



Services

Retail

webMethods Integration: Thank Heaven for Web Integration 7-Eleven



7-Eleven, Inc. is the undisputed leader in convenience retailing, with more than 24,000 stores worldwide. In fact, the company has been pioneering the convenience store concept since 1927 when an enterprising employee of the Southland Ice Company in Dallas began selling milk, bread and eggs in addition to ice blocks on Sundays and evenings when grocery stores were closed.

Today, the company operates in 19 countries and U.S. territories and generates worldwide sales in excess of \$33 billion. Or put another way, it sells enough Big Gulps in a year to fill 75 Olympic-sized swimming pools, and enough gallons of milk to ensure every man, woman, and child in the United States got at least two healthy servings. Headquartered in Dallas, 7-Eleven employs more than 33,000 people, plus provides career opportunities of thousands of Franchisees and their employees.

The Challenge

Maintaining a supply chain and distribution network to support the more than 5,800 stores in the United States and Canada is a gargantuan task. 7-Eleven must coordinate orders with close to 1,700 suppliers, to deliver products to its stores on a daily basis. That requires a much larger degree of coordination with suppliers than say, large grocery stores, where products are delivered on a weekly or twice weekly basis.

Over the years, 7-Eleven has taken advantage of Electronic Data Interchange (EDI) technologies to automate the exchange of orders and business documents with some of its

largest partners, but many of its smaller suppliers don't have the infrastructure in place to support EDI, nor can they justify the cost. For those suppliers, 7-Eleven has had to rely largely on manual processes. Paper invoices are faxed, mailed or emailed into the company, and manually keyed into back-end financial applications.

"EDI required us to have partners on the other end with the same level of EDI capability to make the transactions work," notes Keith Morrow, vice president of Information Systems for 7-Eleven. "We have many small and medium-sized suppliers that would never have the wherewithal to get on EDI and be able to take on the expense, such as translation charges, and the like. It's been a chronic issue for us."

An answer to the challenge appeared in the form of an Internet-based business portal for the suppliers. However, in order to maximize the benefits of such a deployment, 7-Eleven needed to flow business transactions from the portal directly into its existing legacy systems.



The Solution

In early 2002, 7-Eleven selected the webMethods Integration Platform as the backbone for the project. The company also chose EDS, a webMethods partner, as its systems integration partner. Morrow says key factors in selecting webMethods were its built-in support for a wide range of existing EDI standards and its demonstrated record for reliability, scalability and performance. While some vendors were able to do one or the other, he says webMethods stood out for its ability to offer the complete package.

The first phase of the project was launched in the spring of 2002, essentially consisting of a Web-based portal for exchanging orders and other business documents with suppliers. Using the method of the supplier's choice, be it EDI, a Web page with forms, or FTP, 7-Eleven has been able to automate such transactions as the exchange of purchase orders, acknowledgements and invoices.

Furthermore, the webMethods Integration Platform is being leveraged to integrate the exchange of business documents directly into 7-Eleven's legacy mainframe applications. Using the webMethods Integration Platform, data is formatted and placed into a flat file, which is sent via FTP into the appropriate mainframe application.

The Results

7-Eleven is experiencing dramatic benefits in both its demand chain and internal operations as a result of the integration project. For starters, thousands of invoices a month are now being exchanged electronically with suppliers and synchronized automatically with the company's financial applications. That has significantly reduced the

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amount of manual keying that took place in the past and reduced associated errors. Field and store

operations are also benefiting from the move, as the electronic exchange of orders has improved turnaround times and visibility into the supply chain.

Morrow says suppliers appreciate the initiative because the use of the Internet has eliminated the barrier-to-entry costs that existed with EDI in the past, and they no longer have to exchange truckloads of paper with 7-Eleven. Even large suppliers that were already on EDI have benefited, as the platform's support for a wide range of EDI standards has helped to reduce VAN charges.

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The Work Ahead

While work is proceeding on a number of fronts, 7-Eleven is also setting its sights further down the road. With a robust integration backbone in place, the company anticipates being able to further automate many of the labor-intensive workflow processes that exist today.



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