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coop

A TRANSPARENCY CASE STUDY



SMT Data
Specialists in IT Business Intelligence



Leon Bredo Jensen, head of IT-Operations

FACT-BASED IT OPTIMIZATION

- ● “IT Business Intelligence takes the guesswork out of our jobs. We don’t work with assumptions anymore – we are fact-based.”

Leon Bredo Jensen, Coop

“Supermarket customers are basically an unfaithful lot. If we don’t have what they need, seconds later they are out of the store and on their way to the competitor”.

Leon Bredo Jensen, head of IT-Operations at Coop, states this as a fact of life – something to be dealt with, not whined about. He continues: “It requires constant attention to business development and marketing, of course, but it also means that IT has to function at the same level of professionalism as the core business and provide the decision makers with the input necessary to

keep the company abreast of every challenge in the marketplace. In that connection, IT Business Intelligence gives us the transparency we need to balance a cost effective performance with the need for delivering the best possible support for the business.”

With 36,000 employees, 1,200 supermarkets and the entire population as its potential customers, it is critical for Coop to get IT right. Having not enough is disastrous, but having too much is every bit as bad. Getting it right is the tall but also logical order for Leon Bredo Jensen and his department.

Leon Bredo Jensen came to Coop from a bank a few years ago. He found a department where IT

Business Intelligence solutions from SMT Data were already implemented.

“The running of our mainframe environment was – and is – completely outsourced and we concluded that a closer working relationship with SMT Data would put us in a better position when negotiating with our outsourcing partner – especially with a view to cutting costs by not buying in more than we needed.”

At this point, SMT Data proposed that Coop entered into a Managed Services solution. This would provide Coop with constant focus and attention to the optimization issue and ensure that every little advantage of having total transparency in the running of the IT department was squeezed out of the IT Business Intelligence solution.

Leon Bredo Jensen worked very closely with SMT Data in this phase and Coop’s input to this process was constantly shaping and reshaping SMT Data’s toolbox. At the same time, SMT Data’s wealth of experience from other industries brought fresh thinking and alternative perspectives to the table.

The immediate result was savings of around 10% of the total MIPS count. This translated directly to substantially reduced outsourcing and software costs, meaning that break even on the investment in Managed Services was

achieved in a matter of a few months. And with a Managed Services solution, Coop can rest assured that IT optimization is a continuous process.

“Along the way we have developed several new types of reporting formats in order to keep an eye on various jobs. This allows us to create our own analyses or discuss them with SMT Data as the need dictates”, Leon Bredo Jensen says.

The most recent development in Coop is, in Leon Bredo Jensen’s words, that they have created a new monster by adding the Windows environment to their ticket. The most important application in this environment is a new store solution that initially didn’t yield the desired level of performance. SMT Data reacted to the challenge by offering another proof-of-value test and performance levels as well as cost effectiveness is now on par with the mainframe solution.

“Working with SMT Data has meant that even though we no longer have all the competencies in-house as we did before we

THE CAR ANALYSIS COOP

CHALLENGE

To bring IT performance up to optimum level of cost effectiveness while enhancing its worth as a tool for Coop’s business.

ACTION

Entering into a Managed Services agreement with SMT Data in order to get maximum performance out of already installed IT Business Intelligence solutions.

RESULTS

Complete transparency across all parameters of IT usage. Significant capacity cost reductions in both mainframe and Windows environments.

ABOUT COOP

Coop is Denmark’s biggest supermarket chain with 36,000 employees, and more than 1,200 stores branded Super Brugsen, Kvickly, DagliBrugsen, Fakta, and Irma. Its history goes back to the start of the cooperative movement in 1844.

outsourced, we are still more than able to have a constructive dialogue with our outsourcing partners and to make sure that cost and performance are ideally balanced at all times. By bringing to the table our own knowledge and expertise in combination with the specialists from the Managed Services teams we avoid the kind of domestic blindness that often beset you when you are trying to do everything alone and on your own.”

On a practical level the Managed Services Solution has been able to identify several bottlenecks on program and job levels.

“But most importantly”, Leon Bredo Jensen asserts: “IT Business Intelligence has taken all the guesswork out of our jobs. We don’t work with assumptions anymore – we’re fact-based.”

KEY ADVANTAGES OF USING ITBI IN AN OUTSOURCED ENVIRONMENT

- Uniform reporting across platforms (mainframe and mid-range) and outsourcers incl. advanced dashboards
- Move from re-active to pro-active daily follow-up on cost drivers
- Validate outsourcers’ invoicing based on neutral data presented in dynamic reports/analyses
- Optimization according to billing models
- Access to specialist expertise

