

**hp process  
manager**



**GE Global  
eXchange Services**

**case study**



award-winning  
**hp process manager,**  
the new name for  
**hp changengine**



**i n v e n t**

GE Global eXchange Services is the world leader in providing collaborative Extranet solutions and successfully manages the worlds largest E-commerce trading community of over 100,000 trading partners with operations in more than 40 countries. This unique electronic trading community is known as GE Global eXchange Services TIE (Trading Information Exchange).

GE Global eXchange Services TIE is a collaborative Extranet service provided in a shared on line environment in which retailers and major manufacturers can exchange information with their trading partners and closely collaborate on key business processes.

The aim of GE Global eXchange Services TIE is to:

- Empower all trading partners through the sharing of key EPOS (Electronic Point of Sale) data on their product lines
- Provide up-to-date information on-line
- Significantly reduce the costs associated in supply chain management
- Increase service quality and value to both retailers and suppliers

GE Global eXchange Services is committed to complying with the ECR (Efficient Customer Response) initiative. The ECR is a European trade and industry body launched in 1994 to make the grocery sector more responsive to consumer demand and to eliminate unnecessary costs from the supply chain. ECR ensures that retailers and manufacturers work together to negotiate better deals which will ultimately benefit customers.

### success through customer service excellence

Tesco Stores Ltd is the UK's largest and most successful retailer. Tesco attributes its success to its commitment to its customer service excellence and innovation. Tesco's mission is **"to continually increase value for customers and earn their lifetime loyalty."**

To remain competitive in today's environment is a challenge. The retail sector is under pressure from customers to cut costs but to maintain quality, choice and value for money. To manage their highly complex, paper driven 'Promotions Management' system, Tesco required a collaborative solution to help it maintain its number one position.

Tesco worked with GE Global eXchange Services to create Tesco TIE (Trading Information Exchange), a Promotions Management solution based on HP Process Manager.

### hp process manager controls the promotions management process

For Tesco, Promotions Management used to be a long, complex task that was heavily paper driven. The process used to take months of planning and negotiation from conception to execution. Given that a Tesco store typically offers approximately 25,000 product lines, of which 10% are on promotion at any time, it used to be an operational nightmare for both Tesco and its suppliers to try and predict demand.

The enabling technology from HP Process Manager now controls the whole Promotions Management Process providing complete control to Tesco and its suppliers.

Now when a manufacturer decides to run a promotion at Tesco, a customised web form is completed and sent to Tesco. The Tesco buyer is automatically sent this request to initiate a new promotion by HP Process Manager and asked to review the manufacturer's proposal. The buyer actions the request, making any amendments on sales up-lift forecast as necessary. The completed form is then routed back to the manufacturer.

Throughout the cycle of the process, HP Process Manager sends emails to notify those involved in the process to ensure that items are completed and items are routed to the right individuals and in correct sequence. This ensures that the process does not fall behind schedule.

#### at a glance information

**company:** GE Global eXchange Services

**founded:** 1892

**headquarters:**  
Sunbury on Thames  
Surrey  
United Kingdom

**employees:** 293,000 worldwide

**web site:** [www.geis.com](http://www.geis.com)

#### at a glance information

**company:** Tesco Stores Ltd

**headquarters:**  
Tesco Stores Ltd, P.O. Box 18  
Delamare Road, Cheshunt  
Hertfordshire, EN8 9SL  
United Kingdom

**founded:** 1924

**employees:** 200,000

**number of stores:**  
639 in United Kingdom  
Over 200 stores in seven countries

**web site:** [www.tesco.co.uk](http://www.tesco.co.uk)

## challenges

- To comply with the European ECR initiative by increasing responsiveness to consumer demand and to eliminate unnecessary costs from the supply chain
- To work closely with suppliers in order to better predict demand for product lines on promotion ensuring an immediate response to variations in forecasted demand

## solutions

- GE Global eXchange Services TIE system for Promotions Management
- HP Process Manager to provide complete end-to-end control of the Promotions Management process

Once the promotion has started, EPOS data provided on a daily basis by the system provides both Tesco and its suppliers 100% accurate information on the success of the promotion. If there is a variance between planned and actual sales, then forecasts can be revised as necessary to ensure Tesco stores do not run out of produce and manufacturers can increase production.

The process does not just stop there. Once the promotion is over HP Process Manager collects feedback from Tesco and the manufacturer on the success of the promotion along with the EPOS data and archives this for future promotions planning.

**“HP Process Manager will allow us to inject change even faster into a retailer’s supply chain,”** says Jorge Castrillo, Global Marketing Manager, Retail E-Commerce Solutions, GE Information Systems.

## results

- Increased sales through better execution of successfully managed promotions and greater ability to react to market and competitor forces
- Reduced wastage through greater ability to react to those promotions that are not successful
- Faster time to market because all the tasks are routed and scheduled across the Extranet. This ensures that the whole promotional planning process stays on track
- Cost savings made through improved supply chain management can be passed onto Tesco customers
- Improve performance using service level indicators to manage and control suppliers. This two way flow of information ensures that suppliers maintain quality and consistently high standards at all times
- Systematic evaluation of each promotion to enhance future decision making and subsequent promotions

## technology

- GE Global eXchange Services TIE
- HP Changengine
- HP 9000 Enterprise Server
- HP MC/ServiceGuard
- Oracle Database
- Netscape Enterprise Server

**“hp process manager will allow us to inject change even faster into a retailer’s supply chain”**

Jorge Castrillo  
Global Marketing Manager  
Retail E-Commerce Solutions  
GE Global eXchange Services

## benefits for manufacturers

- Better management and control of stock levels means a faster response for popular items
- The availability of EPOS data for yesterday's sales the following morning
- The availability of a 100% accurate picture all product lines. This can be displayed graphically using bar charts and graphs
- On-line information eliminates the time spent searching for documents
- The provision of a better service to Tesco by anticipating their needs
- Increased collaboration with Tesco

**"GE Global eXchange Services TIE has re-engineered the way that we work with Tesco... we can realistically save 30% of our annual promotional on-costs"**

Dan Rusga  
National Account Manager  
St.Ivel

## everyone is a winner

The Tesco TIE system created by GE Global eXchange Services using HP Process Manager means that everyone is a winner. The cost savings, both in terms of time and money, are significant for both Tesco and its suppliers. These have come primarily through elimination of administrative costs and the increased use of the Extranet to provide on-line, up-to-date information thereby saving time on searching through volumes of paper.

**"GE Global eXchange Services TIE has re-engineered the way that we work with Tesco. We began to take joint responsibility for the planning, tracking and evaluation of promotions. We estimated that by using the system we can realistically save 30% of our annual promotional on-costs,"** comments Dan Rusga, National Account Manager for St.Ivel.

GE Global eXchange Services TIE created using HP Process Manager allows suppliers to view on a daily basis electronic point of sale (EPOS) data. Yesterday's EPOS data is available to view and download the following morning. This allows suppliers to respond immediately to variations in customer demand and ensure that optimum stock is available on Tesco's shelves at all times. This level of flexibility and response is critical, especially when the success of a promotion proves to be an instant hit with customers.

**"During the trial we spotted that the demand for one of our lines had reached 8,000 units after two days, compared to the original forecast of 10,000 units for the whole week! As a result we were able to respond and increase depot stock at short notice. This resulted in a joint business gain of around £50,000 – and more importantly, we avoided disappointing some 15,000 shoppers,"** says Jonathan Kemp, Customer Business Development, Procter and Gamble.

[www.hp.com/go/e-process](http://www.hp.com/go/e-process)

Copyright © 2000 Hewlett-Packard Company



i n v e n t