

Dansk Supermarked

A RESPONSIVE SUPPLY CHAIN FOR DANSK

The largest retail company in Denmark automates and moves critical supply chain processes in-house to maintain the highest level of services—all with less effort and cost.

KEY POINTS

- ▲ To support IT transformation and reduce costs, Dansk Supermarked Group (DSG) needed to bring its core supply chain activities in-house, such as sales data collection and order fulfillment.
- ▲ In a bid to avoid late or inaccurate deliveries and forecasts, DSG relied on manual effort to make up for its existing scheduler's shortcomings.
- ▲ Now with SAP® Business Process Automation (BPA) by Redwood, DSG automates its activities in-house and manages by exception.
- ▲ With minimal effort, DSG gained full supply chain visibility, achieved more accurate forecasting and replenishment, and streamlined operations.

THE BIG PICTURE



Dansk Supermarked Group (DSG) operates more than 1,200 stores in Denmark, Sweden, Germany and Poland. Every day the retailer supplies nearly two million customers with food and non-food products through the Føtex, Bilka, Netto, and Salling chains, as well as the web-shop Bilka.dk.

Five years ago, the retailer started an SAP implementation project called Apollo. Senior management is now focused on using IT for competitive advantage, reducing costs and increasing overall efficiencies.

Mikael Thystrup, SAP infrastructure services consultant at DSG says: “Due to the age of our legacy mainframes, the people taking care of them were retiring. This made the urgency to bring activities in-house even more prominent. Otherwise if we outsourced the maintenance to our service provider, our costs would increase.”

Originally, the retailer used a scheduler to support core retail activities such as the collection of sales data, logistics,

creation of purchase orders, order fulfilment, forecasting and replenishment. However, in addition to a potential rise in outsourcing costs, the scheduler's lack of supply chain visibility and error alerting made it difficult to respond to critical situations and monitor across systems.

Thystrup says: “With our existing scheduler we found that if there were problems, such as an error in the forecasting and replenishment process, then we couldn't see it. For a period of time everyone would think that our activities were running ok, when actually there was a big problem hidden within the system – we were effectively working blind.”

He adds: “In a worst case scenario, if forecast and replenishment were not running correctly then, our stores would not get the correct amount of milk they need. We had to manually handle all our activities when this happened in the warehouse. If an error was spotted, it would require time for the experts to look into the issue, and often warehouse staff had to note down transport orders as they couldn't enter them directly into the system.”



With fluctuating stock and sales, we have to know what's been sold, the stock we have and what needs to be reordered - it's the bread and butter for DSG.

— Mikael Thystrup, SAP infrastructure services consultant, DSG

TIME TO CHANGE



SAP BPA by Redwood connects and automates DSG's end-to-end supply chain processes in-house, across its entire SAP enterprise landscape - including existing, custom and legacy applications.

Thystrup says: "We wanted to continue to streamline our services and become more proactive with better alerting across the supply chain. With a scheduler, we were only

able to work on one activity at a time and this wasn't good enough as we needed to balance our growing volume of work.

"After an extensive comparison between our existing scheduler and SAP BPA, we decided to roll out SAP BPA automation across our warehouse and retail supply chain. At the same time, we would gradually phase out our mainframe applications."

TAKE STOCK: BUSINESS-WIDE BENEFITS



Thystrup says: "We chose SAP BPA as it gave us the control and flexibility we need. SAP BPA makes the link across our systems more straightforward. All our forecast and replenishments data is now automatically sent across systems, so we have better visibility of stock and orders. To ensure we are as responsive to market demands as possible, we set up 15 checkpoints to closely monitor every stage of the supply chain order flow."

In the past, DSG personnel had to deal with major Enterprise Central Component (ECC) system failures due to the increased volume of data entries it managed. Now with automation across the supply chain, all activities are consistent and accurate so DSG personnel fix errors upfront with less work effort and downtime.

Thystrup adds: "Now SAP BPA automation restarts and flags any errors without the need for manual attention. If our master data is incorrect, we will know if something is wrong straight away, not the next day. Our information is automatically checked at database level, so if an activity that normally takes an hour to run takes three, we know based on historical data there is something wrong and this is flagged to us."

With its existing scheduler DSG had to rely on a 24/7 outsourced job scheduling support team. Now with SAP BPA, costs have been significantly reduced as this support is no longer needed. The new SAP BPA automation is so easy to use that non-technical staff members have taken on in-house support - if it's required.

BEYOND THE SUPPLY CHAIN



After successful automation of core supply chain processes, DSG decided that SAP BPA should also manage the salary payments of 14,000 employees. The system is so easy to use that even if the HR team needs to restart an activity, DSG can now complete this in-house. With the quick resolution of any queries, internal customers are satisfied and productivity increases as there is no business delay.

Thystrup concludes: "We have already implemented SAP across all our hyper-markets and discount stores. In the future we plan to automate more of our critical business and IT processes and continue to work with Redwood."

