

# Food Lion stocks up on IBM WebSphere Business Integration.

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## Overview

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### ■ **Challenge**

*Transform a large retailer's manual, paper-based product information management process into an e-business model*

### ■ **Solution**

*UCCnet connectivity and a product information management solution powered by IBM WebSphere® Business Integration for Retail Distribution components*

### ■ **Why IBM?**

*Quality of enterprise workflow applications, technical expertise, customer confidence and speed of deployment*

### ■ **Key Business Benefits**

*Reduced costs, added functionality, increased speed-to-market, error elimination and improved customer service*

### **It's on the shelf**

A hankering for vanilla ice cream is easily resolved for most of us living in developed areas. Whether stationed in a bustling metropolis or moored in a sleepy suburban community, all it takes to appease our desire is a quick trip to the market. Once there, we might scan the shelves for a few necessary items, make our purchases and head home.

Our journey is short and sweet. We take for granted that our favorite brand will be in stock, in the appropriate aisle and on the right shelf. Driving home, we don't give a second thought to what makes our bliss possible. We leave such things to people like Carolyn Hager.

### **Who put it there?**

Carolyn Hager is Manager of e-Business at Food Lion, one of the largest super-market chains in the U.S., with operations in 11 states. Her responsibilities include business-to-business communications between Food Lion and its suppliers, as well as with global exchanges such as UCCnet, a centralized item registry that links retailers with food-product distributors. It's the category managers, buyers and other members of Food Lion's supply chain management who ensure that the store is properly stocked—with the right products, in the right aisle, on the right shelf, at the right price—making our shopping experience virtually headache-free. To do this efficiently, they need accurate information in a timely manner.

### **Where did it come from?**

The convenience with which we can obtain products is disproportionate to the complexity of the product development cycle itself, which includes taking a new product from manufacturer to retail store. Above all, product development requires reliable communication and information exchange between retailers and suppliers.

While we spoon ice cream into a bowl, Food Lion is working hard on product information management—the collection, management and communication of data to ensure that a store's product information matches that of its suppliers so the right products are always available. Today, Food Lion leverages UCCnet and the product information management solution found in the IBM WebSphere Business Integration (WBI) for Retail Distribution portfolio to facilitate the receiving, reformatting and approval of new product information.

*“We talked to several different solution providers. After some discussion and evaluation on all the offerings, we determined that IBM was definitely the best vendor for our needs.*

*—Carolyn Hager, Manager of e-Business,  
Food Lion*

UCCnet is a subscriber-based host site, accessed through a Web browser, that delivers data synchronization services to retailers and suppliers. Using Internet protocols, such as HTTP and AS2, a supplier can “push” new product information to UCCnet. In turn, retailers can use the WBI for Retail Distribution solution to receive new product data for the categories they’ve selected. It’s an automated communications system that frees Food Lion staff from relying on phone and fax to synchronize with suppliers. But it wasn’t always that way.

#### **Thank goodness it’s there!**

Previously, Food Lion managed supplier relationships via paper, which caused multiple accuracy and efficiency problems. “With paper, there were many levels for errors to occur,” explains Hager. “There were errors in reading handwritten forms from salesmen, data entry errors and delays in passing forms from one desk to another until all of the relevant parties and information could be incorporated into the legacy item management system.”

Correcting mistakes not only increased Food Lion’s operational costs but also impacted customers. Gaffes in sizing or misidentification on purchase orders sometimes resulted in unpredictable product availability. Sensitive to both its bottom line and customer satisfaction, Food Lion recognized the need to improve business process data flow. In an effort led by Hager, Food Lion started evaluating technology solutions that could transition the supermarket chain away from its manual processes.

#### **Time for a reliable solution**

Automating the product information process was the top priority. By moving its paper-based system to an e-business model, Food Lion could expect to streamline operations, reduce costs and improve customer satisfaction. But more than simple UCCnet connectivity, the grocery envisioned a completely automated electronic solution. Hager was convinced that Food Lion could get customer-preferred products on the shelf more quickly if critical new product information was automatically routed to key internal decision-makers for review and approval. “We were looking for more than just how to get the UCCnet data in. Food Lion needed ways to present that data to other people in the organization—accurately and efficiently,” says Hager.

#### **IBM delivers right on time**

For more than a year, Food Lion looked for the right automated solution, considering both in-house development and external solution providers. Armed with a detailed set of criteria, Food Lion evaluated various solutions based on time frame, solution design and reliability.

“From the moment that we asked them to look at our request and propose a solution, the IBM team was eager and aggressive—asking for additional work sessions just to gain more knowledge about what we needed. They demonstrated such a deep interest and thoroughness, we felt that if we ultimately chose IBM, they would do an outstanding job,” Hager remarks. Moreover, IBM was the only vendor that could deliver a quality solution based on Food Lion’s specific implementation schedule. “Some vendors could give us parts of what we were asking for within our time frame, but not everything—particularly if we kept our standards high,” says Hager.

The solid reputation of IBM WBI solutions for retail, as well as a long-standing relationship with the company, solidified Food Lion’s decision to partner with IBM. According to Hager, she and her team “had a lot of confidence in the company and in the IBM products themselves.”

#### **Let the data flow**

The IBM WBI for Retail Distribution solution met Food Lion’s schedule and was up and running within a four-month period. IBM experts worked with Food Lion technical staff to implement UCCnet connectivity, enabling changes to product information in realtime. The IBM product information management solution provides Food Lion with a consolidated view of item attributes from multiple enterprise systems and supports UCCnet format compliance, resulting in reliable and effective connections with trading partners. This solution also allows suppliers to dynamically map and reformat UCCnet messages and publish product information to the appropriate applications, thereby automating many item management processes.

The solution included IBM WBI Item Synchronization for Retailers, which is certified for UCCnet Foundation Services 2.0 and 2.1. This application enables Food Lion to exchange data with suppliers via the UCCnet global registry, and will support data exchange via alternative industry registries, data pools and electronic marketplaces—an important feature when Food Lion starts on what Hager calls Phase Two, “the expansion of our workflow capability, including additional training and incorporation of Food Lion’s private exchange.”

#### **Food Lion cleans up**

As Phase One of the solution goes into its first few months of production, Food Lion expects to receive significant benefits, leading to a favorable return on investment:

#### *Improved accuracy*

Food Lion anticipates that purchase orders will now go to suppliers correctly and that it will reduce or eliminate errors, minimizing labor duplication and invoice deductions, and ensuring that customers find what they need on the shelves.

*“As Food Lion looks to the future, we want to work with IBM to implement automated electronic workflow and workflow tools in other departments.”*

*—Carolyn Hager, Manager of e-Business,  
Food Lion*

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#### **Key Solution Components**

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##### *Software*

- IBM WebSphere Business Integration portfolio, including MQWorkflow

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##### *Servers*

- IBM WebSphere Business Integration InterChange Server, IBM WebSphere Business Integration Trading Partner Interchange
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### *Added functionality*

Not only was the old product information management process belabored and inefficient, it lacked some important functionality and did not distribute data to all of the necessary touchpoints. Today, Food Lion can send new product data to category managers, pricing analysts, assistant managers, floor layout designers and other company decision-makers, including tax, accounting and buying departments. In addition, Food Lion's infrastructure can support new suppliers and still have room to grow. Hager is particularly impressed with the efficiency of the IBM product information management solution. "We're actually excited about the possibilities," she says. "As we look to the future, we want to work with IBM to implement solutions in other areas where data passes from one person to another, such as human resources."

### *Synchronization and flexibility*

The WBI for Retail Distribution product information management solution will allow Food Lion to size orders appropriately, optimizing freight space on delivery trucks. "Because we buy a lot of quantity, we want our trucks to be full—no wasted space," Hager says. Synchronization will also enable Food Lion to alter touchpoints throughout the workflow process. "A key benefit of the IBM product information management solution is that it provides flexibility, so that we can dynamically change the business process to match our needs," Hager explains.

### *Cost and time savings*

Because the data in Food Lion's systems matches that of its suppliers, invoices will be free from price discrepancies, reducing accounting difficulties and leading to more timely and accurate invoice payments.

Category managers and new product reviewers will also save time. Rather than waiting for paper to pass from one desk to another, the staff will be able to evaluate items on screen, insert comments or instructions, and then submit the document with a click.

### *Accelerated time-to-market*

The solution streamlines operations and accelerates time-to-market, bringing value to both Food Lion and its vendors. As the functionality gained in Phase One starts to take hold, the grocery's actual return on investment—from a dollars point of view—will start to become clear. In the meantime, Food Lion is busy on new workflow plans. "We fully expect IBM to work with us during the next phase. Food Lion will be submitting its requirements to them shortly," Hager adds.

### **For more information**

To learn more about IBM WebSphere Business Integration for Retail Distribution solutions, please visit:

**ibm.com**/websphere/integration/retail



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