



Looking to the future, we are confident that Sterling Commerce has provided us with a future-proof solution that enables us to achieve our business goals

AUCHAN MAXIMISES ON-SHELF AVAILABILITY

Leading French retail group improves inventory planning, order forecasting and replenishment with Sterling Commerce

Auchan is one of the world's leading retail groups, with operations in 13 countries, over one thousand stores of varied format and multiple sales channels. Major product categories include groceries, apparel, fast food and consumer electronics. More recently Auchan has added new customer services such as real estate, banking and travel.

Auchan faces two critical business objectives common to all retailers, namely maintaining profitable growth and delighting customers, but they encountered three significant challenges.

First, the French market is characterised by its maturity and by regulatory compliance measures that constrain the possibilities of opening new stores, which drives the company to innovate, especially through new distribution channels. In parallel, Auchan continues to build their international expansion, which in turn drives its business growth. Opening a new store in a different region (or converting a store post-acquisition) can be very problematic, as it involves disparate IT environments. Standard process and information exchange must be established to bring about business efficiencies.

Second, to try and satisfy increasingly demanding customers and outmanoeuvre competitors, stores must be prepared to offer a growing range of products and services. When coupled with increasingly frequent promotions for these products, administration expense to store operations increases.

Finally, Auchan employs more than 243,000 people and the vast majority work in store locations remote from the head office. A distributed workforce makes the security of personal data even more critical; confidential payroll and human resource (HR) information must be exchanged securely using encryption that cannot be breached to protect privacy.

Auchan selected the Sterling Commerce managed file transfer solution, ConnectDirect to address these challenges and operate as a fully "digital business" with

a secure, robust, real-time exchange of mission critical information between the head office and a constantly increasing store portfolio. Part of the Sterling Business Integration Suite, ConnectDirect manages the automated exchange of sales, inventory, and other critical information between each store and the company's head office, regardless of data format or communication protocol.

Auchan's buyers need to quickly determine consumer purchasing behaviour and adjust purchasing to fine-tune store performance. ConnectDirect enables stores to regularly exchange vital business information. As point-of-sale (PoS) and inventory data is fed into Auchan's central demand planning and business intelligence reporting applications, buyers gain instant access to real-time business indicators enabling them to make accurate and profitable buying decisions. In this way local suppliers can replenish stores directly.

In addition to centralised procurement, Auchan's stores create their own local supplier orders. To ensure quick and secure delivery, they are sent to the central electronic data interchange (EDI) system (another Sterling Commerce solution), which manages the order to cash process for all suppliers. Automated updates of product master data files, reflecting price and descriptions, also helps the stores to maintain digital shelf edge labels and ensure PoS customer transactions are accurate, along with the presentation of products according to the specifications agreed between merchandisers and manufacturers.

In support of the company's international expansion and acquisition strategies, the Sterling suite has enabled Auchan to optimise its buying and replenishment through improved planning and forecasting, resulting in maximised on-shelf availability, and ultimately improved customer experience.

"Sterling Business Integration Suite is mission critical to Auchan's supply chain. By frequently exchanging sales and inventory information between stores and our head office, the buying department is able to adjust and fine-tune their plans and forecasting according to real market demand," said Olivier Desrousseaux, data flow manager at Auchan. "Ultimately, this has enabled Auchan to improve sales and customer satisfaction, as we experience fewer empty shelves."

Desrousseaux added: "Looking to the future, we are confident that Sterling Commerce has provided us with a future-proof solution that enables us to achieve our business goals of profitable growth in demanding international markets while maintaining delivery of a high-quality customer experience in-store."

