![CenturyLink logo]

Asda Stores & CenturyLink Deliver an Enhanced Customer Experience through "toyou" Service

At a Glance

Industry:
Retail

Challenge:
Expand the business model to include delivering products from third party consumer companies using stores as pickup and fulfillment centres for online orders

Solution:
Create new warehouse systems to manage single-unit fulfillment services for new product categories with a Hybrid IT solution that uses colocation, managed firewall, cloud, managed hosting

Asda Stores, part of the Wal-Mart group, is one of the UK's leading grocery store chains with more than 600 stores across the country. It is part of a larger collection of companies under the Asda brand serving consumer needs from finance to clothing. Asda Stores prides itself on making its stores part of their customers' lives through special promotions, social media and a welcoming atmosphere.

"At Asda, we work hard to make our stores play a role in the local community, we support both local and national charities and actively seek the opinion of the Asda shopper, so our next step with CenturyLink was an obvious progression for us" said Dave Potter — Senior Director Infrastructure Operations.

Challenge

Transforming warehouse systems for greater agility

Asda's strategy for growth entailed using its network of stores in a novel way by creating a new service it called "to**you"**. Essentially, the company wanted to partner with third-party consumer companies to use its grocery stores as fulfillment centres for these partners' online orders. A consumer who buys a non-grocery product from a 3rd party retailer such as Missguided or BooHoo would have the ability to pick it up or return the item at an Asda store rather than wait for home or office delivery. The goal was to drive traffic into the store where those new customers would also potentially pick up their grocery staples such as milk or bread.

Implementing the strategy required a much more agile warehouse and supply chain management system than the company operated, since they would have to order and manage inventory from third party partners and make them available in units of one rather than bulk shipments.

The IT strategy called for outsourcing this new system with dedicated hardware, rather than simply run it on current systems. Asda also wanted to locate the system off-premise so that it was not overly associated technically or via internal processes to any one store. Part of this outsourcing approach also called for outsourcing some of the administration of OS and application licenses to manage costs. Keeping costs low as the business model expanded supported the store's "Every Day Low Cost" (EDLC) brand position.

Additionally, the expanded solution would need to have built in security since customers' personal and financial information would be captured. The grocery store chain deals with massive volumes of consumer transactions and credit card information. PCI compliance and UK financial security regulations place a high priority on protecting consumer information.

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Solution

Partner with CenturyLink for a full suite of managed services

Asda chose a warehouse management software platform from CenturyLink's partner Manhattan Associates. The multi-faceted solution was deployed in a colocation arrangement at two London area data centres. CenturyLink managed hosting took charge of Asda's operating systems, and Oracle and SQL databases on a full life cycle basis as part of the solution. Asda created its complete development, test certification and production environments for the Manhattan Associates platform on that dedicated infrastructure.

To support the potential high volume of transactions, Asda used CenturyLink dedicated cloud compute to provide compute and managed storage with further capacity on-demand to house the data flowing through Asda's business. The security requirement was accomplished with a dedicated cloud firewall protecting the entire solution.

CenturyLink instituted disaster recovery services between the two data centres at the application and database level as well as managed firewalls to secure the data. CenturyLink also implemented managed load balancing to manage the entire virtual environment and interfaces to the all the linked warehouses.

Results

Lean IT operations

Asda met its time to market and cost goals in this pioneering move to partner with third part consumer goods companies. Asda also adopted a lean internal IT approach as a result of moving most of its IT operations to CenturyLink. CenturyLink support staff essentially enabled the company to grow its business into this novel third-party fulfillment strategy without adding IT staff.

Future Plans

Organic growth, consolidation

Asda and CenturyLink are discussing growth plans for the environment as the third-party fulfillment strategy sees success. In addition, Asda is interested in shifting more of its outsourced arrangements into CenturyLink colocation services.

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