VISY
FOR A BETTER WORLD

Packaging Company Eliminates E-commerce Logjam with Microsoft BizTalk

Overview
Country or Region: Australia
Industry: Manufacturing

Customer Profile
Established in 1945, Visy Industries is the world's largest privately owned packaging and recycling company, operating over 100 sites in Australia, New Zealand, and the United States.

Business Situation
To conduct e-commerce transactions, Visy had to accommodate a wide variety of customer applications. Without a standard environment, its e-commerce systems became difficult to monitor and slow to adapt to new customers.

Solution
Visy deployed BizTalk Server 2006 R2, centralizing all electronic transactions on one e-commerce platform. This helped Visy to integrate new customers quicker, troubleshoot problems faster, and reduce technical support requirements.

Benefits
- Faster customer integration.
- Improved transaction monitoring.
- Quicker troubleshooting.
- Reduced support requirements.
- Better reporting.

"We are now increasing the proportion of business that Visy transacts via e-commerce. This generates savings, because we process a lot more transactions in a lot less time with lot fewer resources."

Jeffrey Rochman, E-business Manager, Visy Industries

Visy Industries, a diversified packaging manufacturing company, has been providing e-commerce transactions for its customers for over 10 years. However, the company's e-commerce platform was a combination of legacy applications that had evolved over time. Consequently, there was no overarching management environment, and e-commerce became expensive and time-consuming to support. Visy's existing systems were insufficiently flexible to allow the company to adapt easily to customers' e-commerce systems and standards. In 2007, Visy implemented Microsoft® BizTalk® Server 2006 R2. The middleware solution allowed Visy to standardise all e-commerce customers and supplier transactions on one platform. This improved e-commerce transaction monitoring, reduced technical support requirements, and allowed Visy to adapt quickly to all customers' transaction systems.

Microsoft®
BizTalk® Server 2006

Situation

Established in Melbourne, Australia, in 1948, Visy Industries is the world's largest privately owned packaging and recycling company. The company has expanded from corrugated cardboard box production to paper recycling and now produces more than 1.2 million tonnes of 100 percent recycled packaging paper each year.

In 2001, the company acquired Southcorp Packaging, adding aluminum and tinplate cans, cartons, and rigid plastic packaging to its product portfolio. Visy now employs 8,000 people in Australia, New Zealand, and the United States.

"We're a diversified manufacturing group and our customers are diversified as well," says Jeffrey Rochman, E-business Manager, Visy Industries. "About 60 percent of all orders for product are placed electronically."

Electronic ordering involves Visy processing a very high volume of communications. Currently, the company sends out and receives hundreds of purchase orders, invoices, and dispatch advices each day.

Visy's own e-commerce environment was a combination of legacy applications that had evolved over time. Several generations of different back-end applications were being used by different sections of the business, while numerous applications were used to communicate with customers and suppliers.

"We had a problem – we were managing too many applications," says Rochman. "It was difficult to manage and support. We wanted to move to a more centralized and streamlined e-commerce environment."

Because different areas of the business were using different applications, technical staff worked in silos to maintain different applications. Operationally, the company did not have the ability to see or manage its processes across the business, and systems were difficult to monitor. As a result, response times to system failures were slow as staff investigated different internal systems.

"Troubleshooting was a time-consuming process, requiring technical expertise," says Rochman. "And as a result, Visy's e-commerce systems were costly and required additional support."

In addition, integrating with new customers via their electronic data interchange (EDI) took too long. Many of Visy's customers were blue-chip multinationals who increasingly relied on EDI for e-commerce transactions. However Visy's systems required bespoke development to meet each customer's EDI requirements.

"It was difficult for us to adapt our systems if customers decided they wanted to deliver data to us in a new file format," says Miguel Herrera, Technical Lead, E-business, Visy.

"Integrating new customers was very time-consuming," says Rochman. "This made it very difficult for us to manage and improve. We needed to standardize the way we interfaced with customers' EDI requirements and we wanted real-time monitoring."

Solution

The company's e-commerce team evaluated several middleware solutions for simplifying and standardizing their e-commerce platform, and decided to implement a solution using Microsoft BizTalk Server 2006 R2.

"We wanted a product that enabled us to manage all our e-commerce transactions. BizTalk gave us the ability to consolidate all our solutions through the one interface," says Rochman. "We trusted it, because we had

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already used an early version of it in one part of our business."

BizTalk 2006 R2 enables processes from different systems, such as SAP and Siebel, to be integrated via one server so that they can 'talk' to each other and synchronize the associated business processes. This meant that Visy could connect applications across different customer segments and supplier organizations.

Importantly, BizTalk contains specific features that enable the server to integrate with an emerging EDI industry standard called AS-2. Compatibility would mean Visy could migrate some of its key business partners to a single system.

Unlike other e-commerce integration products, the BizTalk product includes a large number of adapters. The adapters allow the BizTalk server to communicate with customers and suppliers through a wide variety of existing communication protocols, including EDI, HTTP, FTP, SMTP, POP3, SOAP, SQL, MSMQT, Web Services Enhancements (WSE) 2.0, Windows SharePoint Service, and Windows Communication Framework.

Having installed two BizTalk servers, Visy's team of .NET developers were able to design and implement the BizTalk project internally over a six-month period. Visy also migrated its online shopping cart solution, Visy Flow, to the Biz Talk environment. The project was rolled out in stages to minimize disruption, starting with high-volume customers.

Benefits

In the first year after implementation, Visy integrated over 300 partner e-commerce solutions using BizTalk. This has simplified Visy's e-commerce platform, increasing visibility on its systems and improving customer response times. It has also given

Visy a framework and development tools to quickly integrate new customers.

Faster customer integration

BizTalk has enabled Visy to adapt customer-specific requirements quickly and efficiently.

"The main benefit to me was that BizTalk can integrate with all the applications and business systems that we were using," says Rochman.

He continues: "This means that Visy can now offer full EDI integration to major customers such as Unilever, Coke, Mars, and Dairy Farmers. Customers now send electronic files to Visy direct from their Enterprise Resource Planning (ERP) systems. Small- and medium-sized customers can also use the online shopping cart solution, VisyFlow.

"Because we have been able to standardize, we don't have to customize each solution. This has roughly halved the development time for integrating each new customer. Typically, now we only take a week to develop a new customer solution, whereas previously it took us two to three weeks."

Just prior to the BizTalk implementation, one of Visy's major customers decided to revamp all the e-commerce forms it used with its suppliers, including purchase orders, acknowledgements, dispatch advice, tax invoices, and remittance advices.

"This company required us to upgrade our interface to match its own new standards exactly," says Rochman. "Because of this customer's size, we didn't have much leeway. With our old system, it would have been a three-month project to upgrade our interface. With BizTalk we did it in a month."

"BizTalk is flexible, robust, and manageable. It delivers a stable e-commerce environment for our customers and suppliers."

Jeffrey Rochman, E-business Manager, Visy.

Improved visibility

BizTalk's Business Activity Monitoring (BAM) allows Visy to take control of inconsistencies or communication problems within its e-commerce system. As a result Visy reduced the costs of troubleshooting problems, and was able to reduce the number of resources it needed to manage the system.

"We have real-time monitoring on any file coming in, which provides an alert," says Rochman. "We can log in, monitor the transactions, and act on anything that appears unusual. Real-time monitoring has saved us a lot of time in trying to identify problems that were previously brought to our attention by the customer."

Greater confidence

By providing a dependable and adaptable platform for e-commerce, BizTalk has reinvigorated the corporate strategy of encouraging customers and suppliers to transact with Visy through e-commerce.

"This has completely changed the dynamics of our e-commerce environment," says Herrera. "There is acceptance across the business that we now have a stable and reliable e-commerce platform to build on. In fact, our e-commerce manager insists that any new customer systems integration goes through BizTalk.

"Now we are increasing the proportion of business that Visy transacts via e-commerce. This generates savings to the business, because we can process a lot more transactions in a lot less time with a lot fewer resources. It's the epitome of a low-cost, value-added supply chain."

Development roadmap for future improvements

Six months after the BizTalk solution was implemented, Visy is now examining how BizTalk's capabilities can be used to improve other internal processes.

BizTalk R2 supports the radio-frequency identification (RFID) chip technology. Visy is now planning a new customer offering around RFID technology that will improve its partners' ability to track and monitor goods.

"Visy is a fast-moving, adaptable business, always seeking to improve our systems and support our customers," says Rochman. "We have to be entrepreneurial so we keep trying to break the barriers and integrate new technologies with our business.

"BizTalk is flexible, robust, and manageable. It delivers a stable e-commerce environment for our customers and suppliers. Our customers have confidence in it, with the result that more of them want to use it, which is the most efficient way for us to do business."

Microsoft Server Product Portfolio

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