

In Food Service, Business Agility Delivers Competitive Edge

At \$1.6 Billion in annual revenues, Maines Paper and Food Service, Inc., is one of the leading independent food service distributors in the United States. Servicing single unit and regional chain restaurants, educational institutions, healthcare facilities, convenience stores, cruise lines and camps, the company enters everyday into a struggle to provide a level of superior customer service that will separate it from its aggressive, and numerous, competitors.

Organizational Excellence is not Enough

To meet and exceed the service expectations of thousands of its customers' locations requires that operationally, Maines must be near flawless in the execution of its business. The company has found, though, that this is just the starting point in creating the differentiation it needs to compete successfully in a hugely competitive industry.

As Maines' customers grow revenue through market expansion and improved operational performance, they recognize that fewer distributors are qualified to provide the wide range of services required to meet these sometimes competing goals. They include not only the capability of operating an efficient distribution network over a wide geographic area, but also the resources to meet the supply chain and business integration requirements necessary to support operations on such a broad scale. In acknowledgement of this reality, Maines holds Information Technology to be a vital component to meet these requirements, and sees proficiency in it as a required element to be considered a top tier provider of services in the industry.

Overview

Company Name

Maines Paper and Food Service, Inc.

Solution Provider

EXTOL International, Inc.

Business Challenge

New customer demands that included rapid adoption of new business processes and high service level commitments required the implementation of an XML messaging format that the company's EDI infrastructure could not support.

Strategy

Implement a single B2B platform for all internal and external integration that Maines' existing IT team could deploy and manage.

Value Achieved

Demonstrated high degree of agility to major new customer, earned significant new revenues, and added the ability to rapidly accommodate virtually any B2B requirement without adding resources.

A Multi-Billion Dollar Contract Hangs in the Balance

At stake was a multi-year, multi-billion dollar contract to service one of the largest chain restaurants in the world. Successful closure hinged on Maines successfully meeting their customer's technology requirements, and on a scale it was unable to support with its current platform.

Maines' Extensive EDI Network Can't Satisfy New Customer Requirements

A major stipulation in the service level agreement was that Maines transmit data using the customer's proprietary Extensible Markup Language (XML) format. Despite the extensive experience the company had with Electronic Data Interchange (EDI), the X12 standard it supported was unable to meet the data and supply chain collaboration requirements of the agreement. The stark reality was that Maines had four short months to comply.

The Request for Data was not Insignificant

The service agreement called for Maines to provide unique product, pricing and availability statements daily for each of the 1000 restaurant locations covered in it. This would result in a very large amount of data being transmitted. The company also knew that other customers would be requesting data in an XML format soon, as the adoption of the protocol grew. The Maines IT group recognized that any go-forward plan they agreed upon must meet the immediate requirements of the contract. Wisely, they also realized that taking the most expedient action now might not be strategically sound. The Maines IT team agreed that whatever direction they chose must meet both the short term needs of their customer and support a future integration strategy that would make meeting requests like these routine and cost effective.

Maines Evaluates Outsourcing Development Versus Performing it in House

Like many mid-sized companies with limited resources, Maines had a development staff that was confident in its ability to create code that could overcome almost any technical challenge. In fact, up until now, writing custom interfaces was the company's standard mode of operation to meet requests such as these. It couldn't continue. Not only did Maines consider it expensive, but, modifying hard coded interfaces to accept new upgrades and enhancements meant unnecessarily long development and implementation cycles. Speed, and the reduction of cost, were the main tenets of the Maines strategic action plan. The decision was made to find a technology solution that would help the IT organization meet their goals.

Maines Looks First to Vendors within Its Technology Portfolio, and Finds the Answer

Given the short lead time of four months to fulfill its customer's XML and service level requirements, Maines didn't have the luxury of time to do a comprehensive analysis of all of the technology alternatives available in the marketplace. After dismissing the option of hiring a systems inte-

Maines Differentiates with Technology

Food Service Distribution has historically been a fragmented industry competing on price and service. Big companies, though, like to do business with other big companies, for a reason. As customers expand geographically, they expect their distribution partners to keep pace with their growth by supplying sophisticated planning and fulfillment capabilities. Relatively few distributors reach this level of sophistication in management expertise, distribution networks, and technical capabilities necessary to scale their operations to keep pace with the growth of their customers.

Maines understands that technology plays a central part in providing the services required by their customers. Maines views technology as a competitive differentiator, used both to manage its internal operations and as an aid to the companies it serves. Its EDI, and now XML, interchanges, allows Maines to integrate with suppliers and customers in their chosen format, and according to their business processes. The company offers Internet based buy and sell side functionality to reduce transaction costs for its customers. It also makes extensive use of wireless technologies that monitor key events in its transportation and warehousing networks. Information is critical to manage large scale supply chains. Maines offers reporting and analytics services custom tailored to meet customer data needs.

Maines has found that competitiveness is not just a function of price and service. Differentiating through technology is a key component of servicing, and satisfying, large customers.

grator, the company decided to evaluate offerings of technology vendors whose products were already installed in-house. It felt, with the time remaining, an already established working relationship would give the company a leg up in implementing and putting into operation the necessary technology.

Maines Selects Extol's Business Integrator to Support XML and Supply Chain Collaboration Requirements

Maines built its extensive EDI infrastructure around EXTOL's *EDI Integrator*. Founded in 1994, EXTOL provides B2B application integration software to the mid-market, and Maines was one of its original clients. Coincidentally, the technology vendor had just developed a Beta version of its EXTOL *Business Integrator*, a platform independent, J2EE based, integration broker that appeared capable of meeting Maines' technical requirements. Based on its long standing relationship, EXTOL's high level of credibility, and the capabilities of *Business Integrator*, Maines decided to begin implementation of the technology to meet its customer's XML requirement.

The EXTOL *Business Integrator* had never been put to the kind of test that Maines was about to run it through. The good working relationship that had existed between EXTOL and Maines was severely tested as 100,000 records, essentially a unique item catalog for each of the thousand stores, were submitted to *Business Integrator* for processing. Maines credits the persistence and commitment of the EXTOL development team as a major contributor to the project's success.

Maines Simultaneously Meets its Customer's XML Mandate and its Own Strategic Objectives

Maines met its customer deadline. Beyond that, implementation of the EXTOL *Business Integrator* represented the first step in an ongoing integration strategy that allows for one access point to all of the company's applica-

tions and systems, regardless of file and data formats requested or received.

In the many-to-many model of Wholesale Distribution, complexity rules, and lack of standards discourages attempts to integrate data electronically. Unfortunately, without deep B2B integration, the cost of transacting business continues to grow. Maines' customers understand this dynamic, and demand integration as part of their service level agreements. The company's CIO feels that his organization is "miles ahead" in terms of meeting integration challenges by adopting an integration platform approach rather than have an integrator deliver a one-off solution that would not scale to meet other customer requirements.

Lessons Learned by Maines are of Value to Other IT Group

The Maines IT group is certainly not the first challenged to develop new technical competencies in a very short amount of time. What is significant is that it resisted attacking the short term problem it faced with a solution that didn't contribute to its long term strategic direction. Maines recognized that the XML challenge it faced would be replicated many times over in the future, and took this opportunity to install technology that would give it the flexibility to meet similar requests in the future. It was not without risk. As the Maines CIO points out, no software is a silver bullet. A successful implementation must be supported by a well trained staff, and often there are significant operating changes that must be made to take advantage of its capabilities. Just as importantly, relationships between vendor and user in such a complex undertaking must be based on trust. Regardless of feature / functionality or perceived technical competence, without a full team commitment to the success of the project results will be sure to disappoint.

The Maines IT group demonstrated that it could meet the unique demands of its customer, and beyond that build a platform that allows the company to meet future demands of customers. In Food Service Distribution, IT flexibility is essential to create competitive differentiation. Maines recognizes this fact, and leads with its technology expertise and platform as competitive weapons to distance itself from the competition.

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Month 2005

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