

Brewing a better supply chain

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By Sarah Fraser

Japan's leading beer maker satisfies thirsty customers with Intel® Xeon™ processor-based servers and a new SCM system

Challenge: Strengthen and structure relationships with suppliers and distributors while cutting costs and bolstering efficiencies.

Solution: Adopt IA (Intel Architecture-based) servers as the platform of choice to replace existing mainframes; integrate overall system through IA servers.

Benefit: Improved performance of delivery system enables direct shipment of product from the plant to the customer, bypassing distribution centers. Asahi expects to see 120 percent utilization of system functions with full adoption of IA servers in 2003.

Japan's Asahi Beer Co., Ltd., has spent more than 110 years perfecting its beer for customers worldwide. Today, its flagship brand, Super Dry, is number one in Japan and number four worldwide in sales. This incredible success comes with its own set of challenges: how to keep up with growing demand from beer drinkers and retailers worldwide while keeping a lid on production and supply costs.

Meeting the challenge

Although Asahi faces several external challenges, including a slowdown in overall alcohol sales, liberalization of liquor licenses, and heightened competition among makers, Asahi is committed to supplying freshly brewed beer directly to customers, bypassing the distribution centers used by other makers. The internal – and most feasible – challenge to meet is to make and ship beer faster and more efficiently. Asahi knows it must consolidate information management across its enterprise, and for suppliers and retailers, while minimizing costs and streamlining procurement, to achieve its goals.

PULL QUOTE: Asahi's goal is to produce and ship freshly brewed beer to its customers more efficiently, and in less time, by consolidating information management.

To meet the challenges it faces, Asahi took the same methodical approach it takes to brewing world class beer – targeting unnecessary additives and fillers, where water is as unwelcome as underutilized computer systems. Dependent on varied operating systems based on mainframe computers, UNIX, and NT servers –some 4,500 strong – Asahi worked to ensure that its employees and partners in the supply chain could reliably access those systems. Still, many of those systems had only been partially optimized, and, in today's network-oriented business world, that has hampered Asahi's efforts to boost enterprise and supply efficiency.

Enter supply chain management. Asahi realized an SCM system could cut costs for itself, its suppliers, and distribution channels, and, above all, make it possible to provide even fresher products to its customers. Moving away from an historic EDI approach to transactions with its suppliers, the company was soon on track to embrace a fully optimized system that would:

- Reduce inventories at Asahi plants
- Support a higher degree of product freshness
- Improve cash flow, reduce inventories, and simplify ordering for retailers

The first step in achieving its goals was to integrate the various individual systems in use at the company, each with its own specs, into a unified whole. Asahi started by configuring LAN/WAN networks in 1995-1996, and establishing an information infrastructure in which each employee has his or her own computer.

In 2000-2001, Asahi installed an IP-VPN (IP Virtual Private Network) and ADSL, and reconfigured its network to encompass all of the companies in the group. Asahi then shifted to Microsoft® Windows™ 2000 and Microsoft® Office™ 2000 during a three-month period from June to September 2001, and, in November of that year, Asahi introduced a new email system (Microsoft® Exchange™ 2000).

Better customer service with Intel-based servers

But the key to solving the whole SCM puzzle was to increase business use of IA (Intel Architecture-based) servers. Asahi touts IA servers not only for cost performance, but for ease in establishing comprehensive measures for risk recovery, to deal with any potential problems. This lets Asahi make full and effective use of its IA server-based systems.

Asahi Beer now has about 350 servers - 80 percent of which are IA-based servers - and about 6,000 clients in the overall group.

Asahi Business Solutions CEO Atsushi Nara explains the company's faith in IA servers: "When configuring systems, we need to have measures in place ahead of time to deal with potential problems, no matter what platform we are using. In that sense, as long as we have comprehensive risk recovery measures in place, I don't think we will find any other platform that is as outstanding as the IA server in terms of cost performance."

In 2003, Asahi plans to fully adopt the IA server as the platform of choice to replace existing mainframes. "By integrating the overall system through IA servers, we anticipate being able to utilize the functions of the system 120 percent," says Nara.

Intel® Xeon™ processor-based servers and Asahi Beer brew a better supply chain