

Hannaford Brothers
IBM Software for System z–Customer Reference

Speaker: BILL HOMA, CIO Hannaford Brothers.

Hannaford is a grocery retailer in northern New England. We have 150 stores, plus 110 in Florida, plus we support stores for independent grocers.

Big-box retailers or almost any retailers are getting into the grocery business. And for us we thought that the cost of being in business was to have a supply chain as good as possible.

From the early 1980s and the 1990s our supply chain kind of matched our architecture for IT – it was highly distributed not very integrated. There was no one version of the truth, which prevented us from having accurate forecasts, which caused an increase in the amount of inventory in our warehouses and increased out of stocks on our shelves. Our decision at that point, our strategy, was to centralize as much as possible. Take the data and processing out of the store and put it in our corporate data center where we didn't have to synchronize it with anything and it was secure and available to everyone.

For Hannaford, the mainframe runs our entire supply chain. We had the z900 here in the building our data center of the building. We have upgraded that to a z9 in October. The upgrade took about a half hour and it was a flawless move. We expected performance to improve 30% to 35%. What actually happened is where performance improved by about 50%.

The advantage of it's managing all of our data through the z9 is that we have more control over it.

The z9 is really a server managing all the data that comes in from point of sale or from our warehouses. For an example, we have handheld terminals in the stores that our associates use in an aisle to place an order. That has really driven our out-of-stocks down and allowed us to place better orders. Our warehouse management system also runs on the z9. The accuracy of picking has improved dramatically. The error rate has fallen almost to zero.

One of the ways you measure supply chain efficiencies is the number of turns in your warehouse and I think we turn our inventory faster than almost any other gross retailer in the US.

Our vendor portal runs on WebSphere on the z9 on the Linux IFL. The main advantages for us for running WebSphere on the z was the element of virtualization. Managing 62 virtual servers versus 62 physical servers is a huge improvement in leveraging your resources - in scalability and just managing that complex environment.

Being centralized on the z9 in all the other processes has dramatically improved the total cost of ownership of our IT Infrastructure. We're saving hundreds of thousands of dollars by not having computer operators standing by. We actually have a smaller IT staff now that we did 5 years ago, we are managing probably 10 times of the power of processing. IBM understands the needs for business to have scalability, to have reliability, and to have some flexibility. And I think the architecture of the zSeries plays into the other things that IBM has delivered that makes that possible.