

BEZ Keeps SuperValu Super Responsive In a Changing Market

Grocery Retail and Distribution

SuperValu At-A-Glance

Total sales surpass \$20 billion

More than the 1,000 stores
in 37+ states

Largest buyer from many of nation's
largest food manufacturers

11th largest food retailer

Fortune 100 company

Technical Environment

Teradata data warehouse

1,000 active users—and growing

12 terabytes of data

48 nodes

Challenges

Maximize efficiency of a 30+
distribution center network

Optimize inventory management,
product flow and overall supply
chain efficiencies

Improve volume throughput across the
network by separating fast-moving
from slow-moving merchandise

BEZ Keeps SuperValu's Distribution Network Working

- Supports vital applications—from P&L analysis and product movement status to wholesale tracking and margin analysis.
- Understand trends and resource consumption on a daily basis
- Quarterly capacity planning to predict time horizon for upgrades

Many people recognize SuperValu as the parent company behind grocery stores such as Cub Foods, bigg's, Hornbacher's, Shop 'n Save, Shoppers Food Warehouse and others. But SuperValu is much more than that. As the 11th largest food retailer in the nation, it operates successfully at the center of two complementary businesses—grocery retailing and logistics services of food and other highly consumable goods.

The company's distribution strategy is paramount to the organization's future growth. Strategically placed distribution centers across their markets make the company capable of responding with shipments of fast moving items within hours to ensure shelf space is never empty. With these high performance standards, and an expanding market for its services, SuperValu is poised to remain the top consumable product distributor in the world.

The Business of Logistics

SuperValu seeks to expand its distribution business to become a logistics and supply chain for a new customer base within the food industry: those retail chains that outsource supply chain operations to be more efficient, such as other regional supermarkets, mass merchandisers, some national grocery chains and military contracts. A key component of their strategy lies in information stored, leveraged and updated in the company's Teradata data warehouse; this powerful active data warehouse (ADW) enables SuperValu to make real-time decisions about inventory and logistics. The data warehouse supports mixed applications ranging from P&L analysis and product movement status to wholesale tracking and margin analysis. These vital systems must be available, able to scale to support various workloads, and function at peak performance or the business will suffer.

Designing an Efficient Distribution Network

Tracking product movement and inventory is the cornerstone of SuperValu's distribution success. To keep tabs on daily distribution, each store employs scanners that forward product SKUs (Stock Keeping Units) into the company's inventory applications, which are then fed into the company's Teradata data warehouse. SuperValu's active data warehouse

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SuperValu regained 12-15% of troublesome workload resources by using BEZPlus to relieve hot AMP conditions

applications ensure company executives that they are meeting inventory requirements and distribution needs—from warehouse to the store and consumer—all in real time.

Just how does SuperValu achieve its logistics network goals? By redirecting the company's sizable volume through a newly reconfigured multi-tier distribution network, smart inventory management, improving product flow and thereby saving on transportation costs and overall supply chain efficiencies—all while providing the most competitive costs to customers that span almost 5,000 locations nationwide.

BEZ Supports Efficient Distribution

Behind the Teradata system that makes this possible is BEZ Systems. SuperValu relies on the power of its BEZPlus predictive performance management software to proactively manage their Teradata ADW and ensure systems are performing optimally. At one time, SuperValu considered building a software product to perform BEZPlus-like functions. What made them reconsider? Cost, for one: the cost of creating a product from scratch, plus the expensive ongoing research, development and maintenance that would be required was unfeasible. For another: value to the business. SuperValu decided the best use of their company's resources would be spent supporting the business, not becoming a performance software development team.

Exactly how does BEZ assist in SuperValu's changing business challenges? By giving them needed insight into how their systems—and the data that drives them—are used. Daily trend analysis helps anticipate growth in data and capacity considerations. Activity patterns indicate potential problems.

The Result? Last year the company reported several direct result successes of its reconfigured distribution network: successful separation and tracking of fast-moving from slow-moving merchandise, reduction in inventory days on hand by two full days and new business with an annualized run rate of approximately \$500 million.

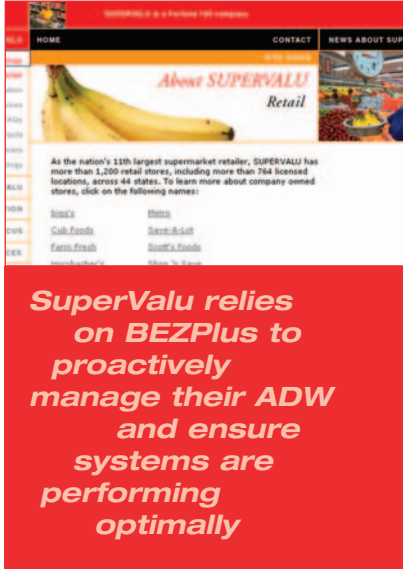
Keeping Up with High Performance Standards

BEZPlus is an invaluable part of SuperValu's ability to identify performance issues and resolve them quickly. The time savings of this feature alone benefits SuperValu's staff tremendously. Managing consistently good performance with BEZ helps the SuperValu team meet and exceed corporate standards of 99.5 percent order accuracy and 97 percent on-time delivery.

When performance issues do occur, SuperValu uses BEZPlus to understand how to fix the problem and scope the potential ROI from each alternative course of action. For Teradata users, one of the most problematic problems to resolve is from a hot AMP conditions. Hot AMPs occur when there is a significant amount of time spent waiting for a workload to complete due to imbalance in how data is laid out relative to the system. This condition is referred to as "data skewedness" and unnecessarily wastes CPU cycles. BEZPlus helps identify the culprits and provides insight for their resolution; SuperValu regained 12-15% of their CPU cycles for each affected workload.

Predicting Upgrades, Future Needs

Finally, BEZPlus helps SuperValu anticipate their future capacity needs through its exclusive predictive capabilities. SuperValu performs 'what-if' scenarios about their current capacity and determines what their future needs will be, whether it's upgrading to different Teradata configurations or considering different storage options for their system. In addition, as management considers new applications, SuperValu easily determines the potential impact these applications will have on throughput and performance for all applications running in the data warehouse.



As the nation's 11th largest supermarket retailer, SUPERVALU has more than 1,200 retail stores, including more than 700 licensed locations, across 44 states. To learn more about company owned stores, click on the following names:

Home	Meats
Cooking	Specialty
Farm Fresh	Specialty
Specialty	Specialty

SuperValu relies on BEZPlus to proactively manage their ADW and ensure systems are performing optimally

About BEZ Systems

For over ten years, BEZ Systems has been the leading provider of Predictive Performance Management solutions for IBM DB2 UDB and Teradata applications. Companies around the world rely on BEZ software, services and consulting to achieve a high level of responsiveness and scalability for their critical, growing business applications. BEZ is a privately held company headquartered in Boston, MA. For more information, go to www.bez.com.

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