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Distributor Celebrates Enterprise Business Intelligence

Glazer's Enters Its Second Century and Raises Glass to Real-Time Analytics

by **Ken Murphy**, Senior Features Editor

Wholesale alcohol distributor Glazer's Distributors takes 400,000 orders each month, generates roughly 425,000 invoices, and makes 250,000 deliveries to customers in 15 US states, the US Virgin Islands, and Canada. As it neared its 100-year anniversary in 2009, the privately held, family-owned company based in Dallas, Texas, mapped out a vision for its second century as a distributor of many of the world's most recognizable brands of malt beverages, wines, and spirits.

This vision included continued acquisitions and expansion, and the adoption of a forward-looking IT infrastructure that would support an influx of data, all without sacrificing the personal, customer-first approach for which Glazer's is known. At the time, the company's legacy business systems were reaching end of life and were not equipped to handle the growing volume of data, nor were they able to support advanced reporting. Mission-critical processes to maintain customer service levels at the organization's high standards relied heavily on institutional knowledge. Continued growth would make this more difficult; a more centralized data strategy combined with more advanced reporting tools would help assure that operational processes — such as maintaining inventory optimization, forecast accuracy, and order fulfillment, to name a few — remain at optimal levels consistent with a world-class distribution organization.

As it toasted its second century, Glazer's realized that maintaining a customer-first focus in the wake of accelerated growth would necessitate the delivery of analytics capabilities that would allow end users to make insightful, informed decisions in near real time. Project G2C — signifying Glazer's embarking on its second century — was born.

Ryan Ross, Director of IT, Project Management Office, Glazer's Distributors

Delivering a Modern Platform

After thoroughly evaluating its existing IT landscape and determining if it could support its newly defined strategic objectives, Glazer's decided to implement SAP ERP as the centerpiece of a business transformation. The project kicked off in 2011 with a global blueprint, and a phased rollout commenced in 2012 with corporate headquarters and Louisiana locations going live on SAP ERP. Missouri, Kansas, and Ohio locations went live two years later to complete the project.

Near the beginning of the rollout, Glazer's realized that a new analytics platform would be a necessary component of its overall business transformation; once on SAP ERP, performance and integration issues with its legacy reporting systems were suddenly more apparent, and Glazer's wanted a system that offered seamless integration with SAP ERP. A search quickly narrowed to the SAP BusinessObjects Business Intelligence (SAP BusinessObjects BI) 4.0 suite, leveraging SAP HANA in a sidecar approach.

Glazer's opted for a sidecar SAP HANA implementation — where SAP ERP would remain connected to its existing non-SAP relational database management system and data would be replicated into SAP HANA — rather than migrate to an SAP ERP powered by SAP HANA environment. This decision was made in part because SAP S/4HANA was still in development at the time, and Glazer's wanted to wait until the solution was more mature before moving to it. By implementing SAP HANA as a sidecar data mart, Glazer's could still have the experience of real-time operational reporting in a virtual data model.

At a Glance

Goal: Create an enterprise analytics framework to support a company-wide SAP ERP implementation

Strategy: Implemented SAP BusinessObjects Business Intelligence 4.0 solutions leveraging SAP HANA as a sidecar appliance

Outcome: Real-time operational reporting with dashboards and reports that display real-time, on-hand, and on-order inventory and real-time, month-end sales analytics, and a single source of the truth for how business intelligence is consumed throughout the organization

"We evaluated many other reporting solutions, and we noticed that other tools process data and reports much slower than the SAP BusinessObjects BI suite, which consumes data models directly out of SAP HANA for optimized performance," says Ram Dev, Director of BI and SAP HANA at Glazer's.

The company's plan to leverage this deployment as a springboard for enterprise analytics included using most of the SAP BusinessObjects BI suite, such as SAP BusinessObjects Explorer, SAP BusinessObjects Analysis, edition for Microsoft Office, SAP BusinessObjects Web Intelligence, SAP BusinessObjects Dashboards, and SAP BusinessObjects Design Studio. "More companies are viewing data as a competitive advantage, and the SAP BusinessObjects BI solutions support that," says Dev. "We are not only interested in hindsight analytics, but insight and predictive analytics as well. That's the direction we are going."

Showcasing the New Solutions

To encourage adoption of its new analytics environment, Glazer's understood that a modern analytics platform was just the beginning; for users to come to the realization that they now had the tools with which they could make better and more timely business decisions, the company would also need to standardize reporting formats and data definitions. To provide an enterprise reporting foundation, Glazer's established a centrally governed business intelligence competency center (BICC) responsible for making calculations, definitions, and metrics consistent across its SAP systems. Its other mission was to determine agreed-upon standards for base reports so that, in the end, users in any department would have the same real-time view of the business.

For help defining a framework for its new enterprise analytics platform, Glazer's turned to Deloitte for guidance with designing a use-case approach that would align business priorities with the pain points users were experiencing. This exercise was intended to provide the right information directly to the right decision makers. With a complete and comprehensive view of the data, users could shift the focus from data preparation to data analysis — including self-service functions.

Deloitte helped Glazer's narrow the scope and define requirements by making sure the company was asking the right questions. For example, whereas Glazer's might have previously been content with historical insights, such as knowing how much the business grew in the past year, it could now be predictive by asking for details such as how to increase the percentage of new customers for a certain product line without impacting other products. (For more information on Deloitte's integral role in the project, refer to the sidebar at the end of the article.)

This was a key to the project's success, according to Ryan Ross, Director of IT, Project Management Office at Glazer's, because it helped crystalize the understanding that data is there to do far more than report historical

Glazer's Distributors

Headquarters: Dallas, Texas
Industry: Alcohol sourcing and distribution
Employees: 7,000
Revenue: $4 billion
Company details:

- Founded by Louis Glazer in 1909 as the Jumbo Bottling Company, which delivered flavored soda water from the back of horse-drawn wagons
- Became a beverage alcohol distribution company with the repeal of prohibition in 1933; Max, Fritz, and Nolan Glazer started Glazer's Wholesale Distributors, which was appointed Schlitz Beer distributor for Dallas, Texas
- Part of the federally mandated three-tier mechanism for delivery of beverage alcohol in the US (supplier tier, distributor tier, and retailer tier)
- One of the top five MillerCoors US distributors

SAP solutions:

- SAP ERP
- SAP BusinessObjects BI solutions
- SAP HANA
- SAP CRM powered by SAP HANA
- SAP SuccessFactors solutions

Deloitte Provides Critical Support for Transformation at Glazer's

In selecting a consulting partner to help guide them through the challenges of their transformation, leaders at Glazer's Distributors knew exactly what they needed. They needed a partner with clarity — a vision for how to deliver results.

"Deloitte came in and was very clear on the approach for the project, which team members would be required, and exactly what they would deliver," says Mike Adams, CIO and Senior Vice President for Supply Chain at Glazer's.

Cultural fit was also important. "A big concern was whether the cultures would match," Adams says. "And looking back over those three and a half years, thinking about a hundred people working in tight quarters, you couldn't tell a Glazer's employee from a Deloitte employee. It worked."

As Deloitte collaborated with Glazer's, one key challenge remained: managing change. "About three quarters of the way into the project, we didn't think we needed a group of people working on change anymore — we thought it had become unnecessary overhead for us," says Adams. "But Deloitte urged us to keep people focused on changing the organization. And, as a result, our people ultimately ended up seeing the worth of the SAP technology, the value in process reengineering, and the impact on people at different levels of the organization."

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"To use analytics as a competitive advantage in the marketplace, it was important to have that real-time view, and that's what SAP HANA delivers."

— **Ryan Ross**, Director of IT, Project Management Office, Glazer's Distributors

trends — rather, it exists to shape a forward-looking story. The transition to the entire business embracing analytics was transformative. "Glazer's is a 100-year-old company, and our business processes have been pretty much the same for a long time," he says. "This SAP project, implementing a new BI analytics system, is a completely new way of doing business for us. From a user-acceptance standpoint, it was a challenge for our organization to change that perspective."

Concocting the Right Approach

Because Glazer's wasn't simply replacing a BI system, but rather creating a foundation for enterprise analytics, it adopted an iterative project methodology to ensure consistency of calculations, definitions, and metrics across the impacted systems, as well as to ensure a single source of the truth by adhering to agreed-upon standards for all base reports. This sprint methodology, a hybrid of a waterfall and agile approach, gave subject matter experts and end users more design and development time and helped mitigate risks earlier because of a progressive integration of design elements.

"Typically, we have a waterfall methodology with SAP projects, but BI is completely different," Ross says. "We found the sprint methodology to be a successful approach; having multiple iterations in the design and development phases allowed users to test a use case and then make changes and re-present, essentially experimenting within a well-defined scope. It encouraged a culture of learning and user ownership."

The end result included a supply chain dashboard that provides such supply chain management metrics as on-hand inventory, on-order inventory, out-of-stock items, and inventory turns. Using SAP BusinessObjects Analysis, edition for Microsoft Office, Glazer's built a month-end sales analytics report that sales and marketing can use to monitor real-time sales orders on the last day of the month. Mobile applications include a real-time pricing app that transforms how sales representatives in the field interact with customers.

"To use analytics as a competitive advantage in the marketplace, it was important to have that real-time view, and that's what SAP HANA delivers," says Ross. "Without implementing SAP BusinessObjects BI on SAP HANA, we wouldn't have had the ability to mine the data out of the new SAP ERP system. Using these solutions, we're doing things that were never possible before, such as providing real-time, on-hand inventory." ■