

EDEKA gains competitive advantage with DB2 data warehousing solution.

Overview

■ **Application**

Enterprise-wide data warehouse for integrating information collected from retail stores and warehouses

■ **Business Benefits**

Ability to adapt more quickly to changing business conditions, with 50% faster responses to data warehouse queries, higher availability and richer marketing data; improved end-user productivity with more reliable application; reduced administration costs; ability to leverage existing skill base

■ **Software**

IBM DB2® Universal Database™ for iSeries™; IBM DB2 Connect™

■ **Hardware**

IBM @server iSeries 830; IBM TotalStorage® Enterprise Storage Server™; IBM TotalStorage Enterprise Tape System 3590

■ **Business Partner**

becom Informationssysteme GmbH

■ **Services**

IBM Business Consulting Services



Customer transaction data is automatically extracted, transformed and loaded into EDEKA's data warehouse and used to make highly informed business decisions.

EDEKA Handelsgesellschaft Hessenring GmbH (EDEKA), a German food wholesaler and retailer, rises and falls with its ability to forecast product demands and identify emerging market trends.

That's why the Melsungen, Germany-based company implemented its first data warehouse based on IBM DB2 Universal Database a few years back. The retail industry is fiercely competitive, and EDEKA felt a data warehouse would give it an advantage by providing the ability to conduct analysis on information such as sales turnover and inventory levels.

“We did evaluate Oracle, but we chose to stay with DB2 because of our prior success with the IBM information management software.”

*—Sven Hohmann, Manager,
Data Warehouse Solutions,
EDEKA Hessenring*



A subsidiary of one of Europe's largest retail trade cooperatives, EDEKA is well known to German supermarket shoppers.

In fact, the data warehouse became so valuable that it couldn't keep pace with EDEKA's business growth. Over the past two decades, EDEKA has rapidly expanded to include 60 wholly owned supermarkets and 1,000 retailers in the Hessen and Thuringian regions of Germany. Today, the company has 6,100 employees and 2002 annual revenues exceeding €1.46 billion (US\$1.66 billion).

As its business grew, so did the number of data warehouse users. Problem was, as additional users began requesting increasing amounts of analysis, the system slowed down. "It was a strategic imperative that our IBM DB2 data warehouse perform at the highest possible level," says Sven Hohmann, manager, data warehouse solutions, EDEKA.

With an eye toward future growth, EDEKA recently made a strategic decision to move its data warehouse from its existing hardware platform

to the fast, scalable IBM @server iSeries 830 system. "DB2 running on an iSeries system provides us with a highly scalable and cost-effective platform for our data warehouse," says Hohmann. "We now enjoy more valuable data, delivered faster and at lower costs."

EDEKA strengthens marketing strategies with DB2

By migrating its data warehouse to DB2 for iSeries, EDEKA gains a business intelligence infrastructure that delivers a wide variety of valuable marketing information faster and more efficiently. For instance, EDEKA's analysts in various business divisions—central buying, financial control and logistics—rely on the information to track sales at the wholesale level. Also, analysts can measure the volume of returned goods, determine the reasons for changing shopping patterns and then suggest corrective measures. Accordingly, the system improves employee productivity, reduces operating costs and optimizes IT and business resources.

"By working with IBM Business Consulting Services and IBM Business Partner becom, we were able to stay focused on our business throughout this implementation."

—Sven Hohmann

Direct queries to the new warehouse are now 50 percent faster, thanks to the speedier transaction-processing capabilities of the iSeries. "Running the data warehouse on an iSeries has improved system performance significantly," says Hohmann.

Improved data interpretation

From their Microsoft® Windows®-based PCs, users leverage IBM DB2 Connect and business intelligence software from IBM Business Partner Business Objects to access sales information and to track, understand and manage the wealth of information stored in the data warehouse. "The new system has really improved our understanding of the information we collect," says Hohmann. "It allows our business managers to make decisions more quickly, thanks to the rapid response to their queries."

The information in the data warehouse updates within an hour of sales activity, assuring that the data is always fresh. "Through more timely business analysis, EDEKA can anticipate market patterns much more accurately," says Hohmann. "That allows us to forecast demand growth and suggest corrective measures in the event of a sudden surge in returned goods, for example. So it really helps us respond quickly to changing business conditions and competitive pressures, and differentiate ourselves in the marketplace."



EDEKA business analysts can now retrieve critical business insights 50 percent faster as a result of the company's IBM DB2 and iSeries-based data warehouse.

IBM BCS lends its expertise

EDEKA worked with IBM Business Consulting Services (BCS) to migrate its data warehouse to the new hardware platform. BCS also provided its project management expertise to ensure that the migration went smoothly. "We chose BCS because of its extensive data warehousing knowledge," notes Hohmann. "On the product side, in the interest of due diligence, we did evaluate Oracle, but we chose to stay with DB2 because of our prior success with the IBM information management software."

The warehouse is a repository for sales data that is uploaded from transaction systems, also based on the iSeries system, located in 15 key cash-and-carry supermarkets. The data warehouse also tracks wholesale goods that flow from EDEKA's 3 wholesale warehouses to more than 800 independent stores. Each of the 15 EDEKA supermarkets and the 3 wholesale warehouses has its own iSeries system. EDEKA leverages an extract, transform and load (ETL) application written by BCS and IBM Business Partner become Informationssysteme to feed sales information into the data warehouse.

The solution provides resiliency by leveraging native iSeries backup and restore functionality with IBM TotalStorage Enterprise Storage Server (ESS) and IBM TotalStorage Enterprise Tape System 3590. Data is updated from the stores and warehouses once a day using TCP/IP connections as opposed to the physical tape transport used previously, saving considerable money.

“By working with BCS and IBM Business Partner becom, we were able to stay focused on our business throughout this implementation,” explains Hohmann. “That was important to us because we couldn’t afford to have anything distract us from our day-to-day operations.”

Data warehouse will continue to expand

EDEKA’s iSeries system currently processes millions of sales transaction records each day, and plans are in the works to add additional storage capacity. EDEKA expects its storage needs to continually expand over the next few years as data from store and warehouse systems feed into it.

Moving forward, the data warehouse will play a key role in addressing EDEKA’s ongoing efforts to better understand consumer shopping patterns. It will provide the information its executives need to deliver the right products to each store, based on accurate and up-to-date sales data.

“Today we are deriving incredible value from our updated IBM DB2 data warehouse system,” says Hohmann. “It empowers us to make much more logical business decisions, which helps us improve our profits significantly.”

For more information

Please contact your IBM representative, IBM Business Partner or IBM Direct at: 1 800 IBM-CALL.

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Silicon Valley Laboratory
555 Bailey Avenue
San Jose, CA 95141
U.S.A.

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