

AUTOMATING THE DEMAND CHAIN WITH INTEGRATED PRODUCT REPLENISHMENT

Challenge

Maintaining a supply chain and distribution network to support more than 7,000 stores in the United States and Canada is a gargantuan task. 7-Eleven must coordinate orders with close to 1,700 suppliers to deliver products to stores on a daily basis. 7-Eleven has many small- and medium-sized suppliers and needed to automate the exchange of orders and business documents with them.

Solution

An answer to the challenge appeared in the form of an Internet-based business portal for suppliers. However, in order to maximize the benefits of such a deployment, 7-Eleven needed to flow business transactions from the portal directly into its existing legacy systems. 7-Eleven selected the webMethods product suite, using the integration platform as the backbone for the project, and EDS, a systems integration partner, for implementation support.

Benefits

7-Eleven is experiencing dramatic benefits in both its demand chain and internal operations as a result of the integration project. Thousands of invoices per month are now being exchanged electronically with suppliers and synchronized automatically with the company's financial applications. That has significantly reduced the amount of manual keying that took place in the past and reduced associated errors. Field and store operations are also benefiting from the move, as the electronic exchange of orders has improved turnaround times and visibility into the supply chain.



7-Eleven, Inc. is an undisputed leader in convenience retailing. A pioneer of the convenience store concept since 1927, today the company has more than 30,000 stores worldwide in 17 countries and serves six million customers a day. Headquartered in Dallas, Texas, 7-Eleven employs more than 33,000 people, plus provides career opportunities to thousands of franchisees and their employees.

Get there faster.™

“We view the webMethods product suite as a primary infrastructure piece for 7-Eleven...It is central to our strategy to **improve business processes, provide real-time analytics and to integrate disparate IT systems.”**

Keith Morrow | Vice President of Information Systems | 7-Eleven

More than EDI

Over the years, 7-Eleven had taken advantage of Electronic Data Interchange (EDI) technologies to automate the exchange of orders and business documents with some of its largest partners. Many of its smaller suppliers, though, don't have the infrastructure in place to support EDI, nor can they justify the cost. For those suppliers, 7-Eleven had to rely largely on manual processes with paper invoices faxed, mailed or emailed into the company, and manually keyed into back-end financial applications.

“EDI required us to have partners on the other end with the same level of EDI capability to make the transactions work,” notes Keith Morrow, Vice President of Information Systems for 7-Eleven.

“We have many small- and medium-sized suppliers that would never have the ability to get on EDI and be able to take on the expense, such as translation charges, and the like. It's been a chronic issue for us.”

Morrow says key selection factors were the webMethods product suite's built-in support for a wide range of existing EDI standards and its demonstrated record for reliability, scalability and performance. While some vendors were able to do one or the other, he says the webMethods product suite stood out for its ability to offer the complete package.

Project Phases

The first phase of the project essentially consisted of a Web-based portal for exchanging orders and other business documents with suppliers. Using the method of the supplier's choice, be it EDI, a Web page with forms, or FTP, 7-Eleven has been able to automate such transactions as the exchange of purchase orders, acknowledgements and invoices.

Furthermore, the webMethods solution is being leveraged to integrate the exchange of business documents directly into 7-Eleven's mainframe applications. Using the webMethods solution, data is formatted and placed into a flat file, which is sent via FTP into the appropriate mainframe application.

Morrow says suppliers appreciate the initiative because the use of the Internet has eliminated the barrier-to-entry costs that existed with EDI in the past, and they no longer have to exchange truckloads of paper with 7-Eleven. Even large suppliers that were already on EDI have benefited, as the platform's support for a wide range of EDI standards has helped to reduce VAN charges.

“We view the webMethods integration platform as a primary infrastructure piece for 7-Eleven,” adds Morrow. “It is central to our strategy to improve business processes, provide real-time analytics and to integrate disparate IT systems.”

While work is proceeding on a number of fronts, 7-Eleven is also setting its sights further down the road. With a robust integration backbone in place, the company anticipates being able to further automate much of the labor-intensive workflow that exists today throughout the sales & operations planning, order and inventory management processes.

KEY COMPONENTS

webMethods Enterprise Service Bus

The Enterprise Service Bus enables Web services, packaged applications, custom applications and legacy systems to communicate in a Service-Oriented Architecture (SOA). ESB integration server capabilities provide a robust platform that supports data transfer and a variety of standards.

ABOUT SOFTWARE AG

Software AG is the world's largest independent provider of Business Infrastructure Software. Our 4,000 global customers achieve measurable business results by modernizing and automating their IT systems and rapidly building new systems and processes to meet growing business demands.

Our industry-leading product portfolio includes best-in-class solutions for managing data, enabling service-oriented architecture, and improving business processes. By combining proven technology with industry expertise and best practices, our customers improve and differentiate their businesses – faster.

Software AG – Get There Faster

© 2008 Software AG. All rights reserved. Software AG and all Software AG products are either trademarks or registered trademarks of Software AG. Other product and company names mentioned herein may be the trademarks of their respective owners.