

# WHSmith Continues e-Commerce Leadership

Leading British retailer relies on long-term partner OpenText to streamline supply chain

WHSmith is one of the largest retailers in the United Kingdom (UK), with more than 600 High Street stores and 600 stores at airports, train stations and service areas. It focuses on the sale of stationery, books, entertainment, and news.

## Cutting Manual Delays

According to Alastair Reid, support manager for the Trading and Marketing teams at WHSmith, introducing e-commerce helps to increase the speed at which WHSmith operates by streamlining and enhancing services in a number of operational areas.

Using electronic data interchange (EDI) to place orders, receive confirmations, and transmit shipping notes and invoices allows stores to have stock replenished on shelves within two to three days of selling an item like a book. In other areas of the business, WHSmith cut lead times for new stock from several weeks to less than a week. This enables the organization to move to a direct-from-supplier supply chain model. Instead of shipping orders to stores from stocks held in warehouses, they now have consolidation centres that take incoming orders from suppliers, split them by store, and consolidate goods from many suppliers into a single delivery for each store.

## Consolidating E-Commerce Activities

Being a long-term user of a number of EDI translation and transmission solutions from OpenText to deliver its e-business strategy, WHSmith decided to consolidate its e-commerce activities using OpenText™ B2B Managed Services. The organization had data coming in and out of their systems through a variety of routes, and some were less secure or robust than others. They were also supporting a number of value-added networks and data exchange mechanisms. WHSmith wanted to keep that flexibility, but create a more robust and secure service that was less complex and risky to operate. A managed services solution promised unification and simplification into a black box whose detailed operation is managed by an expert partner.

## INDUSTRY

Retail

## CUSTOMER

WHSmith

## CHALLENGES

- Manual processes caused delays for replenishing stock
- Lead times for new stock could reach several weeks

## SOLUTION

OpenText™ B2B Managed Services

## BENEFITS

- Faster stock supply, from weeks to days
- Supply chain visibility
- Reallocation of staff to value-added efforts
- Integral component to business success

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According to Reid, OpenText was the natural choice. “The demands of the business dictated we needed an enterprise-level solution. OpenText is the leading provider, and offers us the best solution in several ways.” One key factor was the company’s global presence, which allows the managed service to become a platform for growth at WHSmith rather than an inhibitor. “We now have a mechanism for taking on partners, regardless of their physical location. That gives us a much higher level of confidence in expanding our trading networks outside the UK,” he adds.

B2B Managed Services also allows WHSmith to trade electronically with partners of all sizes and levels of technical sophistication. They’re not cutting anyone out at either end of the spectrum, or being forced to work at the lowest common denominator. WHSmith can support those who are just discovering EDI, but also accommodate those at the cutting edge.

Another benefit of B2B Managed Services is that it insulates WHSmith from the impact of new technology and e-commerce standards developments, such as a number of other retailers moving to AS2. “OpenText can in the future facilitate us offering an AS2 solution if some of our partners feel that’s what they need to have at their end to trade with other retailers, without forcing us or the rest of our supply base down that route as well,” Reid explains.

He adds that, unlike many of its competitors, the OpenText™ Trading Grid™ provides a service that supports a wide range of data exchange mechanisms beyond basic EDI, again meeting all of WHSmith’s needs through a single solution. “While EDI is the core of our business, and accounts for the bulk of our data transfer, using mainly the Tradacoms standard but also some Edifact messages, we do have some systems that use other protocols including FTP or flat files,” he explains. “OpenText can support all of that, allowing us to work with a single provider and simplify our own operations.”

Reid praises the reliability and responsiveness of the service. “We can go days or even weeks without the service needing any attention from us,” he says. “When issues do arise, the OpenText service desk is very good, providing a quick turnaround to investigate and solve problems.”

In addition, the ease with which the managed service can be integrated with WHSmith’s internal systems has been a key enabler in a long-term project to move all of the retailer’s operations away from mainframe-based applications. OpenText supported WHSmith through the process of unravelling services from the mainframe and making them available in a simplified service-oriented environment.

B2B Managed Services also allows WHSmith to work with suppliers in a variety of ways, easily supporting trading arrangements that range from traditional daily ordering by store managers, to providing sales and stock data to suppliers to support a vendor-managed inventory approach. In addition, B2B Managed Services provides real-time transmission of data rather than overnight batch delivery, a vital process when some suppliers only send delivery notes at the last minute as the stock is arriving at the warehouse. The managed service ensures delivery note details are available for warehouse staff to access through the warehouse systems within minutes of them being dispatched.

B2B Managed Services now supports the exchange of orders, confirmations, dispatch notes, invoices, and credit and debit notes with suppliers of stock for WHSmith stores, along with information about sales, stock, recalls and returns. It also handles transactions to procure items used internally, and supports sharing of business and market intelligence both internally and with partners such as ChartTrack.

### **Supplying Clarity and Confidence**

Since introducing B2B Managed Services, WHSmith has been able to reallocate staff away from processing paper or manual rekeying of data, deploying them on activities that add more value to the business and make better use of their expertise, such as investigating anomalies in invoices. This has been coupled with greater visibility across the supply chain. Exception reporting is now faster and simpler, with business users in WHSmith trading teams now able to answer queries from suppliers more easily and quickly. “B2B Managed Services visibility portal allows them to monitor all activity in and out of the business themselves,” Reid explains. “They can look up the status of an order or invoice directly, without needing to request reports from our central e-commerce service delivery team.”



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The company is determined to get every one of its business partners communicating electronically. “We have a steady programme of migration on a one-to-one basis with suppliers,” Reed explains. “OpenText is a key part of that, helping us ensure the message exchange process is fully tested and working robustly before we go live. Lots of partners see introducing EDI as a big leap of faith but, thanks to the support we get from OpenText, we see it as business as usual. It’s a tried-and-tested process for us, and we approach it with confidence that it’s practical, risk free and routine. Some of the larger suppliers we work with are dumbfounded to find us in such a position of clarity and confidence, but having OpenText as our managed service provider gives us that.”

WHSmith also undertakes projects with existing partners to increase the range of messages it exchanges with them, or to enhance and extend their use. For example, it has extended its transactions with book suppliers, who have been long-term users of EDI-based ordering, to encompass delivery notes and invoices. This means they now have an end-to-end, two-way e-relationship with them. For this kind of project, OpenText has been a key partner in defining requirements, recommending correct message types and advising on how to use message segments to best effect, and helping WHSmith roll new message types out across the business rapidly.

As a result, WHSmith has been able to achieve even better value out of the EDI service through the variety of information they’ve been able to push through it. With help from OpenText, they’ve been able to ensure new message types typically pay for themselves within a year. “Overall, B2B Managed Services provides a very attractive cost proposition for us. In fact, it offers unparalleled levels of service and features compared with what the competitors charge for just transmission of messages,” Reed explains.

He concludes, “B2B Managed Services is an integral part of achieving the benefits of any new project with our business partners, as well as central to our ongoing operations. We’d recommend OpenText to anyone for the end-to-end quality of service of its messaging solution, which is backed by 24x7 on-demand support that is excellent, regardless of the time of day or issue. The value delivered by B2B Managed Services is taken as a baseline by everyone: OpenText gives us a solution that is in line with where our business is going.”

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