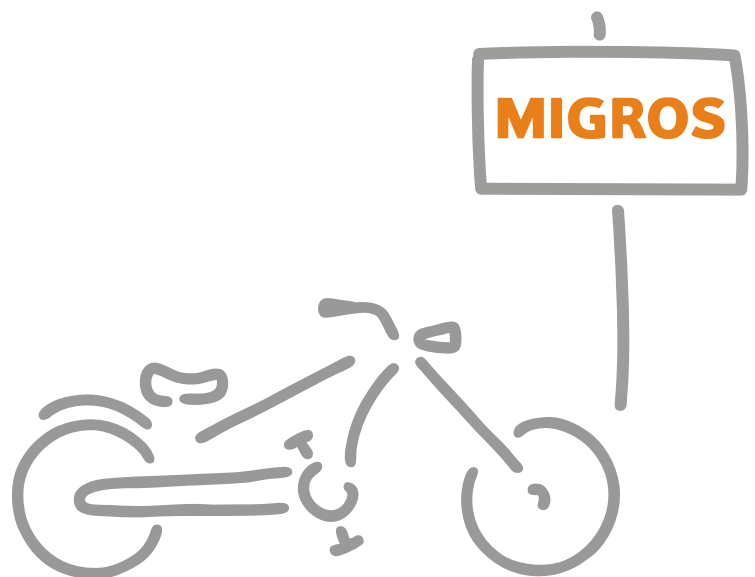


project case

Migros Supplier System "MLS+"

"The electronic procurement management solution with its EDI web-client access makes our ordering process efficient and cost-effective. We are totally satisfied!"

Marc Inderbitzin, Head of Supply Chain Information Solutions, Federation of Migros Cooperatives, Zurich



The Federation of Migros Cooperatives

On behalf of the Federation of Migros Cooperatives, Sowatec completely updated and extended the capabilities of the electronic procurement management EDI software solution for Migros' suppliers.

Our customer and the project

Migros is Switzerland's largest retail company. It is an association of different cooperatives, represented by the Federation of Migros Cooperatives. Retail accounts for over 60% of core turnover, with various other specialist stores, restaurants, travel agents and Migros Bank generating the remainder. The Group employs more than 97,400 people in over 1000 branches, specialist retailers/stores, gastronomy operations and restaurants. The revenue of the Migros Group in 2016 was 27.7 billion Swiss francs.

Challenge

Our partnership with Migros goes back 14 years. They have been successfully using our individual EDI (Electronic Data Interchange) solutions since 2003. This allowed over 300 small and mid-sized suppliers to connect to a SAP-based ordering system. To keep up with current technology and meet modern demands (e.g. web client access and group-wide application) Migros announced an invitation to tender for the development of a new solution in 2015.

Goal

Our customer was looking for a tailored software solution, which would enable efficient, cost-effective electronic data exchange between themselves and their suppliers. The aim was to better support business processes and improve procedures throughout the logistics chain.

This included:

- Digitalisation and automation of all processes between suppliers connected to the Migros SAP ordering system
- Software operation via a web browser
- Option of deploying the solution throughout the Group, e.g. interio, Globus, Office World (which have their own SAP instances)

Solution

In close collaboration with the customer, we implemented "MLS+", a modern web application that digitally automates and manages the whole order process and all related support processes including:

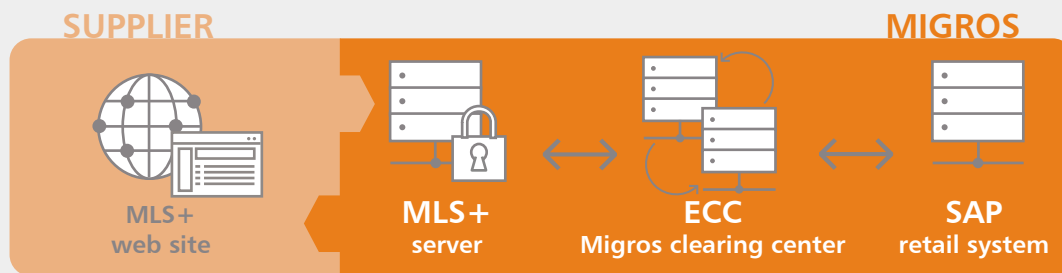
- Contract administration
- Product management
- Electronic support of the ordering process
- Merchandise planning
- Delivery planning and control (e.g. direct delivery from supplier to Migros Markets)
- Warehouse management (e.g. stock control, reception and withdrawal of goods)
- Billing and invoicing

Our system enables the customer to handle over 20 different types of ordering processes. The software is supported by the customer, with Sowatec providing second level support.

“MLS+” - a convincing solution:

- Over **CHF 650 million turnover annually** in “MLS+”
- Over **575,000 orders** per year
- Over **518,000 delivery slips** per year
- Over **568,000 invoices** per year
- Over **164,600 articles** in the system
- Over **2,500 users**
- Over **300 suppliers**
- Approx. **10% increase in user numbers** annually

“MLS+” Integration



Advantages of the solution:

- Consistent end-to-end digital process
- Electronic process support
- Enables more efficient business processes
- Fast and safe information transmission
- Connects suppliers to ordering system quickly and easily
- Suppliers do not have to invest in EDI infrastructure
- Modern web front-end with high usability

In Conversation

Sowatec spoke to our long-standing client and partner Marc Inderbitzin, Head of Supply Chain Information Solutions for the Federation of Migros Cooperatives.

What challenges did you face during the project?

One of the challenges was managing the entire project with a relatively small team, including internal and external coordination and ensuring quality control throughout. Thanks to our many years of experience with WebEDI and agile planning, we were able to identify, together with Sowatec, upcoming issues early on and take appropriate measures to deal with them. The entire team did a great job!

What feedback did you receive from suppliers using the software?

Prior to the development of this new software, we worked with selected suppliers on design and usability, using User Centric Design principles. In conjunction with a group of users that we worked with for the entire duration of the project, we developed a user persona and a prototype solution, which was immediately subjected to user testing. Following migration to the new system, the feedback from suppliers responding to our survey was positive. Of course there are always things that could be improved, and we are in a process of continual optimization.

What was working with Sowatec over the last 14 years like?

Sowatec has proved to be a solid and reliable partner over all the years we have worked together. Working with Sowatec is a positive experience. They understand customer processes and come alongside you to develop solutions together. Sowatec has also demonstrated an understanding for our operational issues (support/care) over the last few years, always delivering prompt solution proposals to our enquiries.

(continued on the back-page)

“ Following migration to the new system the feedback from suppliers was positive. ”

Sowatec AG

Mattenstrasse 14
CH-8330 Pfäffikon ZH
T +41 44 952 55 55

Sowatec Solutions AG

Taunustor 1
D-60310 Frankfurt
T +49 69 77 07 62 30

Sowatec (Luxembourg)

S.à r.l.
33, rue Gabriel Lippmann
L-5365 Munsbach, Luxembourg
T +41 44 952 55 55

How is the software solution performing in your subsidiary companies?

Our aim, as EDI Competence Centre for the entire Migros Group, is to win a large number of Migros companies over to EDI. We hope to demonstrate the obvious advantages of a WebEDI solution for both suppliers and the Migros Federation. Our team and WebEDI software are recognised partners of over 15 Migros companies.

What plans do you have for further development? What potential do you see for application?

Our strategy is to expand WebEDI software use throughout the Migros Group and among our suppliers and increasingly establish EDI as an instrument of efficiency in the supply chain process.

Is there a need for even greater digitalisation or process automation in logistics and procurement management at Migros?

Companies in the Migros Group are investing in a variety of digitalisation projects. Our priority is always the customer benefit and efficiency.