

CHANGE EQUALS GAINS POSITIONED FOR GROWTH

Wipro supported Morrisons' £310 million business transformation – one of the largest in the world a programme on track to deliver £170m annual benefits.



Overview

Morrisons, UK's fourth largest food retailer, has set out on a major business transformation program; one of the largest in the world with a forecast spend of \pm 310 million.

The strategic activity includes a complete overhaul of the company's IT infrastructure, and the addition of new technology to drive revenue and increase customer service levels. The IT replacement program, aptly named Evolve, was launched in 2007 and is scheduled for completion in 2013.

Wipro was selected as the technology partner to assist with the complex system integration, which includes a transition from legacy systems to an Oracle-based platform and retail application suite. Wipro's experience in the retail industry, and extensive Oracle knowledge, is proving instrumental as the company assists with project management, custom software development, testing and implementation – without affecting daily operations, a critical objective defined by the retailer.

Client Background

Morrisons' business is primarily food and grocery, with a focus on providing fresh products at a valued price. With the acquisition of Safeway in 2004, Morrisons has expanded to 455 stores, 132,000 colleagues and 11 million weekly customer visits. Unique to its competitors, Morrisons has its own manufacturing facilities, where most of the fresh food is sourced and processed.

To become more efficient, through its distribution network and at individual stores, the retailer realized the need to replace its entire IT portfolio and several business processes. The implementation of new technology and analytical tools would also help position the organization for future growth.

What really stood out was the flexibility that Wipro demonstrated. We wanted a contract that would enable us to work in partnership together, as things change in terms of business priorities and activity on the program, and Wipro really showed an incredible amount of flexibility as far as that was concerned.

> Phil Goodwin Morrisons Program Director

Opportunity

With this transformation program, Morrisons is streamlining internal processes, and adding capabilities required to move into customer centricity, multi-channel, and non-food activity. The end result - the retailer can maintain its competitive advantage, enhance customer interaction, drive consistent growth and use business intelligence to make future enhancements.

The Challenge

Morrisons had dated technology that was not integrated, or scalable as the company had grown and matured. With the intent to add convenience stores and e-commerce to the long term strategy, Oracle was selected as the platform to drive the business to the next level. The team also knew it faced the difficult task to build new system models, while maintaining a positive customer environment, and delivering expected financial benefits.

Solution

Morrisons selected Wipro for its retail industry expertise, Oracle knowledge and direct experience with large-scale integration projects. Wipro also served as the bridge between the technical and business teams throughout the entire program, which has already yielded financial benefits to Morrisons.

- In the planning and scoping phase, Wipro led work streams around manufacturing, testing and business intelligence / data warehousing.
- Wipro offered the appropriate combination of onshore, nearshore and offshore resources.
- Wipro worked with Morrisons to develop a custom financial solution to fit the retailer's specific needs.
- To avoid any impact on daily operations, the team developed a program to test in small-scale pilot segments.

To date, Wipro has delivered according to plan, and ahead of schedule. The on-going success is a direct result of teambased collaboration and on-going status reports shared between Morrisons, Wipro and Oracle personnel.

Business Impact

- Morrisons entire infrastructure is being seamlessly replaced, including a new wide area network, without affecting the current system.
- The first phase of the new financial system and the continued roll-out of new payroll processes has already benefitted 82% of employees, with 115,000 employees on the new system.
- The roll-out has enabled Morrisons to move from no automation to a fully-automated system with consistent processes put in place.
- The project has enhanced productivity, increased the use of hand held devices, and simplified processes encompassing the movement of goods.
- Morrisons has outlined savings of £7 million in the first year of the full roll-out, with around a 12-month payback.
- In the warehouse, Morrisons is able to track productivity per product move, from picking the cases to replenishment.
- Achieving efficiencies, Morrisons is already cutting stock levels and has reduced working capital.
- Customer experience is at the heart of Morrisons business, and it is already experiencing a higher throughput at the checkout line.

Wipro supported Morrisons' comprehensive business transformation and helped implement a completely new operating model that ultimately resulted in operational excellence and strong financial results.

About Wipro

Wipro Technologies, the global IT business of Wipro Limited (NYSE:WIT) is a leading Information Technology, Consulting and Outsourcing company that delivers solutions to enable its clients do business better. Wipro Technologies delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology"– helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner's approach to delivering innovation and an organization wide commitment to sustainability, Wipro Technologies has 120,000 employees and clients across 54 countries. For more information, please visit www.wipro.com

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