

Auchan Customer Case Study



At-a-glance

Company Name:
Auchan

Location:
France

Industry:
Retail/CPG

Project: Enabling Auchan to add Internet connectivity to their existing EDI infrastructure – by adopting Gentran Integration Suite™ EDI:INT AS2 module.

Products and Services:
Gentran Integration Suite™ EDI:INT AS2 module E-Community Development Services for deployment of AS2 initiative.



Auchan, wins 'Best in eCommerce Innovation' award at 2004 Global Retail Achievement Award

"This award recognises our pioneering achievements in adopting and driving forward state of the art B-to-B technologies. In this sense, Auchan is leading the industry in optimising the management of the supply chain"

Benoit Frémaux,
Divisional Director, Business IT Systems, Groupe Auchan

Auchan adopts AS2 and slashes connectivity costs

Company Profile

Auchan has grown over the past 40 years to become a leading international grocery and consumer goods retailer, operating across 12 countries globally. With a workforce of 160,000, the Auchan Group operates over 600 supermarkets and 300 hypermarkets. Auchan have further diversified their activities to provide online sales, travel and financial services.

Critical Business Issue

Internet connectivity helps sustain and accelerate the ROI delivered by e-commerce to both Auchan and its trading partners

Auchan have developed a highly successful electronic trading initiative with a wide base of suppliers spanning multiple product categories. Since 1996 Auchan have used Gentran:Server® from Sterling Commerce as their platform for EDI, growing their traffic to tens of thousands of messages a day with over 3000 trading partners. The volume and complexity of information exchanged has steadily increased and by 2003 it became clear that the associated EDI connectivity costs would start to undermine the value being delivered to both Auchan and their largest trading partners.

Sterling Commerce Solutions

In order to sustain the high returns that had historically been delivered through their VAN-based e-commerce initiative, Auchan reviewed the EDI-INT AS2 communication standard to deliver effective and secure communications over the Internet. After careful analysis of the potential benefits available to both retailer and suppliers, Auchan developed a migration programme, launched in mid-2003, to assist their top 100 suppliers in implementing AS2. Auchan themselves reaffirmed their commitment to their partnership with Sterling Commerce by selecting the next generation Gentran Integration Suite solution - a world-class business process management and integration platform that provides enterprises with a highly scalable, industry-strength solution, addressing the full spectrum of process management needs.

The modular nature of Gentran Integration Suite allows it to be deployed in incremental steps, in line with an organisation's evolving business

requirements. In this particular case, the migration to Gentran Integration Suite has enabled Auchan to add Internet connectivity to their existing EDI infrastructure – by adopting the Sterling AS2 (EDI:INT) module - whilst seamlessly expanding their platform to encompass enhanced integration and advanced business process management capabilities. In this way, Auchan have not only met an immediate requirement at low risk and cost, but positioned themselves to meet more advanced needs in the future – such as collaborative supply chain process management or data synchronisation initiatives.

The existing Value Added Network (VAN) connectivity already used by many Auchan suppliers is not fully replaced by AS2. Rather, AS2 provides an additional connectivity choice for those trading partners for whom the Internet offers a genuinely advantageous alternative. Furthermore, existing VAN links continue to provide a valuable contingency delivery route in the event of Internet connectivity failure. Suppliers using Gentran Integration Suite AS2 Edition solution can implement fully automated re-routing of messages in this way – thus benefiting from both the cost-efficiencies of the Internet, and the reliability of the VAN environment.

Gentran Integration Suite's ability to manage business processes across multiple, distributed platforms further extend Auchan's ability to engage their community in electronic trading. Agents deployed on the distributed platforms enable the secure transfer of data and the starting and control of applications. All this is accomplished whilst maintaining control and visibility of the process within Gentran Integration Suite, enabling companies to successfully manage their business processes across diverse, distributed IT environments.

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SC0283E 04/05

The Result

Sterling Commerce Electronic Community Development services deliver visibility and control of the AS2 initiative

Auchan's experience in e-commerce had taught them about the complexities of rolling out a solution, even to a relatively small number of suppliers. Accordingly, Auchan turned to Sterling Commerce's Electronic Community Development (ECD) team to assist them in the deployment of their AS2 initiative. The most immediate benefit of the ECD service was to give Auchan immediate access to expertise and resource that were not available internally to support the AS2 rollout. The ECD team developed an extranet for the use of the supplier community, where Auchan trading partners can find all the information needed to understand, justify and implement the AS2 initiative. More importantly, the ECD team delivered an approach and reporting process that gave Auchan detailed visibility of the progress of the rollout, and the issues that were arising as suppliers decided to adopt the technology. This in turn enabled Auchan to manage the deployment process, and to be immediately responsive to the challenges arising as the work progressed. This made the deployment significantly faster, more cost-effective and less risky for all involved – further increasing and accelerating the shared ROI.

Auchan themselves have been able to realise a significant return on investment through this deployment. Network transport costs have been slashed and direct connectivity has reduced messaging times from around 15 minutes to less than 3 seconds. Actual return on investment was achieved in less than 6 months, versus an initial timeframe of 18 months.

A win-win solution – both Auchan and its suppliers benefit from reduced network costs

From the outset, Auchan was determined to share the benefits of Internet connectivity with its trading partners. All participating suppliers have experienced a significant reduction in VAN costs, and the standards-based nature of the technology now paves the way for them to connect to additional trading communities. In particular, AS2 will enable cost-effective participation in Global Data Synchronisation (GDS) efforts, where large quantities of product data, supplier data, etc need to be exchanged between retailer and supplier.

From Auchan's perspective, the investment in Gentran Integration Suite – fully amortised through the AS2 initiative - now means they are fully prepared for future industry messaging requirements, and more importantly the ongoing integration and automation of internal and extended

business processes. The flexibility and scalability of Gentran Integration Suite also means that the e-commerce programme can be increased with existing participants, or extended to new ones, without risk or disruption to the mission-critical processes that it supports.

Ultimately, through this integration strategy, Auchan will improve the visibility of its operations internally and with its base of suppliers, enabling better product management and integration, resulting in reduced costs and efficiency gains throughout the value chain. The longer-term strategy may involve invoice messaging / matching, catalogue management and data synchronisation. Auchan is now in a position to quickly respond and capitalise on any future industry initiatives.

About Sterling Commerce

The year 2005 marks 30 years of Sterling Commerce leadership and expertise in extending processes beyond the edge of the enterprise to enable visible business with suppliers, customers, partners and employees. A wholly owned subsidiary of SBC Communications Inc. (NYSE:SBC), the company is one of the world's largest providers of multi-enterprise collaboration solutions. With more than 29,000 customers worldwide, Sterling Commerce builds collaborative, multi-enterprise communities for customers in the retail, consumer packaged goods, manufacturing, financial services, healthcare and telecommunications industries. For detailed, up-to-date information on Sterling Commerce and its solutions, visit

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