



Rise and Shine:

“Project Freshstart” Energizes Distributor

National DCP, Supply Chain
Management Cooperative
Serving Dunkin’ Donuts, Takes
on Unprecedented Change

by **Ken Murphy**, Features Editor

National DCP — the \$2 billion exclusive supply chain management cooperative for more than 8,000 Dunkin’ Donuts establishments in the US and 51 other countries — sources, purchases, and distributes over 100 million pounds of coffee, 112 million pounds of sugar, and 24 million gallons of milk annually with a fleet of trucks that log about 17 million miles each year delivering roughly 70 million cases of products.

In 2012, the company was founded following the merger of five disparate regional operating companies, each using different applications, aging technology infrastructure, and business processes. With a primary mission of providing the best possible service at the lowest sustainable costs for its franchisee members, National DCP quickly realized the importance of consolidating this divergent landscape, advancing technology by 10 years all at once, replacing outgrown systems with best-in-class technology solutions that improved business processes, and implementing efficiencies in its franchisee member interactions through an improved call center experience.

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At a Glance

Goal: Plan, strategize, and implement an enterprise-wide project to develop and align business processes with the technology infrastructure, spurred by the migration of five regional food and beverage supply companies into a national cooperative

Strategy: Implemented SAP Business Suite powered by SAP HANA, SAP Cloud for Service, Ariba solutions, and SAP-certified partner solution Deloitte Consulting Distribution Solution (DCoDS)

Outcome: Consolidated business processes, improved visibility into inventory management and other supply chain metrics, and automated customer support

The result was Project Freshstart, a comprehensive, multi-year, enterprise-wide initiative that has involved changing every system and process that support its business in order to improve customer service, drive supply chain efficiencies, lower sustainable costs, and enhance productivity with inventory management, order fulfillment, and other business areas.

“We came to this decision by asking what capabilities and corresponding systems were needed to drive the business process changes associated with leading-edge technologies without a lot of customization,” says Darrell Riekema, CIO at National DCP. “Our company took on an unprecedented amount of change with this initiative that has involved touching every system and process along with the underlying platform.”

A Perfect Blend

Because the scope of Project Freshstart was so expansive, National DCP began a competitive search for an implementation partner and selected Deloitte Consulting as the organization best suited to help reach its goal. Deloitte offered comprehensive guidance, from helping National DCP build a business case to providing vendor selection, implementation, application maintenance, and ongoing support. (For more about Deloitte’s role in the project, refer to the sidebar at the end of the article.)

National DCP selected SAP as its primary technology provider and elected to implement SAP Business Suite powered by SAP HANA, SAP Cloud for Service, Ariba Sourcing, Ariba Contract Management, Ariba PO Automation, and Ariba Invoice Automation. The company also leveraged the Deloitte Consulting Distribution Solution (DCoDS),

an SAP-certified partner solution that integrates with SAP Business Suite powered by SAP HANA and provides core wholesaler functions (such as inventory management, demand planning, and pricing) through preconfigured SAP functionality for materials management, sales and distribution order management, and more. This integration was an important consideration for National DCP to help accelerate its implementation timeline in bringing the four regions onto a single SAP ERP instance in a phased rollout.

“The capabilities inherent in SAP Business Suite powered by SAP HANA such as in-memory analytics and reporting capabilities are critical to help us unlock value and support our planned growth pattern moving forward,” Riekema says. “For our needs, SAP’s track record and proven ability in wholesale distribution, combined with Deloitte’s industry expertise, would substantially bring the company forward in a quantum leap.”

Standard processes in DCoDS were a critical component for this advancement, as it led the former regional companies to operate as a single entity. Whereas before there were four different methods for product sourcing, for example, now the solution’s integration with a single SAP ERP instance would support one sourcing process.



“We’re proud of the implementation and the project. This was an unprecedented amount of change at one time, touching every system, every process, and the underlying platform. At the same time, it was the fastest way to accelerate our business progress with the least risk from a technology perspective.”

— **Darrell Riekema**, CIO, National DCP



National DCP

Headquarters: Duluth, Georgia

Industry: Food and beverage sourcing and distribution

Employees: 1,700+

Company details:

- \$2 billion supply chain management cooperative
- Purchases more than 100 million pounds of coffee, 112 million pounds of sugar, and 24 million gallons of milk per year
- Drivers log 17 million miles each year, delivering approximately 70 million cases of products
- Added 11 new international markets in 2014
- Exports products to customers in 51 countries
- Purchases roughly 2,500 food, beverage, and packaging and equipment items that it delivers to more than 8,000 Dunkin' Donuts locations

SAP solutions:

- SAP Business Suite powered by SAP HANA
- SAP Cloud for Service
- Ariba Sourcing, Ariba Contract Management, Ariba PO Automation, and Ariba Invoice Automation

SAP partner solution:

- Deloitte Consulting Distribution Solution (DCoDS)

This step was also important in light of National DCP's anticipated growth in supporting Dunkin's aggressive expansion plans and the increased velocity of limited time offers and product mix. If Dunkin' intends to double its domestic and international footprint on a long-term basis, National DCP has to service its increased sourcing, purchasing, and distribution needs every step of the way.

"We needed new capabilities and functionality to facilitate growth and change," Riekema says, "and didn't want our systems to limit us any longer. For example, a lack of visibility into inventory due to disparate systems could lead to carrying larger inventory amounts than necessary. Driving more efficiency around productivity on the supply chain side was very important to support the evolution of our business."

An Acquired Taste

National DCP conceptualized a two-year project to bring all the regions online. Initial planning began in 2013, and the project kicked off early in 2014. In October 2014, the Southeast Region was the first to go live on SAP Business Suite powered by SAP HANA. The goal is to have the three remaining regions online by roughly the spring of 2016.

In addition to technology, managing vast change is another important part of the project. National DCP has over 1,700 employees across its distribution centers and regional facilities; the project also affects the employees of the more than 8,000 Dunkin' Donuts locations as it changes processes

Simplifying Transformation: Search for a “Complete Partner” Led to Deloitte

National DCP measures its own success based on the value it delivers to customers every day. The business chose to collaborate with Deloitte through a transformational journey based on the recognition of Deloitte’s capability to simplify the way National DCP does business and to re-platform technologies.

National DCP CIO Darrell Riekema says that Deloitte’s track record of successful implementations helped influence this decision. “We needed a comprehensive partner,” says Riekema, explaining that Deloitte offered extensive assistance with developing a business case, program management, leading-practice process design, solutions implementation, and business adoption. Simplifying the complexity of the transformation was the centerpiece of National DCP’s ability to generate value from its program.

Deloitte’s industry leadership and implementation quality is recognized within the wholesale distribution industry. Deloitte holds one of the highest levels of strategic alliance with SAP (SAP global services partner) and has more than 13,000 SAP practitioners in more than 135 countries. National DCP sought a partner who could channel the scale and resources of SAP and Deloitte to best serve the company’s needs.

“Combining SAP solutions with Deloitte’s leading practices was instrumental to National DCP’s success,” says Jerry Hoberman, Principal, Deloitte Consulting LLP. The SAP Business Suite powered by SAP HANA implementation used Deloitte’s SAP-certified all-in-one pre-configured solution as a starting point. Deloitte’s ability to host the solution, transition to a private cloud, and collaborate with the Ariba Network to deliver an integrated direct-sourcing model achieved a simple and sustainable solution. And when National DCP Member Services needed a turnkey call center application, it turned to Deloitte for a subscription license, 60-day implementation, and ongoing analytics support. All were delivered on time and on budget, while meeting the needs of the business and its customers. For more information, visit www.deloitte.com/sap.

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for ordering, invoicing, and almost every other interaction with the distributor. Project Freshstart branding, according to Riekema, was a nod to the importance of change management as a way for employees to identify with and understand how the project would affect individual roles.

“We recognized right off the bat that effective change management was critical for the success of the project,” Riekema says. “Leveraging multiple channels to reach all of the stakeholders, we took advantage of Dunkin’ Brands training programs, launched a comprehensive communications effort, and promoted face-to-face interactions with franchise store managers and field operations teams whenever possible.”

Taking Care of Your Regulars

Understanding and anticipating the needs of its members is a top priority for National DCP. The company wanted more collaboration among customer service representatives organized nationally and embedded in the field, along with the added ability to identify trends and share experiences that occur across the network.

SAP Cloud for Service was National DCP’s first foray into automating customer interactions. Standardizing items such as incident categorization that help provide common metrics across Member Services, the solution allows representatives to respond more proactively and knowledgeably to customer requests and inquiries.

“Today, we’re sharing results through a dashboard to the entire executive team, including our CEO, to identify trends and operational efficiencies,” Riekema says.

The company’s future considerations for SAP Cloud for Service include integrating it with multiple communication channels — allowing franchisees to use email to place orders or check deliveries, for instance. “We’re taking a walk-before-you-run approach to make sure the system is stable and is used as intended before adding other capabilities,” he adds.

Initial feedback is positive from the franchisee perspective. Because each franchise is populated into the system, store managers spend far less time bringing call center agents up to speed on incident history, preferences, or anything else that’s now part of their permanent customer database.

Off and Running

Despite the magnitude of the project, National DCP didn’t skip a beat in unveiling new business processes and supporting technology that touched every department and every line of business.

“We converted the Southeast Region in one weekend to the new system,” explains Riekema. “By Monday morning, we were back to business as normal, fulfilling orders and making deliveries to our stores.” ■