



DOHLE HANDELSGRUPPE

RETAILER ENJOYS FRUITS OF PROCESS EFFICIENCY WITH SAP NETWEAVER®

“Building end-to-end processes, based on flexible enterprise services, gives us a robust foundation to ensure the future of the company and a clear advantage over our competitors.”

Dr. Reinhard Schütte, Managing Director,
Dohle Handelsgruppe GmbH & Co. KG

QUICK FACTS

Company

- Name: Dohle Handelsgruppe GmbH & Co. KG
- Location: Siegburg, Germany
- Industry: Retail
- Products and services: Groceries and general merchandise
- Revenue: €2 billion
- Employees: 7,000
- Web site: www.dohle.com
- Implementation partners: SAP® Consulting and Wincor Nixdorf Retailing Consulting GmbH

Challenges and Opportunities

- Replace all legacy systems
- Integrate data sets from all locations into a centralized master data record
- Collaborate electronically with suppliers and logistics partners

Objectives

- Establish a standardized IT infrastructure to support retail business processes efficiently
- Eliminate manual work steps, integration gaps, and stand-alone systems

SAP Solutions and Services

- SAP for Retail solution portfolio
- SAP POS Data Management application
- SAP NetWeaver® technology platform with SAP NetWeaver Business Intelligence and SAP NetWeaver Exchange Infrastructure components
- SAP NetWeaver Portal component

Implementation Highlights

- Automated and standardized business processes
- Completed the integration of all supermarkets into the IT landscape
- Integrated third-party solutions such as SOLQUEST SQmServer
- Established a consistent technical standard in all supermarkets

Why SAP

- SAP industry expertise
- Ease of integration of third-party applications

Benefits

- Consistent, accurate information available in real time
- Enhanced speed, responsiveness, and efficiency of business processes with enterprise service-oriented architecture
- Greater strength in the highly competitive retailing market
- Centrally managed discount and bonus promotions
- Reduced administration effort

Existing Environment

Various legacy systems

Third-Party Integration

- Hardware: SOLQUEST SQmServer
- Checkouts: Wincor Nixdorf servers and software

Even for a successful chain such as the HIT supermarkets, retail is a tough industry, with stiff competition and low profit margins. To achieve long-term success, companies must ensure that all business processes – from purchasing, ordering, delivery, and quality control to business data evaluation – are efficiently managed and can be adapted quickly to meet new requirements. The legacy IT infrastructure at HIT was unable to support the emerging requirements of an increasingly dynamic retailer. To compete more effectively, Dohle Handelsgruppe GmbH & Co. KG decided to implement the SAP for Retail solution portfolio. Based on the SAP NetWeaver® technology platform, this delivered an integrated landscape and laid the foundation for enterprise service-oriented architecture (enterprise SOA).

Founded in 1928 and based in Siegburg, Germany, Dohle Handelsgruppe's motto, "Where living well costs little," is clearly evident in approximately 100 HIT supermarkets throughout Germany. When it comes to availability and quality, the company believes it has an advantage over its competitors. The company's success is measurable: in 2007 Dohle Handelsgruppe achieved revenues of around €2 billion.

Quality and Value for Money

Price is critical to success in retail. Consequently, Dohle Handelsgruppe's range of products includes over 2,000 products at the same price levels as the leading discount supermarkets. Also, the company is especially proud of the fresh produce departments in each supermarket, selling meat and

dairy specialties, fruit, vegetables, and fish. They also offer organic produce, a nonfood area, convenience products, and special lines for babies, small children, and senior citizens.

In addition to competitive pricing, the stores ensure that shoppers who prefer distinguished brands also get their money's worth. The retailer focuses on credibility and customer confidence, a strategy proven by the awards the HIT chain regularly receives for its products. "We are always working on our range of products and service. At HIT supermarkets, for example, customers can also order goods or buy regional products. This is how we differentiate ourselves from the competition," explains Dr. Reinhard Schütte, managing director of Dohle Handelsgruppe.

Legacy Systems Completely Replaced

Dohle Handelsgruppe's previous IT landscape was a collection of systems that had developed organically over the years. "When we needed something new, we purchased another system. The retailing and financial accounting systems came from different vendors. Employees sometimes still used spreadsheets. Evaluations involved a lot of time and effort," recalls Schütte. So why did the company choose SAP® software to run and grow its business? "SAP software defines the standard in retailing. We needed an integrated IT landscape that could ensure all our processes and data are consistent, accurate, visible, and available. It was important to us to have end-to-end processes without any integration gaps," explains Schütte. "In addition to this, we switched to a new partner in purchasing and logistics, the REWE Group. Now that we have our SAP software landscape up and running, our systems are fully integrated with those of REWE."

Centralized Access to All Data

Dohle Handelsgruppe implemented the SAP for Retail solution portfolio and SAP POS Data Management application, both of which are powered by SAP NetWeaver. The company now benefits from the extensive analytical and reporting functions of the SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component. The SAP NetWeaver Exchange Infrastructure



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(SAP NetWeaver XI) component provides the company with the flexibility for smooth data transfers to and from suppliers. SAP NetWeaver XI also supports the interface with SOLQUEST SQmServer, the mobile application used by store managers communicating with SAP software for synchronization. SOLQUEST GmbH, headquartered in Waldbronn, Germany, is an independent

Paderborn, Germany. The technology platform connects weighing machines in the food department, mobile data entry devices such as bar-code scanners, and bottle deposit return machines to the SAP software landscape. The collected data is imported into SAP NetWeaver BI and SAP for Retail, using SAP NetWeaver as the central data hub. “If we had tried to integrate

The entire project was completed on schedule and within budget. Dohle Handelsgruppe then implemented the SAP NetWeaver Portal component to provide a common user interface for accessing HITStore. Based on SAP technology, HITStore gives in-store employees access to a Web-based merchandise management solution to create customer orders and goods receipts, check delivery dates, and so on in SAP for Retail and SOLQUEST SQmServer.

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software vendor; and SOLQUEST SQmServer has certified integration with SAP NetWeaver. Schütte describes the benefits this way: “Employees who make decisions on a daily basis get the information they need quickly and securely. Our legacy systems meant we were technically five years behind the competition, but with the new SAP-based IT infrastructure, we are now two years ahead.”

Connecting Supermarket Machines with the SAP Software Landscape

By integrating SOLQUEST SQmServer with SAP NetWeaver, Dohle Handelsgruppe also connected the hardware and software in the supermarkets to its headquarters. This included the integration of the checkout servers and software from Wincor Nixdorf International GmbH, a service provider based in

the reversed vending machines with the old systems, it would have taken at least a year. Thanks to the flexibility of SAP NetWeaver, we were able to do it quickly and easily,” explains Schütte.

All Master Data Centrally Managed

The new application environment has had a huge impact on the quality of Dohle Handelsgruppe’s business processes. For the first time, the company implemented centralized master data maintenance and integrated accounting. Centrally managed discount and bonus promotions are now also possible. The immediate recording of all goods received is another process improvement. Technically, the entire IT landscape has completely changed, and the new environment has proved highly effective, processing a terabyte of data every month.

Reduced Administration Effort

Dohle Handelsgruppe uses the IT infrastructure based on SAP NetWeaver to manage all its business processes; handle approximately 2 million orders, delivery notes, and invoices a year; and receive daily updated sales figures from all its supermarkets. The timely transfer to the centralized retail solution has considerably improved the efficiency of the company. Furthermore, it has become easier to keep track of stock levels, and the internal administration effort has been reduced.

“We decided on SAP for Retail and SAP NetWeaver because we wanted to have state-of-the-art technology, enabling us to avoid early release upgrades in the project. We were also impressed by the degree of flexibility when it came to integrating third-party systems. The end-to-end processes give us a clear advantage over our competitors,” explains Schütte. For Dohle Handelsgruppe, the focus throughout the IT project was on the

business aspects. Wincor Nixdorf consultants and in-house developers were responsible for the technical implementation. "We are very happy with the service we've received," says Schütte. By taking this approach, the company avoided an "explosion" of technology that can be very difficult for a midsize company to control.

Transparent Sales Figures from All HIT Stores

Today all the HIT supermarkets throughout Germany use the same technical standard for checkout software, weighing machines, and bottle deposit return machines and are connected to SAP for Retail by means of the SOLQUEST SQmServer. The data quality has improved considerably. For example, using SAP POS Data Management, receipts from each checkout can be collected at the point of sale, transferred and aggregated, and then mapped and analyzed in revenue reports. This enables managers to see exact sales figures for every HIT supermarket for a specific day or even hour.

The individual supermarkets have benefited too, with much simpler processes, reduced lead times for orders, and easier stock transfers. Even label printing can be triggered centrally, and completing an inventory is now faster and requires less personnel.

Enterprise SOA for Accuracy, Speed, and Simplicity

The integrated process flow achieved through enterprise SOA is delivering value to both Dohle Handelsgruppe and its business partners. The newly implemented process for the production of promotional flyers is a case in point. Promotions can now be planned at short notice, thereby generating more revenue and improving customer satisfaction at the same time.

Schütte believes there is still a lot of potential to exploit: "We would like to further integrate our vendors to increase collaboration in the planning process. In the future, we want to plan production and demand with them. And we want to make progress in supply chain management. With enterprise SOA, business processes can be implemented quickly and easily in pace with changing needs. Building end-to-end processes, based on flexible enterprise services, gives us a robust foundation to ensure the future of the company and a clear advantage over our competitors."

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