

HOW AXFOOD MAKES PROGRESS



BECOMING THE PRIMARY SCANDINAVIAN FOOD RETAILER

When Axfood was created through the merger of various Scandinavian food retailers, it was faced with different IT systems and solutions from various companies. Integrating those solutions was a prerequisite for realizing the higher efficiency that such a merger would bring. Axfood turned to Progress Software for its integration platform using Progress® SonicMQ® and Progress® Sonic ESB®.

Listed on the OM Nordic Exchange, Axfood AB is one of the largest food retailers in Scandinavia to unite disparate IT infrastructures and provide the strategic foundation for integration of partners in the delivery chain. In 2006, the company had consolidated sales of 28.8 billion SEK (3 billion Euros) and over 7,000 employees. The Axfood Group owns 224 stores in Sweden, with more than 500 additional stores run by independent merchants tied to the company through franchise agreements. In Sweden it has a market share of over 15 percent.

axfood

CHALLENGE

Gain greater efficiency to become the primary Scandinavian food retailer by integrating acquisitions

SOLUTION

Full-scale enterprise integration that can scale to handle growth and high-volume POS, supplier, partner data across disparate applications

BENEFIT

Reduced order-to-delivery time from 3-to-2 days; enabled adding new solutions for future business processes with minimal incremental investment

MERGERS AND ACQUISITIONS

In the autumn of 1999, the largest owners of Axfood decided to combine their associated companies in the Swedish food market in order to respond to the increasing demands for higher efficiency, better brand recognition and further synergistic effects. Through mergers and acquisitions; Axfood was formed with the objective of becoming the prime food retailer in the Nordic region.

“As a direct consequence of this consolidation, we were left with a very diverse IT infrastructure with many different solutions,” says Mats Munkhammar, chief of IT architecture at Axfood. “So we had to go and look for a central integration engine, a platform that would allow us to keep our existing solutions while adding on new components and removing old ones when the time came.”

AMBITIOUS INTEGRATION PROJECT

Axfood anticipated investing approximately 200 million SEK (21 million Euros) in a common IT platform for the Group’s core businesses in order to achieve full integration of its wholesale and its retail operations.

“It is a huge project indeed because it involves the entire organization”, says Johan Edlund, an account manager with Progress Sweden. “By integrating the various IT solutions, Axfood wants to cut the delivery time from the moment when a store orders a product to the actual delivery from three to two days. And that involves not just every department of the company but also external parties such as suppliers, transportation companies, etc.”

After a careful review of integration platform products, Axfood chose Progress. Mats Munkhammar explains: “You know, we looked at all the solutions on the market, talked to different parties, and found that the sales people from Progress Sweden were the ones who actually listened to what we were saying and what we wanted to achieve. They gave us the feeling that they were really interested in solving our problems. And best of all: they had excellent products to do that.”

“The Progress Sweden sales people really listened to what we were saying. They gave us the feeling that they were really interested in solving our problems and they had the products to do just that.”

*Mats Munkhammar
Chief of IT Architecture
Axfood*

FLEXIBLE, SCALABLE AND VERSATILE

Axfood uses two of Progress' products: Progress SonicMQ and Progress Sonic ESB. Axfood knew that Progress' products offer the fastest and most flexible Internet-ready messaging system that seamlessly integrates disparate applications. SonicMQ handles transport of messages in a secure and reliable way, and is also one of the core elements of Sonic ESB, that combines standards-based messaging, Web services, XML transformation and intelligent routing to reliably connect and coordinate the interaction of applications across and between enterprises.

"That was exactly what we were looking for. We wanted a platform that would not just allow us to integrate our current solutions, but that could also scale to embrace any future business processes we would want to tackle," Munkhammar explains. "The fact that Sonic ESB comes with adapters for over 300 types of applications and systems and that new ones are being developed everyday was the clear proof that we had made the right choice."

POLLING PROTOTYPE

In the prototype phase, Axfood developed a project for picking up point-of-sale data from a store and sending these to a central data warehouse. The idea was to see if the products could handle the extremely high volumes that would be generated when Axfood integrated the information from stores through this platform as well as the data generated by other interested parties such as suppliers and logistics companies. "And that worked very well. So far we have not come across any problems", says Munkhammar. "We've also had a lot of support from the Progress Sweden and Progress technical support and professional services guys in getting the system up and running. I'm quite sure that the solution will live up to our expectations once we start firing on all engines."

TREMENDOUS VALUE

For Mats Munkhammar, it is clear that there will be many similar projects in the years to come, because there will always be old and new systems that have to be integrated to support the extremely fast-moving retail industry.

“We do know that it is a very ambitious project, but we have not put any strict time frame on it, we just want to do it right without rushing into the unknown. Sure, it will be a tough process, but we wouldn’t have tackled it if we were not convinced that in the long run it will bring us tremendous value.”

Johan Edlund emphasizes that it was not just Progress Sweden that provided expertise and support to Axfood derived great value from its base of well-trained and experienced consulting and integration partners.

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

WORLDWIDE HEADQUARTERS

Progress Software Corporation, 14 Oak Park, Bedford, MA 01730 USA
Tel: +1 781 280-4000 Fax: +1 781 280-4095 On the Web at: www.progress.com

For regional international office locations and contact information, please refer to the Web page below:
www.progress.com/worldwide

Progress, Sonic, SonicMQ and Business Making Progress are trademarks or registered trademarks of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademarks contained herein are the property of their respective owners. Specifications subject to change without notice.

© 2009 Progress Software Corporation and/or its subsidiaries or affiliates. All rights reserved.
Rev. 10/09 | 6525-128537

