

FRESHNET SYSTEMS LTD

Freshnet Systems has developed an online business-to-business trading hub for the catering industry where breweries, pubs, and their national and local suppliers can order and supply goods online and generate invoices automatically.

OBJECTIVES

Pubs and breweries rely on huge numbers of purchases from a complex network of suppliers and wholesalers. Freshnet Systems Ltd already had a network of suppliers and wholesalers who supply hundreds of outlets throughout the UK. By having such a large network of contacts, Freshnet saw an opportunity to link the suppliers, wholesalers and outlets together to produce an efficient ordering and purchasing process.

To do this the company needed to design a system that would be able to integrate with existing systems held by the suppliers and outlets easily. In addition, it needed to be implemented within an affordable, set budget.

The potential benefits that Freshnet envisaged this system would give, were a more accurate price availability of goods and an accurate audit available for everyone to use.

SOLUTION

The development was done in-house and focused on a system that would be able to communicate with third-party systems over the internet.

Each user buying goods has a product menu unique to them. This is based on a list of the wholesalers with which they have purchase agreements, along with details of the availability of the wholesalers' stock.

"We could see an opportunity to network wholesalers by connecting them online," says Andrew Pickett, Developer, at Freshnet Systems. "The system we set up meant that Freshnet could start on small machines, and scale up as demand grew. This means that pubs buying goods can still use their local butcher if they want, while brewery head office can track all purchases."

RESULTS

Automation has improved response and delivery times. "Suppliers receive the orders online in real time, and dispatch the goods for the required delivery date. When the order has been received by the outlet, it reconciles goods received with the order placed and confirms the order on the system. This then creates an invoice," explains Andrew.

Best practice in:
Supply chain

Sector:
Hotels/catering

Size of firm:
12 employees

Location:
Poole, Dorset

Website:
www.freshnetsystems.com



“We could see an opportunity to network wholesalers by connecting them online”

ANDREW PICKETT – DEVELOPER

The system also provides a customised experience and automatic audit trail for users. In addition, total sales data is available to head offices over the internet and in real time. This provides reporting capabilities such as total spend on individual lines, price trends and individual outlets’ sales performance.

The system’s flexibility helped one customer achieve complete vertical integration: when an order is placed, data is sent to the stock control system which then instructs the relevant manufacturing software to produce the desired product.

By linking all its local suppliers and buyers, Freshnet has also bypassed the problems of central distribution. This ensures products’ quality and freshness, while providing just as much control over distribution and purchasing. Groups of outlets use Freshnet as a broker to lever their purchasing power. Freshnet negotiates with suppliers in order to get very competitive price for the outlets.

As a result of the implementation of its supply chain system, Freshnet were the Regional winner of the supply chain category in the DTI and InterForum Awards for E-commerce 2004,

CHALLENGES

The trading system that Freshnet developed had to be able to integrate with the different applications their suppliers used. “There is no one solution for all,” notes Andrew. “Each integration is different. Freshnet was able to surmount this challenge by virtue of being small, and having control over its own software.”

However, while the technology can work miracles, more traditional industries can be slow to change. “People tend to have ideas about what IT is and often can’t see that it permeates their entire business,” Andrew says.

His advice? “Keep things simple and be prepared for new technologies. It is the real change in business processes that takes time to get around.”





Top tips:

- Putting buyers and sellers of produce together online has strengthened both sides by making purchases more timely and better-informed.
- Potential customers of the system may require individual attention and explanation when a new IT approach is being considered before they will happily change over to it.
- When you undertake any development in your business, ensure you have taken time over the planning process, as it could save you time in the long run.

THE LAST WORD

The next step is to develop a standard gateway that will enable communication with bigger industry players, and to improve the user interface. "We hope to make it the UK industry standard," says Andrew. "After that it's Europe, where we already have some links in Spain and Holland."

"Our product is an internet trading hub. Without the internet, we wouldn't have a product. The website is our business," says Andrew.

For more information on *Achieving best practice in your business*:

- Visit our website at www.dti.gov.uk/bestpractice
- Call us on **0845 015 0010** to order from our range of free best practice publications or visit www.dti.gov.uk/publications
- Contact your local Business Link advisor by visiting the website at www.businesslink.gov.uk or calling **0845 600 9 006**