



Dairy Crest

Corporate Profile

The UK's leading chilled dairy foods company

As the UK's market leader, Dairy Crest manufactures a range of everyday dairy brands including the award-winning Cathedral City cheddar, Clover spread, Country Life butter and FRijj milkshakes. The company also supplies milk to retailers throughout the UK, from major supermarkets to village stores, while their milkmen deliver milk—and much more—to thousands of homes in England and Wales each day. Sales are in the region of £1.6 billion a year.

Business Challenge

Reducing risk through managed services

Dairy Crest relies on its B2B (business to business) e-commerce system to conduct business with more than 40 customers in the UK including the major high-street retailers. The technical and support requirements were becoming onerous, especially as some of the major retailers increasingly began to develop their own customised supply chain implementations. This prompted Dairy Crest to re-think its B2B strategy.

The in-house approach was deemed to be no longer fit for purpose. It had consisted of a patchwork of internal and external resource that left Dairy Crest potentially vulnerable to unexpected outages. When people left, for example, they took their accumulated knowledge with them, leading to a lack of continuity. Highly specialised tasks such as EDI mapping were sometimes carried out by people who were not necessarily dedicated to an increasingly complex set of B2B requirements. In addition there was a significant backlog of requests that could not be fulfilled timely.

When things went wrong—as they occasionally did—the impact on the business was considerable. In the words of John Butler, operations manager at Dairy Crest: “We are an FMCG business. Orders are coming round the clock and it is essential that we turn orders round as quickly and efficiently as possible. If we were to have one significant outage, that would be one too many. For us, the reliability of B2B has a tangible impact at the sharp end of the business.”

From Dairy Crest's perspective, the primary challenge was how to reduce risk. Shamash Merali, group IT director for Dairy Crest, explained that the company was looking for a way “to improve the reliability, robustness and consistency of our systems to help drive customer satisfaction to new levels.”

The Solution

Off-loading complexity while expanding capabilities

Dairy Crest settled on a strategy of shifting from an in-house B2B electronic trading model to one based on outsourced managed services.

The brief was to find a partner to which Dairy Crest could outsource a raft of services, including development, mapping, testing, monitoring, support and, as and when required, the on boarding of new trading partners. The company was clear-eyed about the scope of

the desired solution, which would allow Dairy Crest to off-load the increasing level of complexity in its B2B networks.

Throughout the process, there was an awareness of the ramifications of this decision for many operational parts of Dairy Crest's business. For that reason, as the company began the task of identifying a business partner, teams from the business, IT and legal were engaged in the selection.

The chosen solution was GXS Managed Services. This is a comprehensive B2B business process outsourcing service, already deployed at more than 600 companies around the world. GXS Managed Services provides hosted B2B integration capabilities in the cloud so that Dairy Crest does not need to purchase or manage complex, expensive B2B gateway software.

Particularly important to Dairy Crest is that GXS Managed Services includes mapping and translation capabilities. This is important since EDI data is fed directly into Dairy Crest's central ERP system, which is a very well-established JBA application running on an AS/400. GXS teams now provide the expert mapping of data structures to mediate between this internal application's format and the variety of formats and flavours preferred by external trading partners. The integrity of data is critical since, once the customer orders are received, the ERP application drives the warehouse management system that determines the speed, accuracy and efficiency with which those orders are processed.

Results

Aiming for zero downtime

The key measure for Dairy Crest is the uptime of their B2B systems. In the words of Shamash Merali, group IT director: "Our goals were to reduce risk, drive down costs and improve time to market with our customers and suppliers."

With GXS Managed Services now in place, Dairy Crest has been able to expand its B2B capabilities. Tasks such as mapping are looked after by expert staff dedicated to B2B. Customer requirements for complex and customised solutions can be addressed efficiently. The backlog of requests has disappeared.

One benefit for Dairy Crest is a lower total cost of ownership. GXS Managed Services shields the company from the increasing B2B programme complexities, such as connecting new trading partners, changing map requirements, and ongoing hardware and software maintenance.

There is improved customer service and responsiveness. By connecting Dairy Crest with its customers in their preferred data format, over their preferred communications protocol, Dairy Crest has been able to further differentiate itself as more flexible and responsive.

Finally, GXS Managed Services has provided an advantage by enabling Dairy Crest's IT function to focus on what it does best—without the costs and complexities of supporting a B2B e-commerce infrastructure.



About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organisations worldwide, including more than 75 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimise product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.co.uk.

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