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CCU Improves Delivery and Service

Leading beverage company deploys Odoo open source solution as a strategic enabler to better customer experiences

Exceptional service one delivery at a time

Since 1850, Compania Cervecerias Unidas (CCU) has been a leading Chilean producer of diversified beverages. The company operates in Chile, Argentina, Bolivia, Colombia, Paraguay, and Uruguay. As Chile's largest brewer and the second-largest wine producer, they had $2.6 billion in revenue in 2018.

In 2015, CCU acquired Manantial, the leader of bottled water sales and distribution in Chile. While Manantial operations represent a small part of CCU business, their national recognition represents a strategic brand. Manantial's competitive advantage involves its ability to provide outstanding service to its customers. They do this because they possess in-depth knowledge and experience of client needs, which allows them to offer very convenient service plans. The company usually provides home delivery service the next day and fast, efficient installation and maintenance of home dispensing equipment, online order placement, and electronic payment.

> **We see ourselves more as a service provider versus a company that sells products. The goal is to use Odoo to help provide better service to our customers.**

> OSCAR ENZO NAVARRETE VARGAS
> SALES AND DISTRIBUTION SYSTEMS DEVELOPMENT SUB-MANAGER, CCU

Since its acquisition by CCU, Manantial had grown nationally, and that growth made it increasingly difficult to continue to keep up with knowing the needs and circumstances of customers. Managing and maintaining information and processes became overly complex and inadequate. The company relied on three separate systems, resulting in siloed information not available to everyone who needs it when they need it, impacting operational and administrative decisions for sales, technical service, and after-sales customer management.

Manantial needed to modernize its enterprise. Specifically, the company wanted a solution that integrates systems to make customer insights more readily available.

The ultimate goal was to improve the customer experience and maintain market leadership by:

+ Making needed data accessible by more Manantial users

+ Improving business process automation, operations, and management

+ Providing excellence in product fulfillment and customer service

+ Satisfying market demand and customer needs

Situation

Leadership at CCU, which included Oscar Enzo Navarrete Vargas, recognized the opportunity to consolidate customer information across the enterprise using open source ERP technology. Specifically, the company wanted to replace two in-house legacy systems:

- SICA: a system used to create customer profiles and calculate prices according to commercial plans.

- Truck: a sales and distribution system that manages the whole sales cycle including distribution, customer account credit management, collection, and payments. It also handles operational logistics such as completing order forms, preparing tickets, and coordinating deliveries.

In addition, several other integrations were targeted, including PeopleSoft for accounting and finance and other systems for purchasing management, inventory management, and more. According to Oscar, once Odoo was selected, Manantial began looking for an integration partner. They consulted Odoo, which recommended OSI based on its deep experience and expertise.

A joint team worked on the Odoo Implementation. OSI acted as the primary integrating partner leading the project. CCU also operated as an integration partner, working with OSI to help with the development and implementation with the goal of eventually taking over the project entirely.

Throughout the collaboration, the companies identified several opportunities for business improvement by overcoming some critical technical challenges that included:

+ Localization of Odoo for Chile

+ Migration of two in-house legacy systems (SICA & Truck)

+ Complex customer segmentation

+ Integration of order process from ecommerce site

+ Customization required in Odoo core modules

" The main goal was to replace legacy sales and distribution systems at Manantial. We wanted to fully modernize our operations and provide better tools to users. "

OSCAR ENZO NAVARRETE VARGAS
SALES AND DISTRIBUTION SYSTEMS DEVELOPMENT SUB-MANAGER, CCU

Approach

The OSI and CCU collaboration began with an extensive workshop to understand the existing IT ecosystem and the desired future state. Oscar and decision makers from multiple departments – logistics, sales, marketing, accounting, production, and more – helped OSI learn about existing systems and workflows. OSI employed its unique combination of business process management and open source technical expertise to guide the week-long discovery period.

OSI prepared an extensive report based on Manantial's needs and objectives, their customers and industry, and their existing technology landscape. The result? OSI handed over a detailed implementation plan tailored to its vision of a customized competitive advantage based on integrated systems.

OSI leveraged Odoo's open source ERP to develop an integrated, agile, and precision-tailored digital nervous system for Manantial. At the center of the implementation were FSM modules for Odoo, mainly developed by OSI with support and maintenance from the Odoo Community Association (OCA).

" We reached out to OSI based on the recommendation from Odoo. After an initial workshop, we felt like they possessed a much deeper engineering experience and expertise. They were superior to any other resource in the area. "

OSCAR ENZO NAVARRETE VARGAS
SALES AND DISTRIBUTION SYSTEMS DEVELOPMENT SUB-MANAGER, CCU

Working closely with its customer, OSI took advantage of its unique four-step integration process.

Analyze

Manantial and OSI collaborated to identify key drivers and elements of Manantial's business model that supports their leadership position in their industry. They also looked at critical processes and business practices that need to be deployed with their new sales and distribution system based in Odoo.

Optimize

OSI partnered to develop information management tools that provide accurate transactional data. By doing so, Manantial can deliver complete customer information to all administrative and operational areas as well as sales data for analytics and business intelligence.
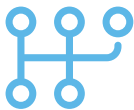
Automate

The companies optimized workflows to manage sales, inventory, technical services, FSM delivery, and accounting and credit management. By integrating data and processes, as well as connecting to the CCU corporate systems through customized APIs, Manantial could tear down departmental silos and foster collaboration.

Transition

Mantanial and OSI worked together to transition to an enhanced service model based on better information tools. It would provide a unique customer experience with optimal delivery services and excellence in customer care management.

The approach would enable Manantial to provide even better customer experiences, allowing customers to easily track their order or delivery. It also would give Manantial staff the tools to easily provide information, including transaction history, to customers.

Process

The implementation has successfully accomplished phase 1 goals. It supports full localization of documents such as electronic invoices, customer tickets, delivery guides, and more, based on customer type and their order terms and conditions. With this functionality in place, the localization is now available through the OCA community so that any Chilean and South American company can leverage Odoo without the need for translation services. The modules are ready and deployable.

A significant milestone in the overall project involved OSI and CCU working together to integrate Odoo software with CCU's existing enterprise service bus (ESB) and their corporate PeopleSoft ERP, facilitating communication between multiple applications in a service-oriented architecture. Because of the development in Odoo by OSI for CCU, along with the CCU's development for its ESB, multiple integrations can take place. In fact, more than 18 integrations occur on the backend, but for the user, they simply have one interface to carry out their daily tasks.

Enterprise Service Buses Explained

Enterprise Service Buses (ESB) are a powerful integration engine for enterprise IT organizations that act as the "connective tissue" between disparate software systems. They virtually consolidate services and applications, including cloud-based applications.

ESBs allow organizations to mix and match legacy, modern, and cloud applications, leveraging previous investments in data and reducing the need for data or application migrations. Modern ESBs can be deployed anywhere: on-premise, in the cloud, or with hybrid cloud architectures.

Why do organizations choose an ESB?

Enterprise IT architects invest in ESB technology to promote application reuse and integration instead of launching new development or migrations with higher risk and cost. Many newer applications offer web services or open APIs that quickly hybridize new and old applications.

Reasons an IT architect might use an ESB include:

+ Keeping a legacy system on a mainframe or microcomputer operating

+ Integrating and managing multiple business systems

+ Operating with multiple message formats between these systems

+ Modifying a message or destination based on the content of the message

+ Enabling business intelligence fused from multiple systems

A key innovation involved integration with Xerox to meet various legal requirements. Documents are generated in Odoo, then sent to Xerox, where Xerox takes care of validation, signatures, and local invoicing either in print or PDF form. The Odoo integration with Xerox streamlines compliance by digitally sending documents directly to the proper Chilean legal channels. Odoo fully interacts with different documents, selects when the right time is to ship documents for validation, and vastly improves a significant operation at Manantial involving hundreds of orders daily.

> *Odoo is a great platform because it's easy to develop and customize. It's very flexible. It's a good option to adapt the software to your needs. That's not usual in other platforms.*
>
> **OSCAR ENZO NAVARRETE VARGAS**
> **SALES AND DISTRIBUTION SYSTEMS DEVELOPMENT SUB-MANAGER, CCU**

Results

At the core of the open source ERP implementation, OSI deployed OpenFSM for optimized product delivery services. The solution integrates with sales orders to provide fast, accurate delivery information, including orders per truck, available trucks, routing, and more.

Day route creation is done instantly based on the requested delivery date provided by the customer. Deliveries are assigned to each truck and driver, taking into account max capacity for each vehicle. Integration with the contracts department allows for smoother handling of customers with credit, prepaid customers, or customers with payment due upon delivery. All legal documents are properly updated and listed for a route to ensure drivers have the proper paperwork for the day's deliveries.

Inventory management is also integrated to handle logistics operations, stock management in trucks, product returns or exchanges, and more. Accounting integration supports receiving payments in routes and generating payables documents. It also supports the accounting and inventory route closing processes to verify missing products that need to be charged to drivers.

Manantial hopes to reduce operational errors from manual processing and scattered information. The company can continue to meet increasing volumes of operations without adding human capital and increasing costs. The enterprise system allows more deliveries to be done in less time and lower costs.

The deployment of OpenFSM, combined with Odoo, provides four crucial benefits:

1 **Customer 360:** a complete view of the buyer across all channels and touchpoints resulting from the successful aggregation of data from different systems and applications.

2 **Integrated processes:** streamlined order processing and management with all sales channels and Manantial services.

3 **Operations efficiency:** automation and enhancements to distribution, accounting, inventory, ecommerce, and more.

4 **Enhanced customer experience:** optimization of several processes that replace legacy systems to better serve customers.

Future Plans

With the successful implementation of phase 1, Manantial is looking to expand the integrated system features to other branches. In the long term, the company would like to take the improved processes, controls, and tools to more branches across the nation. Once full implementation occurs at every branch of Manantial, the company will make a comprehensive assessment to decide on using Odoo as the primary sales and distribution system for all of CCU.

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