

Scandinavian Tobacco Group

Adding Insight and Considerable Cost Savings with Descartes B2B Messaging™

Scandinavian Tobacco Group (STG) is a major global tobacco producer with 17 offices worldwide and distribution to over 100 countries. The company required seamless Electronic Data Interchange (EDI) communications to ensure smoother operations. With the Descartes Global Logistics Network™ (Descartes GLN™) solution in place, STG's order-to-cash process is fully supported via a single channel which adds further control, provides a clearer overview and delivers cost savings.

The Challenge: Centralizing Electronic Communications

Historically, STG used various country-specific systems to process the electronic flow of documents from order through delivery to invoicing. The IT department allocated substantial time and resources to manage and maintain disparate solutions across regions. Implementing a single Enterprise Resource Planning (ERP) system for all countries was the first step toward centralizing order management practices. In addition, the company required a solution to support EDI communication with multiple trading partners purchasing one or more of STG's portfolio of 200 brands.



STG's complex operations called for technology that could consolidate order management and communication across multiple countries and trading partners.



Where Smoking Enjoyment Meets
the World of Bits and Bites

“ The EDI solution provides us with the required insight and management abilities from within a central application environment. We are now in the process of copying the collectively defined and dynamic implementation to one country after the other, by making use of the capabilities from Descartes staff locally. I'm especially pleased with the on-site support. ”

– Koen Domen,
IT Manager, STG

ABOUT SCANDINAVIAN TOBACCO GROUP

Scandinavian Tobacco Group (STG) is one of the largest tobacco producers worldwide. The organization employs approximately 8,100 employees spread over 17 different offices and sells its products in more than one hundred countries. The STG portfolio includes over 200 different brands. The organization is listed on Nasdaq OMX in Copenhagen, Denmark.

The Solution: Global EDI Integration & The Seamless Exchange of Data

STG evaluated the market for a global partner capable of the EDI integration required at its various branches and to standardize the order-to-cash process. Functionality, scalability and capacity were key factors in the selection process. Reliable communication with trading partners, such as department store chains and Logistics Service Providers (LSP), was also vital to STG. To guarantee continuous communication, STG selected the B2B messaging solution from the Descartes Gateway since it offers a robust communications and messaging platform.

The solution not only ensures connectivity to the Descartes GLN, but also provides additional monitoring services. At the same time, the messaging solution is scalable and can be deployed internationally, which is essential to STG's future requirements.

The two organizations determined that the specific knowledge required to support the new messaging environment was limited due to the diversity of systems within STG. During the project, Descartes not only provided project support and performed EDI migration, but also shared its EDI knowledge and expertise to accelerate training within STG.

The kick-off in Canada has been used as a blueprint for rolling out the messaging solution across other locations. Currently, subsidiaries in Canada and the United Kingdom have fully implemented the solution and the U.S. and France are underway. Today, STG and its trading partners use the technology to exchange 10,000+ messages every month over the Descartes GLN. With a single messaging solution in place, the exchange of data now costs a fraction of what the company previously paid for its separate, legacy systems combined. The deployment also provides STG with better visibility and insight into customer and item identification, and allows trading partners to easily connect and exchange information with high levels of customer satisfaction and delivery performance.

The Results

With the Descartes solution in place, STG was able to achieve:

- Single, centralized IT environment
- Scalable solution enabling international growth
- Simplified order-to-cash processes
- Enhanced communication with trading partners
- Efficient IT operations and asset management
- License cost savings of over 90 percent