



SWISS POST

INCREASE RESPONSIVENESS TO CUSTOMERS AND CREATE NEW REVENUE STREAMS

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QUICK FACTS

Company

- Name: Swiss Post
- Headquarters: Bern, Switzerland
- Industry: Travel and logistics services – postal services
- Products and services: Postal, logistics, and transportation services
- Revenue: SFr8.71 billion (€5.58 billion)
- Employees: 58,000
- Web site: www.post.ch

Challenges and Opportunities

- Succeed in a deregulated, increasingly competitive environment
- Capture new revenue from substitute and hybrid mail services
- Meet customer demand for more flexible, reliable services
- Leverage new technologies for customer service and operations

Objectives

- Gain a flexible, service-oriented architecture (SOA)-based IT platform to sustain competitive advantage
- Increase operational efficiency by optimizing business processes
- Strategically manage customers based on their preferred services and customer interaction process

SAP® Solution and Services

- SAP NetWeaver® Process Integration (SAP NetWeaver PI) 7.1 offering
- SAP® Ramp-Up program

Implementation Highlights

- Completion of upgrade in 4 weeks – from planning to going live
- Fully operational software within hours of going live

Why SAP

- Global company with highly compatible, SOA-based platform
- Software that is designed to handle high-volume processing and meet industry-specific needs
- Integration content that reduces total cost of ownership

Benefits

- Simplified deployment of standards-based enterprise services by providing an integrated services repository
- Reduced development and integration costs by 2/3 using integrated SOA middleware and integration content
- Successfully processed 1.2 million items in an 8-hour shift by moving the processing bottleneck from middleware to back-end applications
- Enabled quick integration of 20 SAP and 10 non-SAP applications, including an Oracle billing application

Existing Environment

- Database: Oracle
- Hardware: Hewlett-Packard
- Operating system: Microsoft Windows 2003



Swiss Post faces not only the competitive pressures of a deregulated postal market but also market shifts as more customers substitute traditional mail with electronic and hybrid mail services. Customers also want more flexible, reliable services – challenging Swiss Post to leverage emerging new technologies to differentiate through better customer service and operations. “To sustain competitive advantage, we needed a flexible IT platform as a foundation for innovation in customer services, and SAP has delivered,” states Gerald Eder, project manager at Swiss Post.

Swiss Post is the second-largest employer in Switzerland, specializing in the delivery of letters, promotional mailings, newspaper transport, parcel deliveries, express mail services, and courier services. The company also

Keeping Pace with New Business Needs

As an early adopter of SAP’s approach to service-oriented architecture (SOA), the organization had deployed the SAP

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provides financial services and road-based passenger transport services. Owned by the Swiss Confederation, it employs over 58,000 people and operates 2,500 post offices throughout the country. Swiss Post handles approximately 15 million letters a day and nearly 105 million parcels a year – a massive logistics effort that requires sophisticated IT support.

NetWeaver® Exchange Infrastructure (SAP NetWeaver XI) component several years ago. “For Swiss Post, SOA is already a reality today. It enables us to react to growing business complexity in a timely way – and to provide best-in-class solutions for our customers,” states Urs Brunner, chief information officer of Swiss Post.

But new business demands required faster and more robust process integration with their existing applications and external partners. “We have over 65 non-SAP applications. It’s too difficult and costly to integrate them using peer-to-peer connections and static, manually maintained interfaces,” states Eder. Swiss Post also needed to make it easier to link with customers and suppliers, both of which expected the company to move toward standardized Web services and semantics that simplify integration.

In addition, Swiss Post wanted to begin deploying reusable enterprise services that include standardized business semantics, such as those already developed and productized by SAP. Eder explains: “The goal was to have a more flexible IT platform as a foundation for innovation in customer services and operations. This will allow us to compete against emerging logistics companies.” For example, Swiss Post wanted to replace the existing invoice process with a standards-based, e-invoicing process supported by SAP® software that includes e-document generation. This Web services-based process would make it easier for suppliers and logistics services customers to do business with Swiss Post while lowering processing time and cost.

Swiss Post also needed to process high-volume transactions faster while ensuring high message reliability and quality of service. Eder explains: “Sometimes we have to process a million items in one night, and we were having bottlenecks in our integrated processing.”



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Building on a Solid Foundation of SAP Solutions

To meet these needs, Swiss Post participated in the SAP Ramp-Up program for the SAP NetWeaver Process Integration (SAP NetWeaver PI) 7.1 offering and went productive in just three weeks. Leveraging the software’s integration functionality, which is enabled by an enterprise services bus and Enterprise Services Repository, Swiss Post was able to use SAP NetWeaver PI as its SOA middleware backbone to accelerate integration projects. Given the company’s commitment to SAP’s strategy toward SOA and prior investments in other SAP software, such as the SAP ERP application, the SAP NetWeaver technology platform, and the Microsoft .NET development platform, SAP NetWeaver PI was the natural choice. “With the latest release of SAP NetWeaver PI, SAP addressed all of our major process integration needs within our heterogeneous environment,” explains Eder.

Swiss Post needed to support both application-to-application (A2A) integration and business-to-business (B2B) integration for broad customer access, so they deployed two installations of SAP NetWeaver PI. Enterprise Services Repository integrates all applications using reusable services in place of classical interfaces. The company was able to quickly connect 20 SAP applications and 10 non-SAP applications to the production software, including an Oracle billing application.

Swiss Post also uses SAP NetWeaver PI as its enterprise-wide SOA middleware to enable integration among heterogeneous applications and platforms, including its existing “yellowbill” integration infrastructure. Their main objective is to create an abstraction between heterogeneous sender and

Leveraging the strong support for SOA standards and robust integration content provided by SAP NetWeaver PI, Swiss Post was able to easily migrate some of its older integration technologies, such as BEA WebLogic, to SAP NetWeaver PI. As a result, Swiss Post has reduced IT platform costs.

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receiver applications based on SOA standards and have unified access to legacy systems.

To date, the company has implemented 10 to 15 scenarios that are non-SAP to non-SAP integrations by reusing enterprise services from SAP. In addition, because SAP NetWeaver PI has a built-in standards-based Enterprise Services Repository and services registry to manage the Web services development life cycle, it was easy for Swiss Post’s development teams to use SAP NetWeaver PI as their SOA middleware. “We found that the development environment of SAP NetWeaver PI allows our non-SAP development resources – who were familiar with Microsoft .NET, Oracle, Sun Microsystems, and BEA technologies – to quickly use the software to develop the integration among our non-SAP applications,” comments Eder.

Enabling Standard, Web-Based Processes

Swiss Post is also using SAP NetWeaver PI as the send-through software for all A2A and B2B communications, such as SOAP and plain HTTP. According to Eder, “All Web services and enterprise services that we provide to customers go through SAP NetWeaver PI.” For example, Swiss Post is currently implementing scenarios for its retail business – including the send-and-receive process that supports e-documentation, e-invoicing of supplier invoices, and invoicing of logistic services providers of PostLogistics. “We’re using it to provide complete process visibility while reducing processing time and cost,” says Eder.

Swiss Post has also used SAP NetWeaver PI to do the following:

- Distribute and synchronize master data, which is partially stored in the SAP NetWeaver Master Data Management component
- Enable electronic data interchange (EDI) communications in B2B integration scenarios
- Support robust service bus-based integration
- Reduce integration costs by using the built-in Enterprise Services Repository and its integration content

Exceeding Performance Expectations

One of the key reasons that Swiss Post decided to implement SAP NetWeaver PI is that it supports high-volume, reliable exchange-integration scenarios – functionality that they quickly put to the test. “At the beginning of the year, we had a business scenario where we had to process about 1.2 million transactions in one night among SAP ERP, software from another ERP vendor, and the database,” explains Eder. “The old installation couldn’t handle this volume. SAP NetWeaver PI is faster than the pre- and post-processing in our back-end systems. The bottleneck is now the back-end systems, not the middleware. From our perspective, this is impressive.” SAP NetWeaver PI enabled high-volume integration using the message-packaging functionality built into the SOA middleware, which is specifically designed to support large message sizes and improve message throughput.

Looking Ahead

SAP NetWeaver PI will play a key role in driving innovation at Swiss Post. “Now we can provision new Web services in a technologically independent way. And by reusing enterprise services, we can reduce our development and integration effort by as much as two-thirds,” states Eder. “Our long-term goal is to link all of our non-SAP applications – about 65 of them – using SAP NetWeaver PI. This will enable us to consolidate communications as well as support flexible adoption of business processes to meet changing business requirements.”

In addition, the standards-based SOA middleware will enable other departments to reuse shared services in their own integration scenarios. For example, the Swiss Post Real Estate department deployed SAP NetWeaver PI as an enterprise service bus for its internal billing process. Since the fall of 2006, Swisscom Mobile bills have also been processed through this shared service. Reusing this billing service has significantly reduced the processing time and average processing costs for all departments involved.

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