HULFT Data Communication

HDC CASE STUDY

HULFT7e

7-Eleven Indonesia

HULFT Wins Praise from Overseas:
Perfect Solutions to Avoid Missing Sales Opportunities!
Thanks to Reliable Transfer of Product/Order Information
Among About 120 Stores in Indonesia

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Modern PutraIndonesia has been expanding its network of 7-Eleven convenience stores in Indonesia since 2009, and now it's using HULFT7e for product and order information transfers between its head office and stores. This has dramatically improved business efficiency and speed, and greatly reduced the company's expenses. See how HULFT7e is supporting 7-Eleven's rapid growth in Indonesia.

Mr. Sonny A. Liauw
PT.Modern PutraIndonesia
IT Director

Mr. Yuki Kudo
Senior Systems Analyst at Global Distribution Systems Department in Nomura Research Institute

User Profile

Modern PutraIndonesia

Jl. Matraman Raya 12, Jakarta Indonesia

Date of Establishment
November 7, 2009

Number of Stores
117Stores (as of December 31, 2012)

Modern PutraIndonesia has a 7-Eleven franchise license for operations in Indonesia, and is expanding its convenience store operations. In Indonesia's economic environment, where consumer markets are growing rapidly, the company offers valuable products and services to meet customer needs in Indonesia.

The world's biggest convenience store chain, 7-Eleven, Inc. (headquarters: Dallas, Texas), signed a master franchise agreement with Indonesia's Modern PutraIndonesia ("MPI") in April 2009. Indonesia's first 7-Eleven store opened in November that year. Yuki Kudo (Senior Systems Analyst at Global Distribution Systems Department in Nomura Research Institute ("NRI")) takes us back to that time:

"7-Eleven, Inc. and MPI knew that if the network was going to expand successfully in Indonesia, their first job should be for the head office and stores to closely study the nuts and bolts of the convenience store business. So they began using the minimum functions of their business systems."

At the time, their business system involved head office staff making the rounds to each store, delivering item master files (product information) copied on USB flash drive and paper which was called "Order Book". After the store staff received the USB flash drive, they'd update product information on their store computers, check their own sales records, inventory information and order quantity written in Order Book, then input the order data manually into the store computers for their next orders. The input order information was then sent to the head office as email attachments, using a different computer capable of sending emails. After head office staff received the emails from all stores, they'd combine the attached file data, then place order with suppliers (companies making ready-to-go meals, etc.).

Increase in Store Numbers Pushes Manual System to Its Limit

But as the number of stores increased, this operation became extremely burdensome and required a great many man-hours. During some weeks, Order Book pages numbered in the thousands, or even more than 10,000. To print all those pages, head office staff sometimes kept their printers going 24 hours a day, on weekdays and holidays alike. That meant keeping the printers supplied with paper and toner, forcing staff to work at night on weekdays and even come in to work over the weekend.

By the autumn of 2011 the chain in Indonesia had more than 50 stores, pushing this manual operation to its limit.

Deciding Factors for Retail Network Expansion, Transfer Control Capability, and Reliability

NRI's Kudo began preparing a proposal for a reliable data transferring software package that could work within the confines of Indonesia's telecommunications network.

The data linkage had to be efficient, so the core component of his proposal examined the advantages and

disadvantages of a number of companies' software packages, including Saison Information Systems' HULFT. Key factors considered important when making the choice were:

1. The convenience stores needed to transfer crucial order data quickly, without a hitch. The method for collecting and transferring data had to be highly reliable and problem-free. Indonesia's telecommunications networks are not as advanced as those in Japan, so it was important to find a fail-safe way to send data or, if the network experienced problems, at least to be able to transmit it during a retry.
2. Data had to be gathered and transferred smoothly and efficiently, even after number of stores increased in the future. And, as store numbers increased, the head office had to be able to control transfer capacity so that it could send data according to priority, rather than gathering and transferring data simultaneously.
3. The software package should not require too much building. It should not impact much on the business systems of the head office and stores. It should be easy to link to business systems (task linking).

HULFT satisfied all of these conditions.

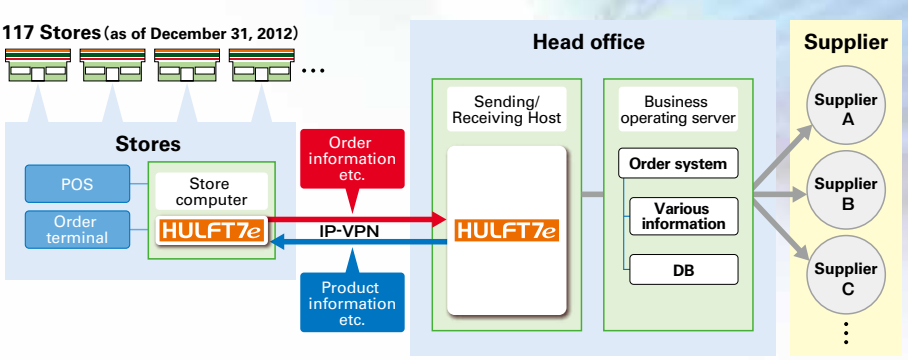
NRI's Kudo says he understood HULFT's outstanding features and he was able to allay his concerns, thanks to plenty of contact with Saison Information Systems' technicians.

"I explained that HULFT has been installed in companies in Japan very successfully, and that it ensures robust data transfer capability. And HULFT7 has an English-language version, and using an English operating system is essential for conducting business globally."

MPI's IT Director, Sonny A. Liauw, was swift in his response to NRI's proposal: "Yes, use HULFT solution." System integration was done by NRI's technicians in Japan. Kudo remembers how the technicians appreciated HULFT7e:

"We found that its application program interface (API) has a full set of functions, and this made development very easy. I've been told that Saison Information Systems' technical support center was very helpful and effective. And the user's manual was in Japanese as well, not just English, and that was a big help. Actually, their center gave us not only technical support, but also comprehensive advice on the operational side of things."

HULFT7e was installed in 7-Eleven stores in Indonesia one after the other, beginning in August 2012. It was running in all 117 stores by the end of December that year. Data transfers from the head office to all stores are a maximum of 10 files per day, about 24 times per day including retries, while about 8 files per day are uploaded from each store.



HULFT provides effective data linkage between the company's head office and its stores
From the head office: product information, store information, sales promotion graphics data for cash register displays, and updated programs can now all be transmitted instantly and simultaneously to all stores.
From stores: business data for orders, sales, inventory and delivery confirmations are transferred as part of a punctual, accurate business process.

Highly Reliable Data Linkage Translates into Faster Turnover

MPI's Liauw is pleased with results obtained through HULFT7e solution.

"The file transfer package software ensures reliable data linkage, bringing us the speed and precision that are vital for a convenience store business. And its solutions have lowered costs."

In the "old" days, staff would physically deliver USB flash drive containing product information to the stores, taking two or three days to get to all stores. Now that HULFT7e has been installed, transfers complete on the same day, which greatly speeds up turnover.

A convenience store's fate hangs on product orders from stores, and those orders are now placed much, much faster, and accurately too. Before, company policy was to have order information emailed to the head office by 10:00am, but that deadline was often missed because everything passed through the hands of staff. All too often, this caused major delays getting orders to suppliers, missed deliveries, and lost business opportunities.

Now, with HULFT7e, order information arrives from all stores without fail by the 10:00am deadline, and by 11:00am it has been sent to all suppliers. The many typing errors of the past are gone, replaced by accuracy and precision. Paper order books are no longer needed, greatly reducing paper and toner costs and letting staff remain off-duty on the weekends.

"HULFT7e has given us fast, highly reliable data linkage between the head office and stores. So instead of missing business opportunities, we're enjoying higher benefits," says Liauw.

7-Eleven expects to have more than a thousand stores in Indonesia in the near future. HULFT7e will keep supporting this rapid growth, helping the company as it continues to expand its business.

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