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Wynn, Martin G ORCID logoORCID: <https://orcid.org/0000-0001-7619-6079> and Harris, Richard (1997) Evolving an Effective Electronic Commerce Strategy: A Supplier's Perspective. In: Creating Demand Pull Replenishment in FMCG, Vision in Business, May 12th-13th, 1997, London WC1. (Unpublished)

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Evolving an Effective Electronic Commerce Strategy - A Supplier's Perspective

Creating Demand Pull
Continuous Replenishment
in FMCG

May 12th/13th 1997
London

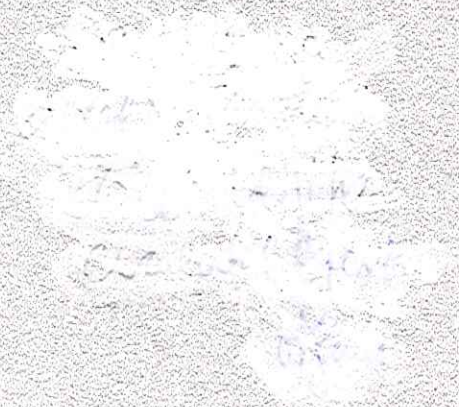
Martin Wynn, IT Director
Richard Harris,
Electronic Commerce Manager

H P Bulmer
Hereford
UK

Presentation Structure

- 1 Company Background
- 2 Electronic Commerce: The Supplier's Perspective
- 3 EDI at Bulmers (Case Example)
- 4 Customer Supply Chain Projects
- 5 Future Trends

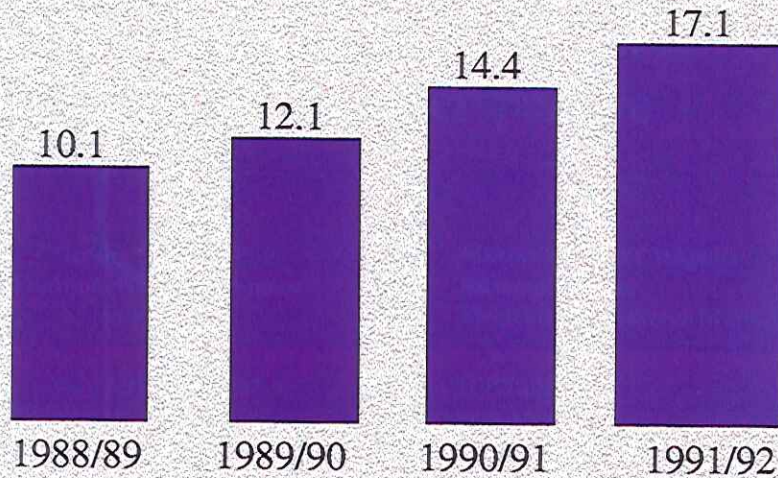
1. Company Background



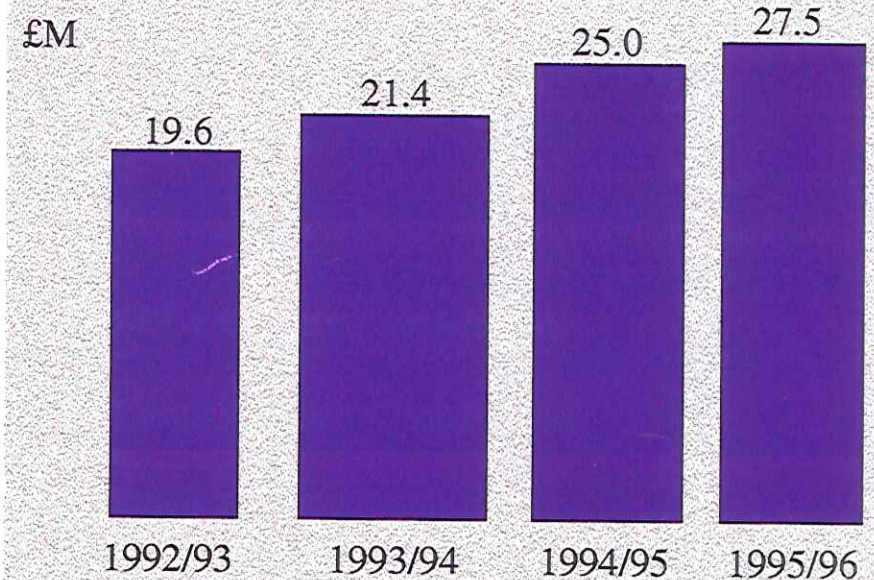
- Location: Hereford, UK
- Turnover 1995/6: £255m
- Profit 1995/6: £27.5m
- Employees: 850



H P Bulmer Pre Tax Profits 1988-1992



H P Bulmer Pre Tax Profits 1992-1996



H P Bulmer: Key Business Drivers

- Continue to grow and dominate the UK cider market (Now 54% market share).
- Lead the global growth of cider.
- Lowest cost production.

Systems Status 1990

Under investment in IT in the '80's...

- Legacy of in-house developed systems.
- Poorly documented and supported.
- Proprietary Data General environment.

Various product and customer files...

- Separately maintained.
- Varying hierarchies and data definitions.

New IT & IS Strategies

- 1990
 - Oracle chosen as strategic relational database for bespoke developments.
- 1991
 - Open Systems (UNIX) adopted as platform for all future systems projects.
- 1992
 - Business co-ownership of all systems projects established.
 - Oracle/UNIX established as guidelines for all major application packages.

2. Electronic Commerce: The Supplier's Perspective

Trading Necessity or

Partnership Opportunity?

Change In Supply Chain Operation

Who Benefits?

- | | | |
|----------------------------|------------|------------|
| ■ Unilateral (by retailer) | Retailer ✓ | Supplier? |
| ■ Unilateral (by supplier) | Retailer? | Supplier ✓ |
| ■ Joint: | Retailer ✓ | Supplier ✓ |

Unilateral Changes by Retailers

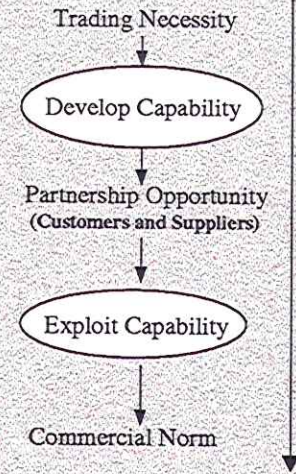
- Increased Ordering Frequency
- Reduced Order/Delivery Lead Times
- Smaller Pack Sizes
- Account Specific Labels
- One Item Per Pallet
- Account Specific Pallet Heights
- Account Specific Pallet Labels
- Reserved Stock
- Stock-Out Penalties

- EDI
- Replenishment Process Improvement
 - Co-Managed Inventory
 - Intermediate Warehousing
- Electronic Commerce

How Should We View These Initiatives?

Started As:

- A Trading Necessity (Unilateral by some Retailers)
- Has Now Become:
- A Partnership Opportunity (Joint Action/Joint Benefit)



- EDI
- Intermediate Warehousing
- Co-Managed Inventory
- Electronic Commerce/ECR

3. EDI at Bulmers (Case Example)

Evolving An Effective Strategy

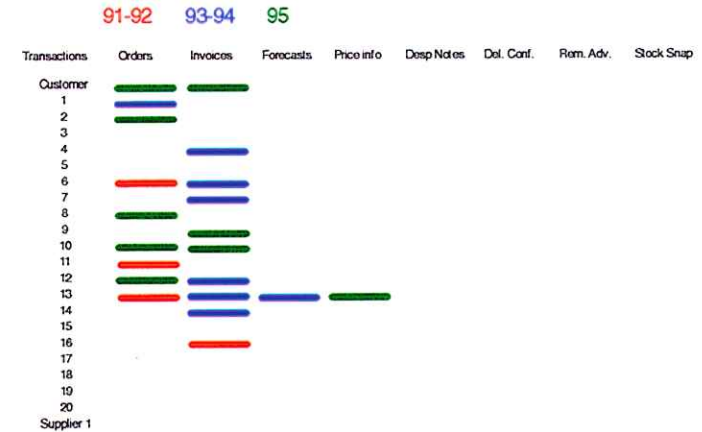
- Customer Service Focused Company
- Within Our Capabilities

1991-1995: Reactive, Attentive, Building Capabilities

- 1991
 - Requests by Major Customers
 - Business Understanding
 - Steering Group
- 1991-92
 - Developed Basic Capability and Capability
 - Orders and Invoices
 - Focus on Customer rather than Supplier
- 1993-94
 - Reactive to Customer Requirements
 - Orders
 - Benefit from Ability to be Involved in Pilot EDI Projects with Customers
- 1995
 - Price File Exchange

HP Bulmer EDI Trading

Status of Trading Relationships as at May 1997

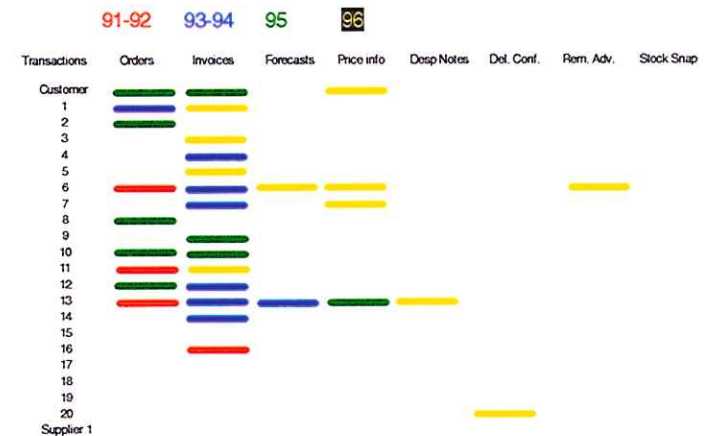


1996-97: Expanding the Capability - EDI as a Value Added Service to our Customer Base

- 1996
 - Electronic Commerce Manager Appointed
 - Expansion of Message Types, Despatch Notes, Delivery Confirmation, Remittance Advice
- 1997
 - Further Message Types
 - Stock Snapshot, Product File, Customer File
 - Pro-actively Expanding with Customers - Value Added Service

HP Bulmer EDI Trading

Status of Trading Relationships as at May 1997



1996-97: Expanding the Capability - EDI as a Value Added Service to our Customer Base

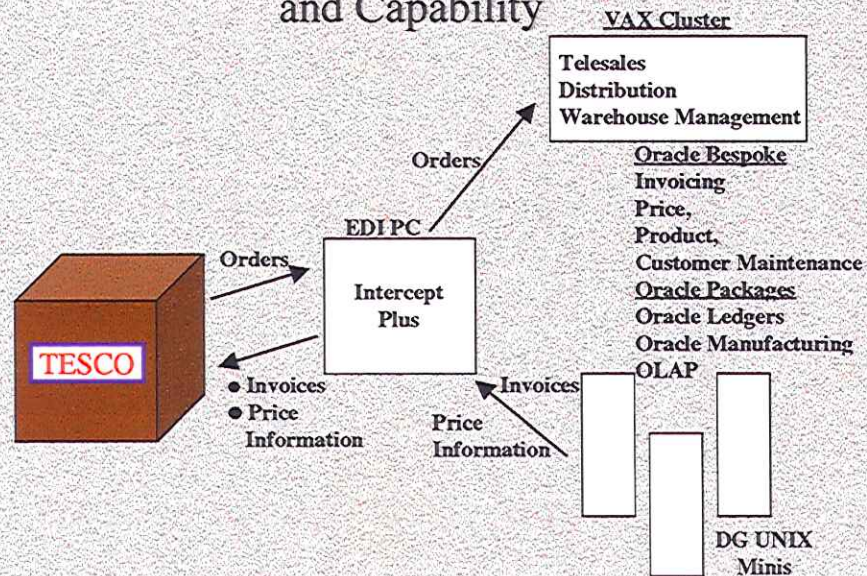
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HP Bulmer EDI Trading

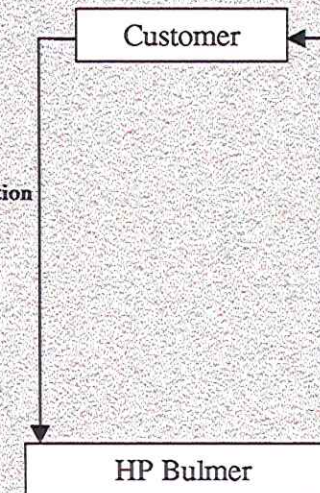
Status of Trading Relationships as at May 1997



EDI: Developing the Infrastructure and Capability



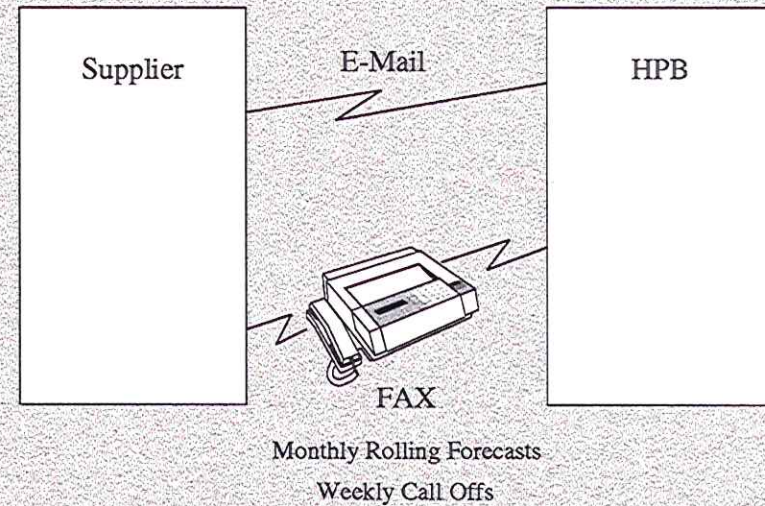
- Order
- Product Planning Report
- Delivery Confirmation
- Remittance Advice
- Stock Snapshot



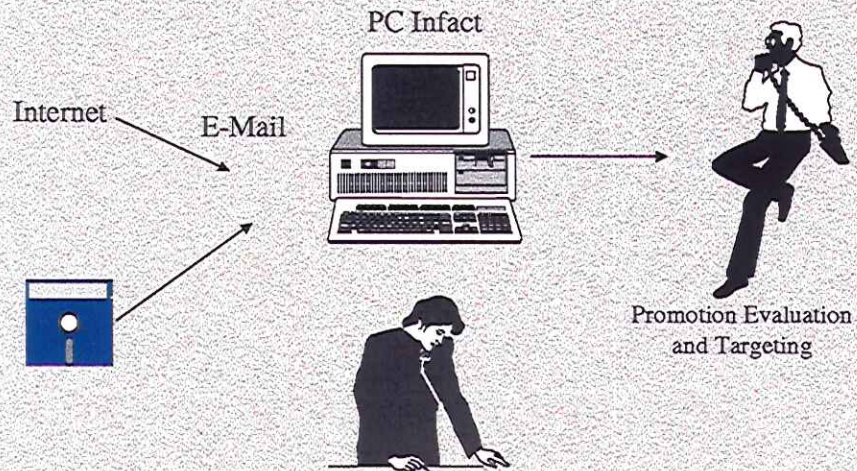
- Invoice
- Credit Note
- Price File
- Delivery Note
- Product Information

EDI Capability/Expected Capability of Booker's Top 50 Suppliers

	Orders	Invoices	Receipts	Price Info	Ship Dates	Est. Cost	Repr. Ass't	Share Support
Current Capability (% of top 50 customers)	100	87	53	38	29	9	40	7
Expected Capability (Current Plus in Development)	100	96	88	54	42	18	62	16



EPOS Data



4. Customer Supply Chain Projects

- Whitbread CMI
- Intermediate Warehousing

Customer Supply Chain Projects

- Customer Service Focused
- Experience and Appreciation of Benefits
- Confident in Electronic Commerce Capabilities
- Believe Further Benefits for H P Bulmer

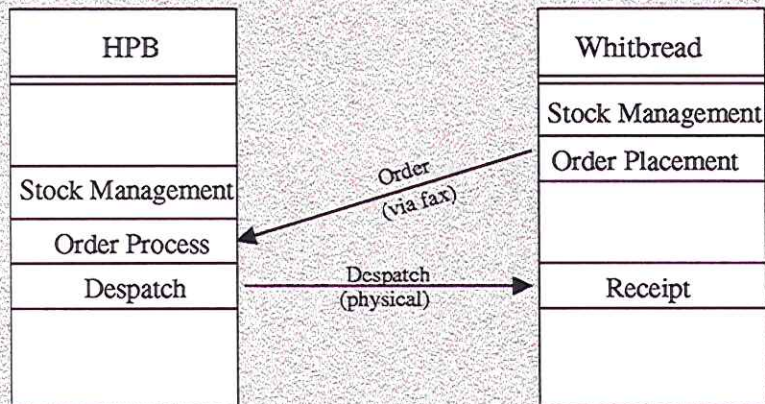
CMI - Classic Case Study

Customer - Information Exchange - Supplier

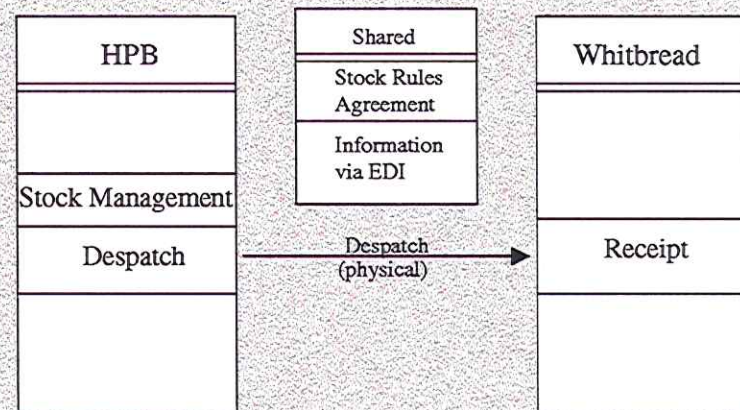
Customer - Sharing Information - Supplier

Customer - Sharing and Improving
Process - Supplier

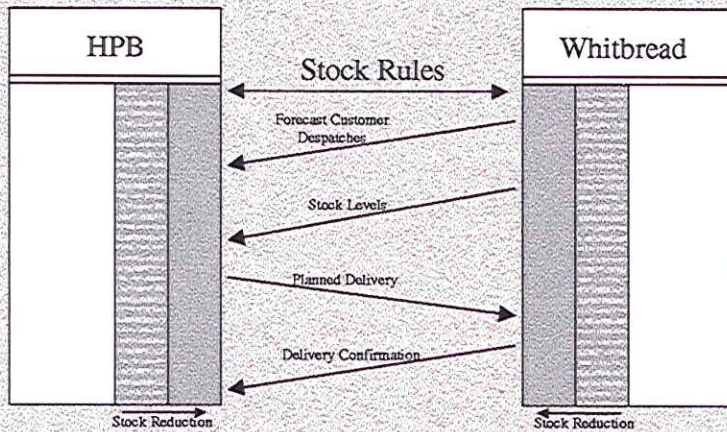
Remove Non-Value
Added Activity



Pre - CMI: Process Map



Post - CMI: Process Map



Post - CMI: Information Exchanges via EDI

CMI - HPB Benefits

- Visibility of HPB Products in Whitbread Depots
- Efficient Stock Management within Whitbread and HPB
- Improved Availability of HPB Products to Whitbread Consumers
- Improved Customer Service
- Cementing the Trading Partnership
- Value Added Service to other Customers

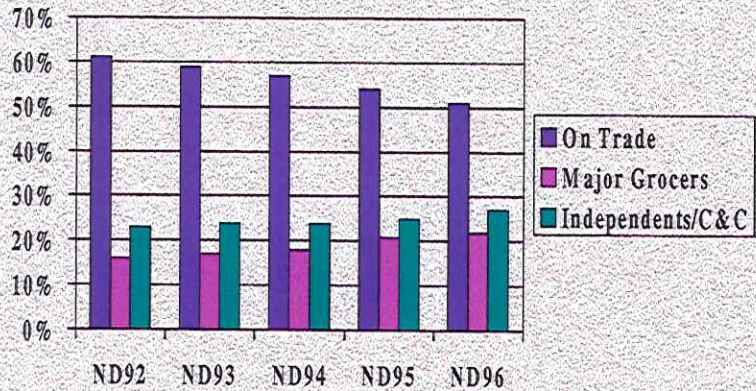
5. Future Trends

Internet and the Web

- Encourage Consumer Purchasing
 - HPB Website
- Engender Customer Selling
 - Customer Specific Web Access
 - Opportunity with Non-EDI Enabled Customers
- Opportunity to Implement with HPB Suppliers
- Cementing Trading Relationships

To complement/replace EDI?

Total Cider Market



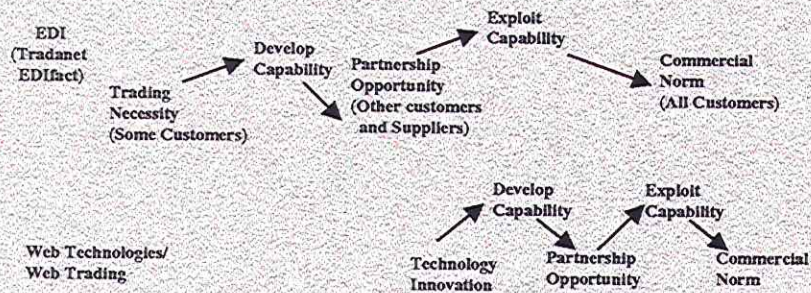
Source: Statu MR

Electronic Commerce has Two Components:

- Electronic Commerce is the Electronic Interchange of Information, Goods, Services and Payments
- Electronic Commerce is the Creation and Maintenance of Web Based Relationships

Cambridge Technology Partners

1990 91 92 93 94 95 96 97 98 99 2000 01 02



Web Applications Architecture

