

International food distributor, Tree of Life, Inc. builds data mart for enterprise-wide view of supplier performance



Supplier performance is a key success factor in the fiercely competitive food distribution business. How quickly and how well suppliers fill orders affects not only service to retail customers, but also profitability.

So it's no surprise that the first data mart that Tree of Life, Inc. tackled is the supplier data mart, reports Jack Parker, Manager of Data Infrastructure at the St. Augustine, Florida-based international food distributor.

Owned by Dutch food giant Royal Wessanen nv, the company distributes natural foods and gourmet foods to more than 15,000 retailers across the United States, Canada and the Caribbean. Its customers range in size from chains, including WalMart and Safeway, to independent health food retailers. Tree of Life buys 55,000 items in hundreds of categories from over 4,000 suppliers. Leading brands the company distributes include Atkins, Twinlab, Knorr, KĒTO, Celestial, Health Valley, Ghirardelli, and Colavita as well as the company's own Tree of Life and Fancifood brands.

Enterprise-wide view

In 2003, management decided to regionalize its 14 distribution centers.

"Management wanted an enterprise-wide and regional view, to parallel our national and regional customer base," Parker explained. "Our large customers did not want to have to look at several separate reports. They wanted one report with all the information."

The need for a data integration solution became apparent once the company decided to create a data warehouse. It

would contain all the information that would be needed for function-specific data marts such as the supplier data mart.

Until late 2003, each of the 14 distribution centers across the United States was on one of two iSeries 830s (in St. Augustine and Dallas). In November, these two servers were replaced with a single iSeries Model 870 located in St. Augustine.

Tree of Life needed a way to Extract, Transform and Load (i.e., "ETL") the transaction, supplier and customer data into a single data warehouse repository.

RODIN for Data Integration

The IT team began looking for a data integration solution in the summer of 2003. They evaluated RODIN from Coglin Mill, an iSeries-native solution, and another well-known ETL tool that did not run on the iSeries.

"Functionally equivalent, RODIN was about half the cost," reports Parker. "With the other tool we would have had to purchase not only the software, but also switch to a new platform, add training, etc."

Not only is RODIN native to the iSeries -- making it extremely powerful -- but also Coglin Mill provides a way to get at data on other platforms. "We use Manugistics, which is Oracle-based, for our inbound and outbound transportation system. It is important to us that when we are ready to build a data mart with that information we can still use RODIN," Parker says. Tree of Life is staying current with RODIN PTFs, and Parker points to XML export support in the latest update as yet another open feature. "Tree of Life's parent,

Wessanen, is on another IT infrastructure platform. With XML we can easily export our iSeries data to them in a format they can use," he notes.

Rapid implementation

"We are delighted with RODIN," he reports. "We began to build the data warehouse in January and our first data mart went live May 1st."

In January, Parker's IT team began using RODIN to extract, transform and load the supplier and product data from the 14 distribution center libraries into a single RODIN repository (data warehouse). They had their first user review mid-February.

Meanwhile, a functional team headed by Rick Moller, Corporate Vice President of Merchandising - Natural Foods, began to model the supplier data mart, using Stratum, a client/server data mart solution from Silvon.

Parker and his team again used RODIN to load data into the supplier data mart from the data warehouse.

By early March, they had a data mart ready for users to review. In fact, Frank Patrick, Senior Vice President of Merchandising and the executive sponsor of the project was very happy that he could take some reports along to the industry's largest trade show in California. "He was able to show suppliers their performance right there," Parker says.

During March and April the supplier data mart was in pilot, and business managers were actively working with it in their jobs. May 1st the supplier data mart went live.

Business benefits

Tree of Life designed the supplier data mart to track three key supplier performance indicators:

1. Fill rate, or what percent of orders are completely filled by suppliers
2. Merchandise and inventory turns, used for product category management
3. Deals, for tracking that all distribution centers are getting the negotiated off-invoice purchasing incentives.

Business benefits include:

1. Better service to Tree of Life customers, thanks to "supplier scorecards"
2. Efficient category management
3. Increased gross margins.

RODIN easy to learn and use

Parker reports that RODIN was extremely easy to learn and to use, even for a non-RPG programmer.

"We basically taught ourselves, using the supplied tutorial. Then we had Alan Jordan from Coglin Mill come out for three days and review our approach. We wanted to make sure that we were using RODIN to its fullest capabilities. He checked that our architecture conformed to the Corporate Information Factory concept, and coached us on advanced features," Parker recalls.

Speed of implementation was crucial to Parker, and Tree of Life business managers.

"The data warehouse is critical to our business success because it helps us provide better service to our customers, and to improve gross margins. Tree of Life Corporate Vice President IT Terry Morris wanted a quick win to prove the concept. Without RODIN, we would still be working on integrating the data," Parker maintains.

"Perhaps the best testimony to the project's success is that functional managers are already vying for the next data mart! It looks like operations and buyers' scorecard will be developed in parallel next, so we can reduce costs and further improve efficiency," he concludes.

For more information please contact Coglin Mill at +1.507.282.4151 x45 or visit www.coglinmill.com