

Improved visibility into end-to-end supply chain processes with trading partner community



Location

Ireland

Industry

Food and Consumer Products

Business challenge

Maintain competitive positioning, by adopting a B2B solution to extend electronic trading to the whole of its supplier community

Solution

- Sterling Integrator®
- Electronic Community Development Services

Benefits

- Reduced errors
- Improved visibility and security of end-to-end supply chain process
- Automated communications infrastructure
- Lowered property costs

Glanbia Plc

Customer background

Glanbia Plc is an international dairy, consumer foods and nutritional products company, with a growing reputation for innovation and advanced manufacturing processes. The Group is one of the world's leading cheese manufacturers and a major European dairy processor, employing over 4,500 people across Ireland, the U.K., the U.S. and Belgium.

Business challenge

To maintain its competitive positioning, Glanbia was keen to improve the efficiency of transactional processes with its trading partners. A review of Glanbia supply chain operations revealed a heavy reliance on manually intensive, paper-based, and therefore error prone processes for transactions with trading partners—resulting in spiralling costs and inefficiencies.

As a consequence, Glanbia initiated a programme to extend electronic trading to the whole of its supplier community, so as to integrate the flow of internal and external documents—invoices, purchase orders, delivery confirmations and remittances—with its SAP ERP system.

In their selection process, Glanbia identified a core set of criteria, including:

- Limited financial impact to trading partners—fundamental consideration was given to limit the cost impact that such an implementation would place on its trading partner community
- A standards-based enabling solution, with the ability to support Internet- and VAN-based electronic transactions
- Proven professional services expertise, with community development and support capabilities

A careful review of potential providers allowed Glanbia to appoint Sterling Commerce as their partner of choice to execute on this multi-enterprise collaboration strategy.

Solution

Glanbia required a solution that would be accessible to its entire trading partner community, with members ranging in size from small to very large organisations, without incurring incremental infrastructure expenditure. Sterling Integrator, a business process management and integration platform—and core component of the Sterling Commerce Multi-Enterprise Services

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Fergal Wall
Group Technology Services Manager,
Glanbia

Architecture was selected, along with the Sterling Commerce Electronic Community Development Services (ECD).

The solution replaced all paper and fax-based communications with an electronic trading environment. With this new solution, smaller trading partners are able to trade with Glanbia using a Web-based interface, whereas larger trading partners can automate the communication process by fully integrating message flows to and from their own internal IT systems.

Sterling Integrator offers AS2 capabilities to enable EDI trading over the Internet, thus cutting out VAN costs. This particular capability was put into action when a key Glanbia customer, ASDA Wal*Mart, announced its intention to switch to AS2, and encourage its suppliers to do the same

over time. Because not all EDI trading relationships are ready to move to AS2 simultaneously, Glanbia decided to run Sterling Integrator concurrently to support both AS2 and VAN-based EDI for the foreseeable future.

Key benefits

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Glanbia and its business partners achieved overall improved visibility and security of end-to-end supply chain processes, resulting in:

- Improved partner relationships through integrated communications with the ERP system
- Reduced errors due to the automation of message receipt and delivery
- Early invoice settlement for partners participating in the Web trading environment
- Enhanced troubleshooting, with issue identification and source of problem visibility through AS2
- Proof of delivery and notification for all AS2 messages

For Glanbia:

- A fully automated communications infrastructure

- Significantly reduced VAN costs through use of AS2 and elimination of VAN-related issues
- Controlled and auditable scheduling of all SAP communications
- Lower property costs due to elimination of facilities required to process and store paper systems
- Acknowledgement of real-time supply chain messages 24/7

According to Fergal Wall, Group Technology Services Manager at Glanbia, the Sterling Commerce ECD service offered another distinct advantage which simplified the implementation process: “Through Sterling Commerce project management, consultancy and services, we found a trusted partner that had detailed knowledge of the food and consumer products industry, and was capable of delivering a scalable, robust, efficient and cost-effective solution to meet the needs of both Glanbia and its supplier base. This was achieved earlier than scheduled, within budget and without additional infrastructure expenditure to business partners, exceeding Glanbia’s business requirements.”

The Web trade project was delivered to Glanbia on time and within budget, and implemented with nearly 100 suppliers in just 18 months. The subsequent AS2 capability continues to be implemented where appropriate in new trading or data transfer relationships.

About Sterling Commerce

Sterling Commerce, an AT&T Inc. (NYSE:T) company, helps companies optimise and transform their Business Collaboration Network to accelerate revenues and reduce costs. Sterling Commerce provides more than 18,000 customers worldwide with applications and integration solutions to connect, communicate and collaborate inside and outside their enterprise. More information can be found at www.sterlingcommerce.co.uk.

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