



Woolworths gets full worth out of the mySAP.com solutions.

Woolworths UK, a highly successful chain of highstreet stores recently scored a ground-breaking coup by becoming the world's first interactive retailer. Woolworth's target was to reach over 2 million customers in time for the Christmas peak season. The solution was to introduce SAP's Article Master running on IBM AS/400.

Woolworths, part of the Kingfisher Group, is a classic example of a solid, ubiquitous retail chain. With 800 stores and 35,000 employees in the UK, the company has a strong presence throughout the country. As the UK number one retailer of entertainment and confectionery products, Woolworths wanted to develop its home-shopping customer base and chose to do so using a combination of trusted IBM hardware and SAP software.

Asked what the business goal of the project was, Programme Manager Neale Almond says, „We wanted to provide an interactive shopping service for new and current Woolworth's customers through their TV sets. Our target market are the people who have Sky TV and On Digital set-top boxes; these are our kind of customers.“

Woolworths, a long-standing customer of IBM, previously implemented the SAP financial modules and was confident that both IBM and SAP were the only companies that could provide a reliable, scalable solution in a very short time span. Given just twelve weeks in which to complete the project, IBM and SAP delivered the system promptly, allowing Woolworths to reap the benefit of peak pre-Christmas sales, as well as making them the first business in the world to exploit the new and lucrative interactive shopping market.

Swift, secure and stable

„We wanted to open up this area quickly and be the first to market,“ explains Neale Almond. „The speed of implementation and integration was key. It was only a matter of days to set up the new IBM AS/400 server that supports our environment, and the whole system was ready in just three months. That was only possible because of the level of involvement and partnership of IBM and SAP.“

The interactive Woolworths shopping site is now available in over 3 million homes, processing on average 2,000 sales a week. Neale Almond is very pleased with the way the solution has worked: „It has performed very well; we have had no

Industry	Retail
Application	SAP R/3
Software	OS/400 DB2/400
Hardware	AS/400



problems whatsoever. It's very robust. When it was first online over Christmas it easily dealt with a considerably larger volume of transactions and has room for a lot more." (Awaiting Xmas figures)

The whole enterprise was seen as the perfect opportunity for Woolworths to enter the electronic marketplace in a relatively low-risk way. The IBM AS/400 was tried and tested and Woolworths was confident in SAP, having used a previous component of its software; the potential benefits were enormous. It also enabled the company to dip a toe in e-commerce waters before they invested in other areas of e-business like a website or a shopping site, which would allow customers to buy Woolworths products over the Internet.

e-commerce at its best

SAP's role in the interactive TV shopping service is critical. Neale Almond explains what it does: „Woolworths uses SAP's Article Master and Product Catalogue to manage the content available on the shopping service, i.e. the particular products Woolworths is selling their – price, and any other relevant information.“

SAP's Article Master software works by integrating with the On Digital technology: the customer sees something he wants to buy on the site and types his order in via a keyboard linked to the On Digital box, and the box then interfaces with the SAP software. SAP then uses its IS-Retail functionality to process that order and send it to the computers at the warehouse distribution centre. At the same time the software collects and stores details on that customer – i.e. what they like to buy, how much they spend – which can be used for marketing analysis and for targeted promotions.

Asked whether Woolworths will continue to move towards interactive shopping, Neale Almond is very positive, „Yes, we have big plans for the future. There were a lot of financial benefits to opening up this market – and in being the first off the blocks – and we are currently extending out to other enterprises. The IBM AS/400 allows us to keep the projects separately on one server with the Logical Partitioning (LPAR) functionality and thus enables us to fully exploit the platform. We are working on a big Web site and two other digital TV outlets,

so we need to have a flexible platform, and we know we can rely on the IBM and SAP solution to take us into the future.“

Pulling together

The extremely swift time-to-market was even more impressive considering the number of factors that went into getting the system up and running: there was a lot more to the launching of the interactive retail platform than just the IBM and SAP installation. In terms of hardware and software, Woolworths chose to work with companies and products that they were familiar with, in order to leave them free to concentrate on the more testing aspects of the project.

Building what was effectively a completely new e-mail-order subdivision of the company's retail services involved meeting and beating technical challenges in close co-operation with On Digital, the company that provided the set-top boxes through which home customers interact with the Woolworths site.

Woolworths relied completely on the dependability of the IBM AS/400, because thanks to its longstanding relationship with IBM, it knew the hardware very well, was very good at running it and very happy with it.

„The reliability of our IT infrastructure is critical to our daily operations, and the IBM AS/400 is the core platform for all Woolworths operational systems.“

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