

# SEEBURGER Delivers Massive Savings To WHSmith News

*When SEEBURGER UK announced that it had been selected by WHSmith News as its long term EDI integration partner, it turned out to be the start of a very positive relationship that has seen the range of integration applications grow significantly.*

SEEBURGER initially provided the capability to allow WHSmith News to share valuable EPoS information with ASDA via AS2. It then helped to deliver additional EDI adapters that allow similar integration with other major retailers, including

Sainsbury and TESCO. SEEBURGER's EDI and AS2 adapters enable WHSmith News' customers to save more than £50,000 each, per year, in VAN costs and help ensure that the WHSmith News maintains its position as a key supplier to major retailers.

WHSmith News is the oldest business within the WHSmith group. It was founded in 1792 with a mission to deliver newspapers to newsagents across England and Wales faster and more efficiently than ever before. This is now a billion pound business delivering more than 53 million media products each week from 500 publishers to more than 22,000 retail customers in one of the fastest moving supply chains in the world.

Chris Gibbons, WHSmith News' Business Systems Manager, comments, "As the UK's foremost news wholesaler, we require robust information systems that support our activities, link all of our sites and gather and manage huge quantities of customer data. With this information we can offer our customers an overview of the news business that is the best in our industry."

In 1998, WHSmith News decided to implement a complete SAP ERP system to drive operational efficiencies, increase accuracy and reduce waste. "A key part of our business is handling a wide variety of information to and from the publishers and retailers including EPOS data, sales performance figures and reports covering our Key Performance Indicators. In total we have around 400 different variants of messages which need to be integrated between our own systems and our customers," says Chris, adding, "With more than 99% of our products subject to sale or return, it is essential that accurate and timely information can be processed by our systems to enable us to optimise our planning and forecasting in order to minimise waste."

Until 2004, data files moving in and out of WHSmith News were handled using various, inconsistent software. However, with the growing demands of customers like ASDA to significantly reduce costs by moving away from transferring files via a Value Added Network (VAN) to less expensive, yet still secure, message transfer protocols such as AS2, the company had to look to upgrade its business integration capabilities. Chris explains, "The version of software we were using was simply not able to take advantage of the latest messaging standards, like AS2. We then had the decision to upgrade the system or to look at alternative solutions. We decided to look at other options and carried out an exhaustive review of many of the available products on the market. We decided to adopt SAP's Exchange Infrastructure (XI) because SAP technology had become core to our entire business and we believed this would provide a solution that could be integrated far more easily with our main ERP systems."

***"SEEBURGER has given us a situation where we can improve customer service with no cost to us, you can't do much better than that"***

Chris Gibbons  
Business Systems Manager  
WHSmith News

He continues, "SAP XI does not have the full gamut of EDI adapters we require but SAP has a formal partnership with SEEBURGER, and the adapters we have developed using the Business Integration Server product completes the SAP XI offering. We required a company with the most complete knowledge of business to business integration to implement the system, which was SEEBURGER. Within a few man days of working with SEEBURGER, we were already seeing the benefit and were delivering to plan."

SEEBURGER is now working with WHSmith News to support them with more complex integration projects. "We have a policy of ensuring we are able to handle as much of our IT functions as possible. SEEBURGER is very open with us and, while we need them to provide the adapters for complex new messages, the company provides training and support that enables us to repeat these processes ourselves thereafter. This ensures we can control the costs of the system while still getting maximum benefit," says Chris.



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WHSmith News is steadily replacing its existing EDI and messaging software by ensuring all new messages are mapped in SAP XI with SEEBURGER's XI Adapters. "We have had to change our integration capabilities with major retail customers like ASDA and TESCO so that we can tailor our solutions to meet their needs and ensure that it is simple and cost effective to do business with us. It also helps to ensure that we are positioned as favourably as possible with these major retailers for future collaboration. From this point of view, the value of SEEBURGER to us is vast," Chris adds.

More recently, WHSmith News has worked with SEEBURGER to deliver an electronic invoicing solution. Chris explains, "The sheer quantity of paper we use in our current invoicing processes is truly staggering. We have to send individual invoices to retail outlets, with an average of 400 lines on each, and then have to send a consolidated invoice to that retailer's head office. For larger retailers we can produce up to 2,500 pages of invoices in one week. By transferring this to a single electronic invoice we have saved a staggering amount in paper and printing costs alone. However, the true benefit of electronic invoicing is to our customers. The increased accuracy it generates and the ease with which the invoice can move through the processing workflow significantly reduces their processing costs. Accuracy is significantly increased because invoices no longer need to be re-keyed manually and overall there is a much greater chance of the invoice moving through to electronic remittance without complication."

Data transfer across a VAN costs around £325 per 10 Megabytes of data, for WHSmith and the invoicing function alone used to require around 6 Megabytes of information to be transferred each week per major multiple. "Not only are we now saving these costs, which amounts to some £75,000 per year, but we are also allowing our customers to reduce costs by allowing remittance advices and other messages to also be delivered via AS2. The system is unique in this market in terms of what it can deliver for our customers. It enables more functionality and services, such as Sales Based



Replenishment and Vendor Managed Inventory, which improves efficiency, productivity and profitability for our customers. One customer is already able to save up to £25,000 per year on VAN charges and many more are working with us to achieve similar, if not greater, returns," he says.

Chris continues, "SEEBURGER is helping us to deliver messages more quickly and more accurately than our competition, giving us much better sales forecasting information and saving us huge data administration costs."

He continues, "The closer we can get to retailers and the easier and more cost-effective we can make our business relationship with them, the better it is for WHSmith News. The SEEBURGER adapters allow us to take significant costs out of our own and our partners' business, which helps us to create a very high level of loyalty with these partners. SEEBURGER has given us a situation where we can improve customer service with no cost to us, you can't do much better than that."

The value of the increased EPOS data that WHSmith News can now collect is immeasurable. The company can now validate exactly how many publications have been sold or returned and can share this information with the retailers and the publishers. "SEEBURGER allows us to receive EPOS data in any format and convert it into a format that we can share with our partners. This ensures every member of the supply chain has access to key information that can help them increase efficiency and drive profitability," adds Chris.

Chris Gibbons concludes, "The very nature of our business means we are not going to spend money on IT systems unless there are considerable savings to be made. We estimated that the SEEBURGER solution will have an ROI of just over a year and will continue to make huge savings thereafter. It is an excellent solution that has been implemented quickly and efficiently by highly competent consultants. The company has been highly professional throughout our relationship and they have an honest, hard working approach that means when they promise to deliver, they do deliver."