



Overcoming the Tyranny of Distance

A Case Study:

**How Pernod Ricard delivered major IT projects
simultaneously in multi-locations without traveling**

The Pacific operations of one of the world's largest wine and spirits producers complemented its face-to-face meeting style with e-meeting and e-collaboration, stimulating its corporate collaboration culture and producing a raft of tangible and intangible benefits.

Following the purchase of New Zealand wine-maker Montana and a global corporate restructure, the time was right for Pernod Ricard to introduce an enterprise resources planning system for its newly created Pacific operations and to upgrade its wine sourcing, processing and production systems in the region.

The Pacific operations has more than 2000 staff spread across four business units and eight functional support departments in Australia, New Zealand and the Pacific islands. These cover Australian and New Zealand wine production and worldwide wine marketing, as well as the regional distribution of the corporation's premium wines and spirits portfolio. This portfolio features Chivas Regal, The Glenlivet and Ballantine's Scottish whiskeys, Mumm and Perrier-Jouet champagnes, Jameson Irish whiskey, Ricard liquor, Wild Turkey bourbon, Beefeater gin, Malibu and Kahlua liqueurs, Absolut vodka and Martell cognac.

Interactive, virtual workshop

Pierre-Yves Calloc'h, chief information officer (CIO) of Pernod Ricard Pacific, says the goal of the enterprise resources planning (ERP) project was to ensure the company's logistic, finance and customer service processes and systems were "harmonised" and of the best possible quality. He says this needed to be done to gain process and system efficiency, reduce systems maintenance costs and provide a level of knowledge redundancy, as well as to build a solid information and communications technology (ICT) platform to enable the implementation of optimisation and business intelligence tools, especially for forecasting, advanced planning and scheduling.

The CIO says the aim of the wine sourcing, processing and production systems project was to take the best ideas, methods and systems from all of its Australia and New Zealand wineries and develop a best practice model that could be successfully implemented at each winery, and to sustain the growing worldwide demand for Australia and New Zealand wines.

While Pernod Ricard Pacific recognised the enormity of undertaking the ERP and the wine system upgrade projects simultaneously, the tyranny of distances involved made these tasks even more difficult. "Members of the relevant teams were located in Adelaide, the Barossa Valley, Sydney and the Hunter Valley in New South Wales, regional Victoria, and across New Zealand's north and south islands," Calloc'h says.

The \$1.2 billion company realised the key to the projects' successes, therefore, would be effective, seamless, productive and continuous communications and knowledge sharing between the numerous team members in the many locations. Mindful of the cost, resource and logistic challenges of the high number of face-to-face meetings needed, it thought its options to overcome the challenges were limited. Telephone and web conferencing and electronic mail were not optimal options as they did not operate on many-to-many and interactive levels.

Things changed for the better when Bronwyn Evans, a technology-savvy independent consultant, suggested Pernod Ricard Pacific try an advanced, real-time, features-rich e-meeting and e-collaboration system she had recently used - Grouputer. The web-based group decision support and web conferencing application can be delivered in real-time and asynchronously where participants logon when convenient to them and complete pre-set agendas.

Grouputer enables document and application sharing, presentation making, brainstorming, demonstrations, problem solving, strategic and tactical planning, and team management. It features input recording, authoring tools for reusable templates, automation of meeting process methodologies, survey tools, report formatting and departmental applications for core functions.

Reluctant to spend more money on technology than it already was for the projects, Calloc'h says Pernod Ricard Pacific was keen to embrace a new system that did not involve the licensing or purchasing of new applications software, the buying or the leasing new hardware and communications technology, or spending up big on staff training.

Evans also recognised that the Grouputer e-meeting and e-collaboration system would fit perfectly into Pernod Ricard's international business model and global corporate culture. The corporation operates a decentralised business model, because it believes operational autonomy helps its subsidiaries develop a sense of responsibility and teamwork. The wine and spirits producer lists consultation, transparency and trust as its core values, which it says creates a strong federating corporate culture for its employees worldwide.

Best of breed and fit

Calloc'h, who manages an ICT staff of about 50, says Evans was right. "Grouputer did fit and it fitted well," he says, adding his three-year-old company has a collaborative corporate culture and even its properties have been designed to promote collaboration.

The CIO explains, while the corporation has a global intranet, the ICT systems for the main four regional operations are regionally based and for the Pacific they are based in Sydney. He says the environment is a mix of proprietary, in-house, off-the-shelf and open systems, with a policy of developing, buying and using best-of-breed solutions. He adds, the company is gradually moving away from proprietary and in-house developed systems and towards open and off-the-shelf ones.

Calloc'h says the \$11.5 billion wine and spirits corporation has global ICT guidelines that cover the 70 countries in which it operates. However, he says each of the four regional and four brand groups is able to select a niche, regional or local solution if it best meets its needs. This, he adds, was the case with Grouputer and its being used in Australia and New Zealand.

The CIO says the system saved Pernod Ricard Pacific time, because it was quicker and easier for the company and the project team members to create opportunities for discussion. He says it also increased project staff commitment and buy-in for the projects, and enabled better sharing of information, knowledge and expertise. "The tools and features that the Grouputer system has make it not just a web conferencing system with a few extras," he adds. "It is a fully featured e-meeting and e-collaboration system."

Calloc'h says the hosted and on-demand style of the system was ideal for the company's two parallel-running projects. "Both were undertaken over two years," he explains. "The ERP project was ongoing for two years, while the wine systems design was undertaken over several blocks of a few months.

During the ERP project about 50 members of the project team used the application, as and when they needed to. Around 20 members of the wine systems upgrade team facilitated meetings regularly and extensively - several times a week."

The wine systems project alone required up to 40 e-workshops using Grouputer. The number of participants at each e-meeting ranged from as little as two up to as many as 30. A minimum number of three sites were used for each e-meeting, with a maximum number of 12.

E-workshops of up to duration up to eight hours duration were conducted. Over 200 staff were involved in the projects. E-workshops were structured to include an overview of the project objectives, explanation of the methodology to be used, review of the current process, and brainstorming improvements.

The wine systems project chalked up over 400 online hours and the involvement of approximately 200 staff members.

Calloc'h says about \$150,000 in travel costs were saved by using Grouputer. He says other tangible benefits were time savings of around 150 man days. "The reduction of carbon emissions from lower travel levels, plus productivity and efficiency improvements, were more intangible benefits," he adds.

Marked benefits

Pernod Ricard Pacific staff liked Grouputer system and found it easy to set up and use. "Most team members were business people, not ICT staff," Calloc'h says. "The ERP project users were core function staff, from finance, supply chain and customer service, while the wine project users were mainly winery staff. They liked the real-time nature of the system, being able to access it from their desks, and the screen sharing, voting, answer gathering and auto-minuting features."

He says before the introduction of the system Pernod Ricard staff in Australia and New Zealand, despite having access to and using some basic information and knowledge sharing technologies, travelled a great deal to attend meetings: "Meetings were mainly done the old-fashioned way".

The CIO says cost savings from less travel were not the only notable benefits of using the Grouputer system, with obvious improved efficiency and improved productivity. "We even had more meetings, but they were quicker and more productive," he says. "There was more electronic sharing of documents, information, knowledge and expertise. Time was saved and outcomes were more clearly documented."

The CIO says such results mean not only is Pernod Ricard Pacific an e-meeting and e-collaboration system convert, but it is an e-meeting and e-collaboration system advocate. "They are good value when used on multi-location projects," he says.

About Grouputer

Grouputer is a privately-held company providing e-meeting and e-learning tools for business problem solving, planning and training. The company launched the first-ever portable electronic meeting system, Decisions, in 1993. This empowered consultants, facilitators, and trainers to use technology to deliver on-site electronic meeting services to customers.

Since 2003, the company has focused on Internet collaboration between people meeting together in real time and anytime, in the same-place and remotely.

The company services customers in the United States, Latin America, Canada, Australia and Europe through direct sales and value added resellers. Customers include the Fortune 500, management consulting firms, universities and defence.