

# Largest Grocery Retailer Set To Deliver With New eXchange Supply Chain Solution

**Company:** Foodstuffs NI & SI - New World, PAK'nSAVE, and Four Square

**Industry:** FMGC

**Solution:** Supply Chain Solutions

**Results:**

- Effective 99.99% uptime.
- Processing 50,000+ messages per hour.
- One source of data and truth.

## Customer Profile

Foodstuffs are the country's largest grocery retailer and distributor, there banners include New World, PAK'nSAVE, and Four Square. It is a proudly Kiwi-owned and locally-operated business employing more than 30,000 people nationwide.

With over 200,000 customer transactions per day, they handle more than 73 million annually and interface with over 3000 suppliers to process invoices and PO's.

## Challenge

With such a large disconnect between technological aspirations and implementation, legacy supply chain platforms weren't designed or implemented, for a world of fast-changing technological innovation.

Gartner research tells us that supply chain leaders perceive technology primarily as a competitive advantage. But 80% of organisations favour a cautious approach when it comes to adopting new supply chain applications and technologies.

Integrations with Foodstuffs' existing system – based on BizTalk integration, an SQL Server, and a variety of web applications – had become challenging for an ever-growing list of vendors. This was slowing Foodstuffs' capacity to move groceries from suppliers to the store shelf.

**"Failure to successfully deliver could potentially mean no bread and milk on the shelves in half the food stores in New Zealand."**

*- Ana Connor, Master Data Operations,  
Foodstuffs South Island*

To compound the issue, Microsoft's support of BizTalk was ending, so Foodstuffs were working against the clock.

They identified their supply chain technology wasn't going to deliver into the future but an overhaul project was risky.

## The Solution

Instead of just rebooting their rapidly declining eXchange, Foodstuffs seized the opportunity to evolve the platform into something fit for future developments.

**"I wanted our new eXchange to evolve from handling supplier invoices and purchase orders to serving as an eCommerce platform able to flex with any kind of integration work customers and suppliers might need."**

*- Chris Monkton, Purchasing Process Owner, Foodstuffs North Island*

Sandfield's developer team set about implementing a new, highly integrated eXchange portal on a flexible architecture that specifically aligned with Foodstuffs' eCommerce ecosystem vision.

Atop flexible foundations, Foodstuffs' new eXchange portal delivered three core functions into one user-friendly portal:

1. **A Supplier-centric Portal** – By integrating data from two other Foodstuffs' systems (Data eXpress and SRM (supplier relationship management), everything from purchasing, invoicing, and delivery forecast notifications, through to advance shipment notices and supplier communication, are now managed in one place, with one login.

Which historically required three separate logins - the new portal delivers visibility over transactions, interactive vendor EDI configurations, and trading party relationship maintenance.
2. **EDI Integration** – Used primarily for purchasing and invoicing transactions, this critical integration accounted for over 80% of their transactions. Crucially, it means one source of data and truth for the entire Foodstuffs' team.

Transacting electronically also ramps up efficiency by removing manual data entry tasks that introduce errors and take valuable time away from building effective relationships.
3. **Product Information Management (PIM)** – Suppliers can now update product information, including composition, allergens, images, weight, size, and more. And for a company that receives product data from about 400 suppliers from the GS1 national product catalogue, the eXchange now integrates these data feeds which reduces supplier administration when adding a new product or modifying their range.

Because Sandfield manages oversight of the entire environment the platform is primed to evolve rapidly to increasingly sophisticated future requirements.

### The Results

A busy Christmas season followed by the COVID lockdown put the new eXchange to the test immediately, processing more than 200,000 transactions daily. At times, the eXchange was processing 50,000+ messages per hour (usual trading periods see about 80,000 messages per day).

“Despite the rising volume of orders we processed during COVID lockdown, I have no complaints,” said Chris Monkton, Purchasing Process Owner, Foodstuffs North Island. “I am really proud of that and the system. It’s the uptime that I really appreciate, the new eXchange now has effectively 99.99% uptime, that’s what matters for us. And on that 0.01% occasion it’s down, it’s very responsive to being fixed.”

The in-built system flexibility has paid off bigtime. And it’s set Foodstuffs up to have more time to move faster on new developments to continue growing their business.

**“The end goal for the eXchange is a fully rounded eCommerce and supplier ecosystem. So no matter what businesses are dealing with us on – PO’s, transactions, product ingredients – we want a single environment where they can come to and do everything they need to do with us.”**

*- Chris Monkton, Purchasing Process Owner, Foodstuffs North Island*

“The very orderly and smooth process enabled by the new eXchange means my role has been able to evolve. I’ve been able to look deeper at the work Sandfield is doing with other clients and identify some of their clever developments to apply to Foodstuffs,” he added.

The Sandfield team manages the entire eXchange tech stack so there are no third-party platforms providing unknown variables. Combined with adaptable foundations ensure cost-effectiveness and efficiency as Foodstuffs evolves.

A flexible system means flexible operations.

**“...eXchange allows us to be nimbler and even more responsive to technological advancements, ensuring we remain well-placed to deliver the best trading experience with Foodstuffs.”**

*- Ana Connor, Master Data Operations, Foodstuffs South Island*

Phase 2 is already underway with Foodstuffs and Sandfield teams reducing operational costs and improving processes, including automating the claims and

credit process, providing suppliers with self-service statement reconciliation, and providing an API for suppliers so they can integrate directly with their own systems.