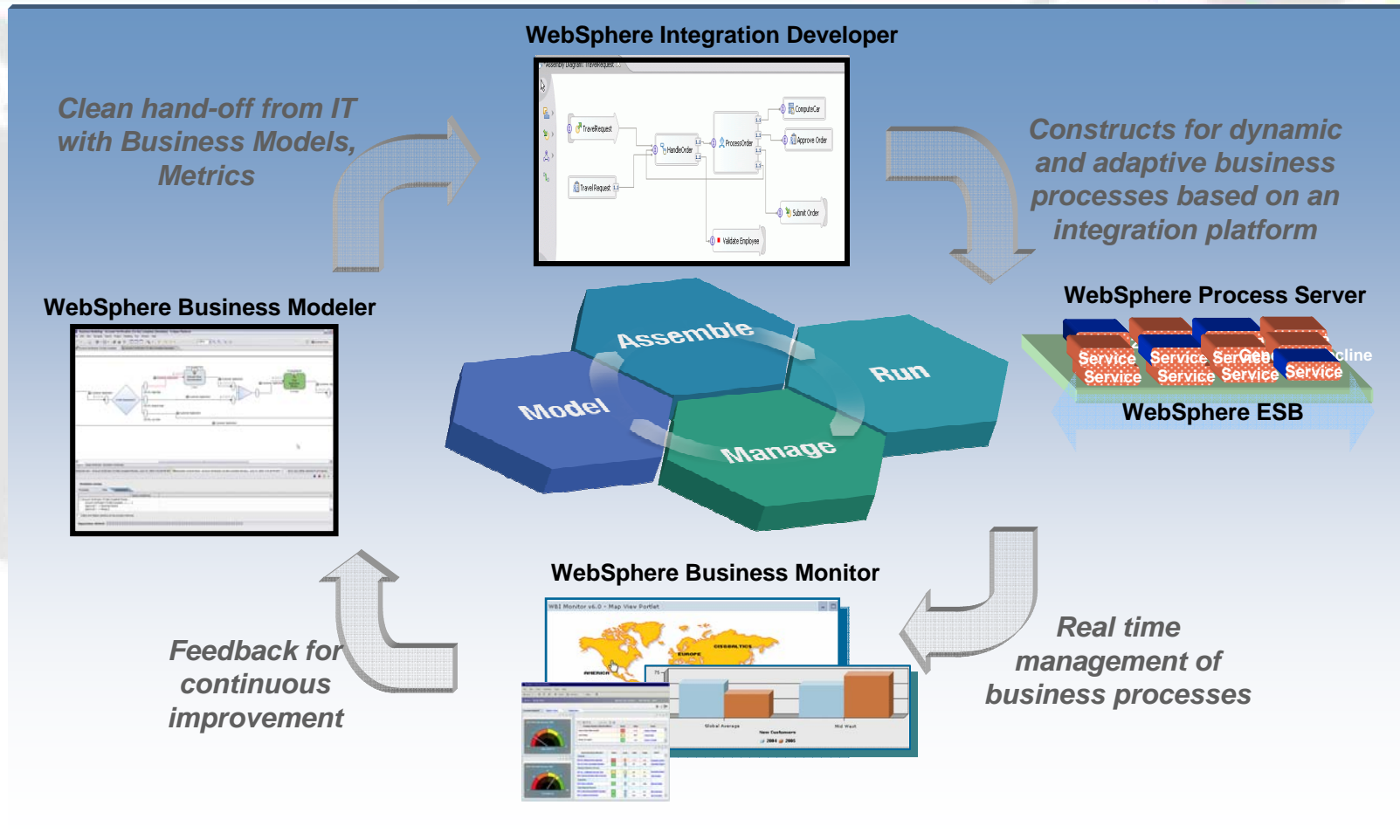
Business Process Management

The SOA Lifecycle mapped to your process needs

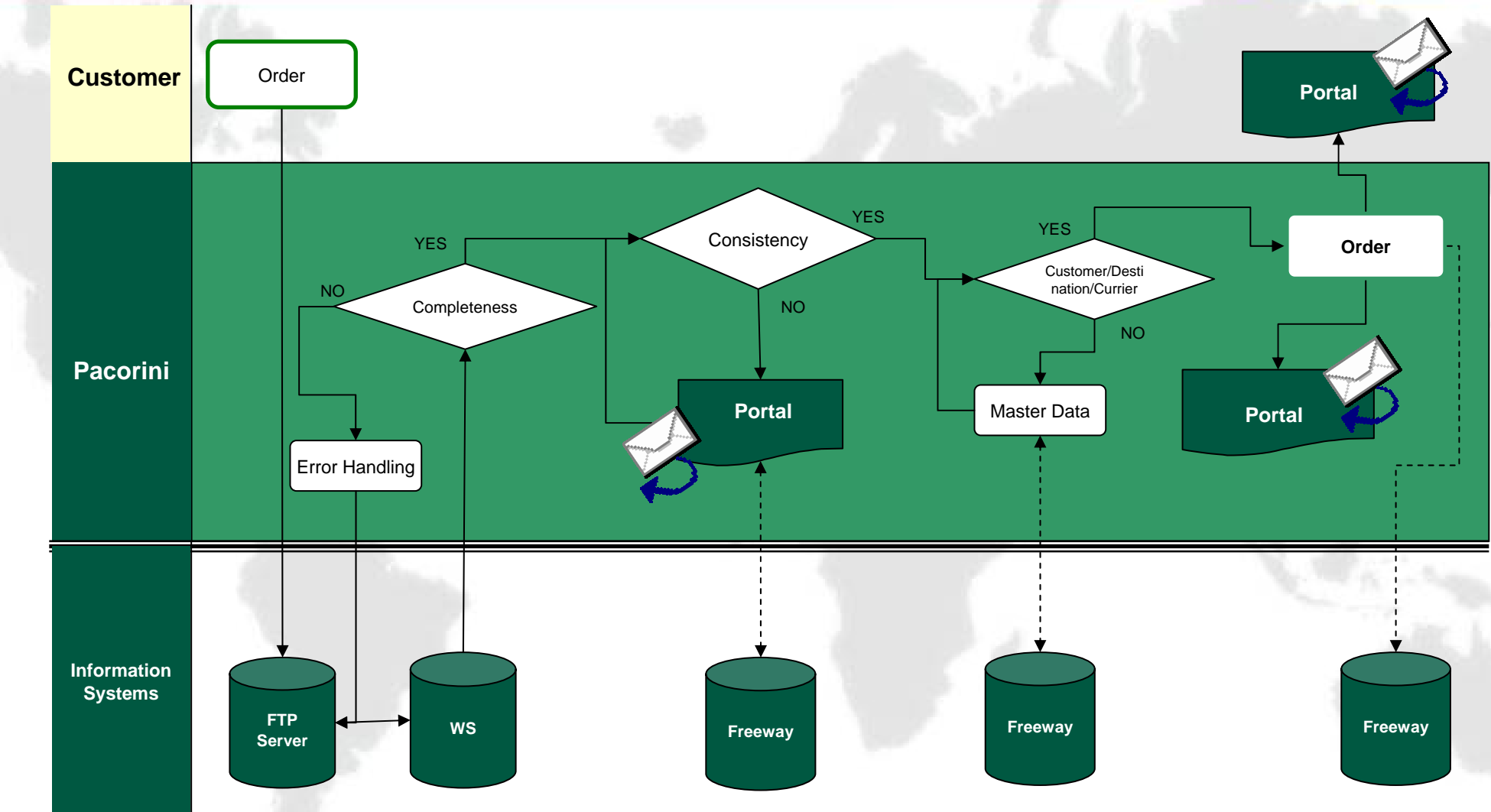


Managing Your Business Processes with SOA

Enabling complete life cycle of business process



Coffee Customer Integration - Customer Order Management Process

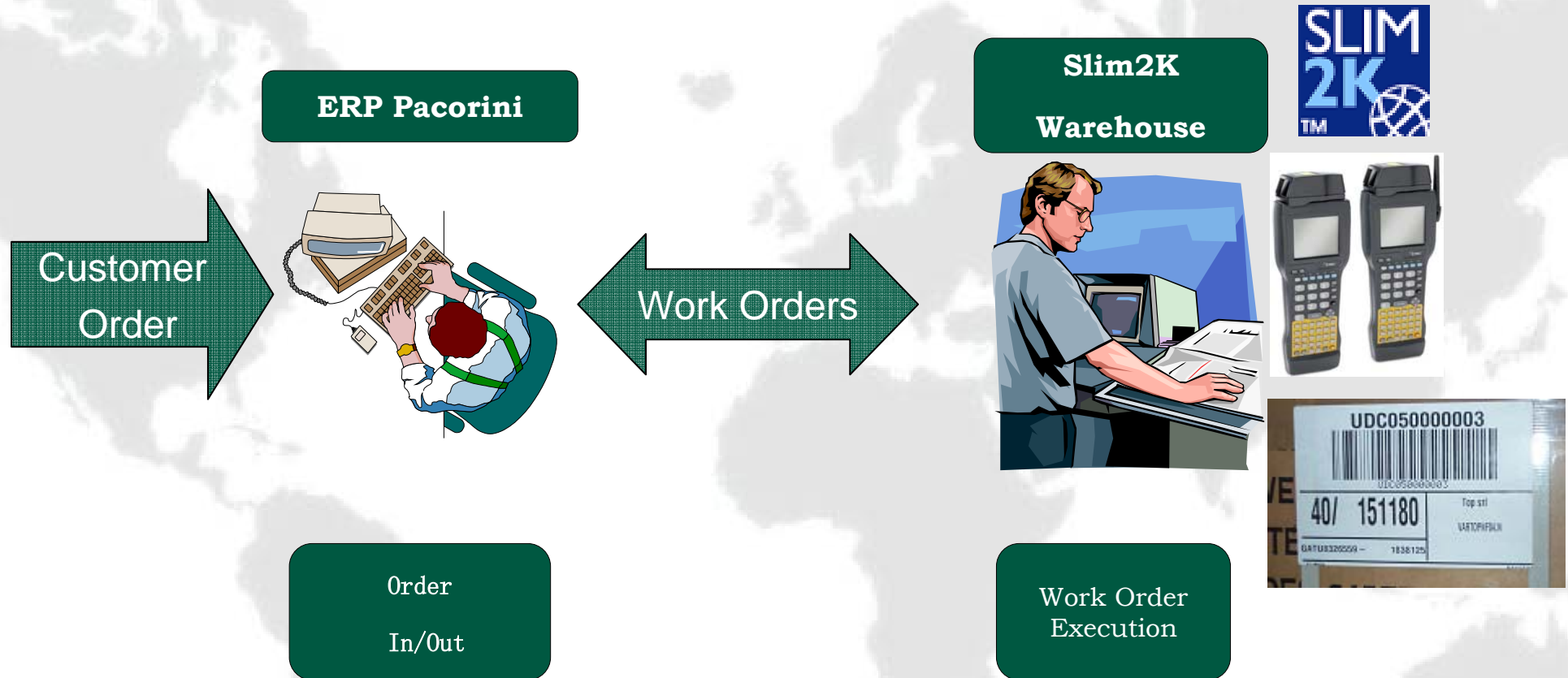




Internal Developments

- Accordingly to our growth strategy already underlined, during the 2005 we have adopted many "*SOA Compliant*" packages:
 - *Warehouse Management System (Slim2K)*;
 - *Advanced Planning System (Cyberplan)*;
 - *Digital Archive System (DocPA)*;
- All these packages were built around the framework WebSphere that represents the Enterprise Service Bus (ESB) for any process/workflow/...;
- We have also rewritten some parts of the our custom ERP system in following the SOA compliancy;
- We have started a very important project involving and pervading many organizational aspects regarding the document/content management. This project as the objective to extend the "*paperless logistic*" to both the internal and external customers ;

Warehouse management Systems - Slim2K



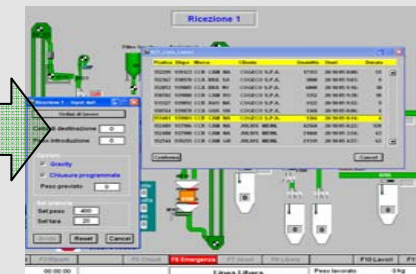
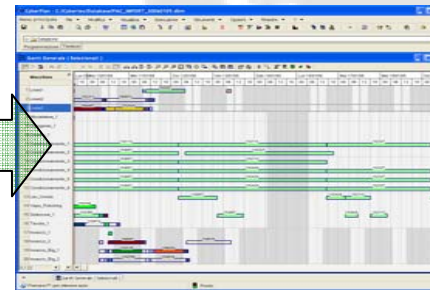
Advanced Planning System - Cyberplan

ERP Department

ERP Silo

Cyberplan Silo

Silo Automation



Order Entry +
Production
Stages notes

**Production
Orders Entry**

**Planning and
Scheduling**

**Job
Execution**

Operating
Index

Current
Planning

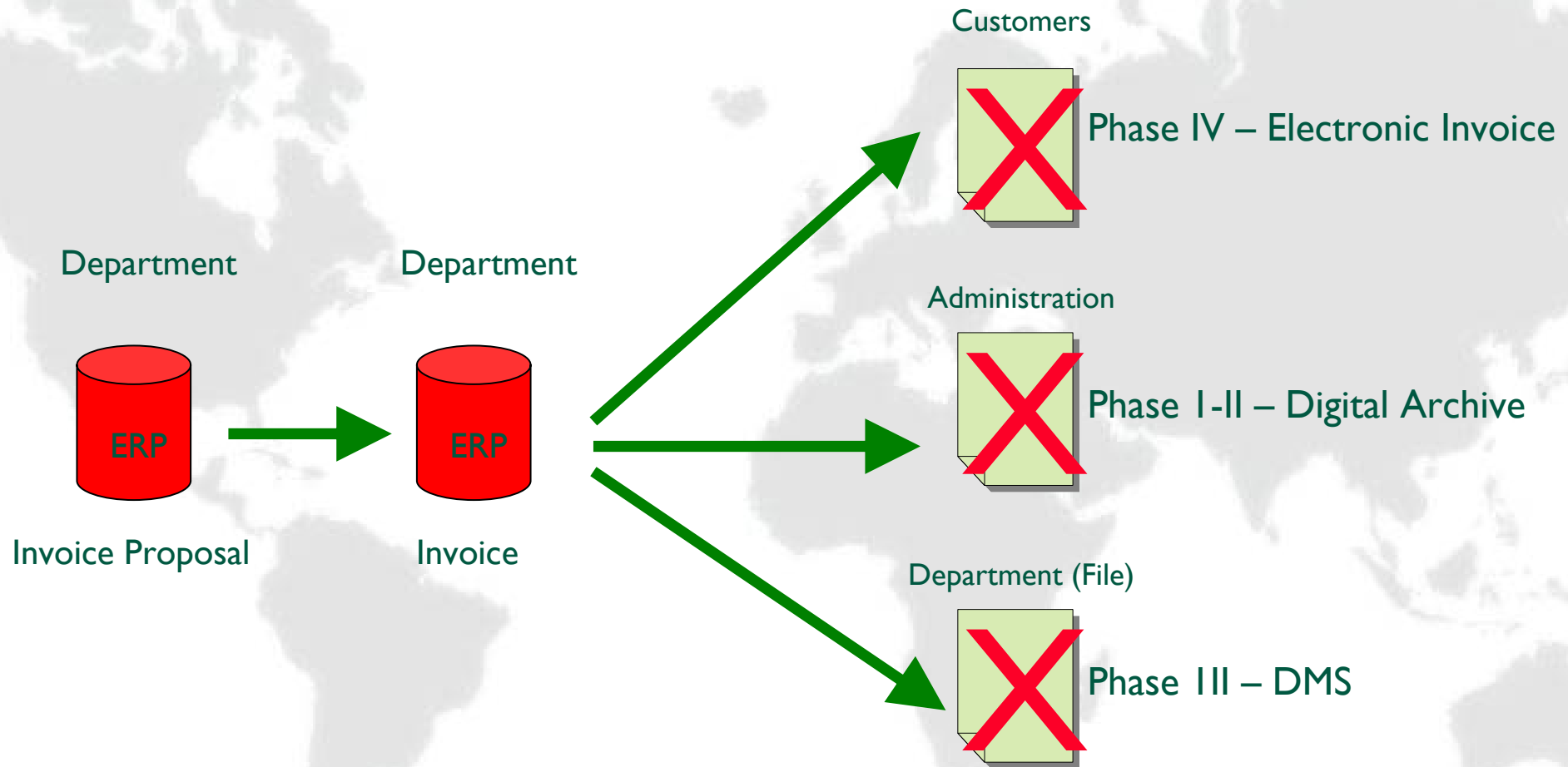
Operating
Index

Current
Planning

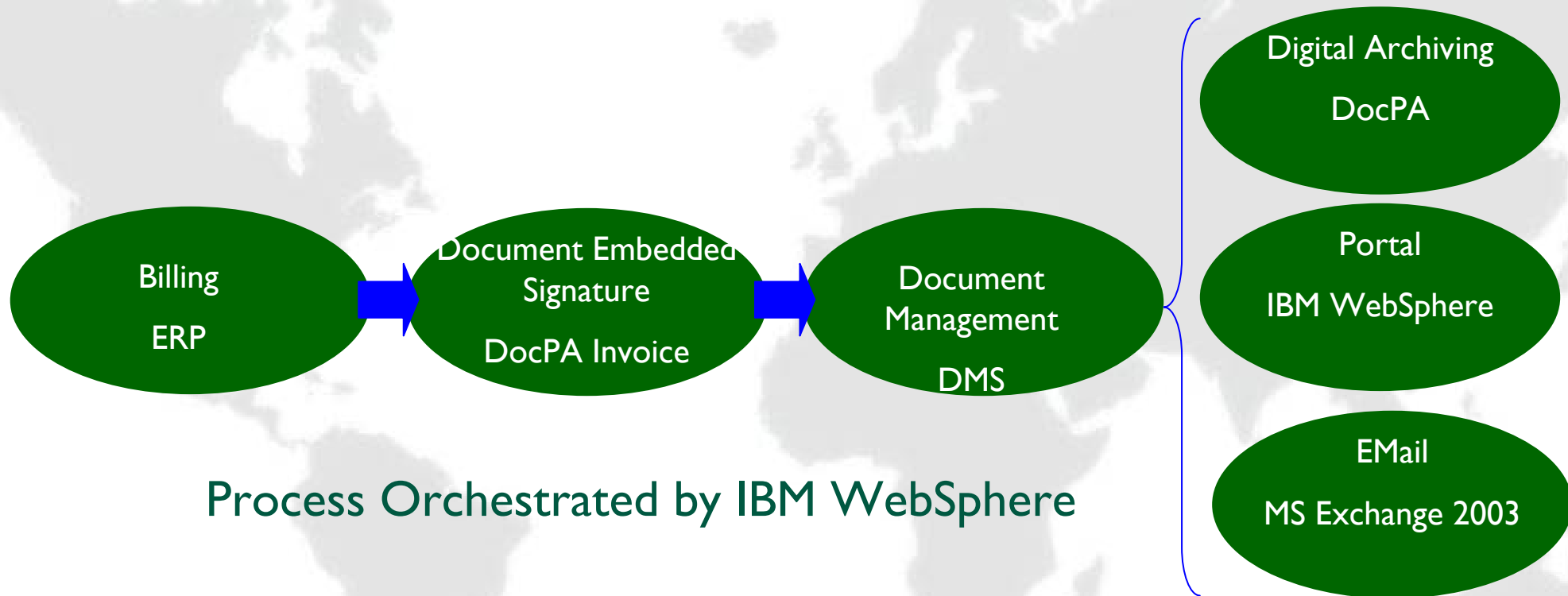
Soluzione EDM - DocPA & ???

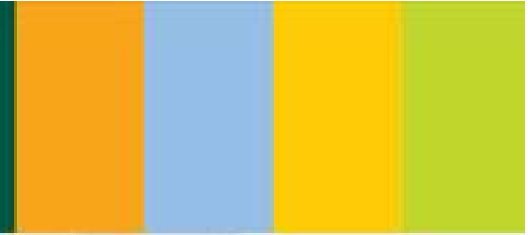
- If we look over the past twenty years and so in Europe, North America, and the worlds we see that the office paper consumption has increased steadily and linearly. The causes may be due to:
 - The first trend is that *advances in interconnectivity* mean that we have access to much more information than before;
 - The second trend is the advancement of print technology itself. We prefer to exchange documents in electronic form and *print* them it *locally*;
 - The third trend is the growth of *Knowledge-based* products (*Knowledge worker*);
 - *Paper Affordance*. Paper is the best way manage documents in some specific contexts (Hot Files);
- Other trends:
 - *Trend "Printing" (convergence Fax, Scanning, Copy, Photocopy, ...)*;
 - *Trend DMS for SMB* (Small and Midsize Business);
 - *Economical savings with electronic formats* (expectably in terms of stocking and retrieving the document);
- Our vision is to use paper temporarily in the business process flow, than the focus isn't on *use less paper* but *keep less paper*;

Digital Archive System - Invoicing Case



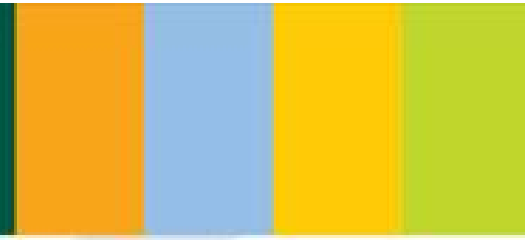
DMS- Electronic Invoice





Summary

- lessons learned:
 - The project has to be managed very tightly with the organization and process stakeholders;
 - Top Management sponsorship;
 - Adopt a quick-win strategy starting from more tangible and easy projects (Portal, ...);
 - Define a long-term SOA roll-out. The SOA strategy is not ideal for a short-term strategy;
 - Define a sound Make-or-Buy strategy;



धन्यवाद
Hindi

多謝
Traditional Chinese

Danke
German

Obrigado
Brazilian Portuguese

ขอบพระคุณ
Thai

Merci
French

Gracias
Spanish

Merci

شكراً
Arabic

多谢
Simplified Chinese

Grazie
Italian

நன்றி
Tamil

감사합니다
Korean

Спасибо
Russian

ありがとうございました
Japanese

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