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—MALCOLM CLARKE,
BUSINESS SYSTEMS ANALYST
FOR DANIELS GROUP



Daniels Group

Corporate Profile

Fast-growing Provider of Chilled Fresh Natural Foods Without Compromising the Taste

The mission of the Daniels Group is to make chilled, fresh, natural foods without compromising taste. Its well-known brands include New Covent Garden Food Company, Johnsons Juice products and Farmhouse Fare. As the company has grown, these product brands have become ubiquitous at retail outlets throughout the UK. Today, the company has developed into a £142 million business, split over 5 chilled food categories: Fresh Soup, Chilled Drinks, Fresh Fruit, Ready Meals, and Puddings.

The company’s brands are so familiar that it is a surprise to discover how recently these brands made their first appearance. The company has sprung into prominence in the last 20 or so years. Johnsons Juice was first manufactured in 1986, for example, while the first carton of New Covent Garden Soup rolled off the shelves a year later.

Business Challenge

Fast Turnaround of Products is Critical

One key to business success in this sector is fast turnaround—with the aim being to get chilled fresh product onto shelves within 24 hours of the order being received from a retailer. This urgency is driven partly by the fact that fresh foods often have a shelf life of only three to four days, so that time to market is even more critical. “Success in our sector comes down not just to product innovation and manufacturing fresh and tasty foods, but on getting them out of manufacturing and onto shelves in as timely and efficient manner as possible.” comments Malcolm Clarke, Business Systems Analyst for Daniels Group.

Daniels already has seven manufacturing sites in the UK and this number is set to increase. There is an additional layer of complexity in chilled foods businesses as their product ranges are inherently seasonal. One example is New Covent Garden Food Company. This operation has a history of innovation—for example, New Covent Garden was the first to introduce fresh soup products to the world. But what is noteworthy is that sales of New Covent Garden soup products rise sharply when the weather turns colder—not unusual, of course, in Europe. So, seasonality means being able to respond at lightning speed to changing circumstances, which in turn places a premium on accurate and timely electronic trading.

Although Daniels Group products are to be found across many UK retail outlets, it is the principal supermarkets that represent the bulk of the company’s business. Orders from supermarkets are processed centrally at Daniels’ head office in Leeds before allocation to the company’s network of UK factories and manufacturing facili-



ties. On a typical day the company will receive 300 to 500 EDI orders from supermarket chains.

Responding to these orders is the lifeblood of the business, and this is a 24 by 7 activity.

The Solution

Accuracy and Timeliness are Key Benefits

The Daniels Group is a casebook example of a company that depends on electronic trading with its major customers but does not have its own in-house dedicated EDI team. In fact—unusually for a company of this size—nobody at Daniels carries a business card with the word EDI on it. Instead, the company relies on the capability of GXS Trading Grid® to manage the variety of different EDI and AS2 formats and to provide a seamless interface to the company's ERP application.

The energy of the company's IT team is focused on managing the ERP system and integrating new divisions and operations into a highly centralised approach. A recent acquisition, for example, was Farmhouse Fare which makes fresh puddings for major retailers. As Malcolm Clarke notes: "We don't have the staffing levels to look after the intricacies of electronic trading standards. We don't see that as part of our core expertise and we are happy to rely on GXS Trading Grid to take care of that part of the business process."

Malcolm Clarke is crystal-clear on what electronic trading contributes to this process: "The benefits to us are accuracy and timeliness. These have been vital to our growth, and they will remain vital to our future development and expansion."

There are additional complex challenges as Malcolm Clarke wryly notes, "The supermarkets like to interpret standards and formats in different ways. AS2 data, in particular, means different certificates and this could entail a lot of additional work if we did not have GXS Trading Grid in place to manage the translations and take the complexity off our plate."

One trend the company has noticed in the last year or so is an increased interest in ASNs (Advanced Shipping Notices). Supermarket customers are looking to streamline their warehouses, so the new process goal is to send an ASN electronically and then scan the lorry in when it arrives at the warehouse. Once again, accuracy is vital.

Private label is also growing, and Daniels is a major player here. The company uses the same GXS Trading Grid infrastructure to manage its private label business with major supermarkets. "Flexibility and scalability are important benefits for us," says Malcolm Clarke.

The Results

Electronic Trading Supports Business Growth

The range of document types that the company trades electronically include orders, remittances, debit notes, invoices and price files. EDI is thus integral to the company's track record of sustained growth. A marker of this success is the fact that in the recent past Daniels has managed to increase its market share in 4 of its 5 core categories.

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Daniels is a success story, and there is room for growth as a quick look at market statistics confirms. The UK chilled ready meal market is worth £1.6 billion and still growing at 4 percent, while the chilled juice market alone is now worth £647m. Fresh cut fruit is one of the fastest growing chilled food markets in the UK, growing at more than 50 percent and is worth close on £182m through the major multiples. So Daniels is well positioned for growth although the company has no plans to shift its stance on electronic trading.

As Malcolm Clarke concludes, “GXS Trading Grid is reliable and the help desk is excellent. We don’t want to have to hire our own staff with specialised electronic trading expertise, and a huge advantage for us is that GXS shields us from this complexity.”

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 70 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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