

Yalumba Wine Upgrades ERP, Database to Sustain Growth



Yalumba Wine Company
Angaston, Australia
www.yalumba.com

Industry:

Consumer Goods

Oracle Products & Services:

JD Edwards EnterpriseOne

Sales

Advanced Pricing

Manufacturing

Inventory

Purchasing

Accounts Payable

Accounts Receivable

General Ledger

Oracle Database

Oracle Development Tools

Oracle Consulting

“We turned to Oracle and JD Edwards for the business-critical task of re-architecting our information technology infrastructure due to their strong record with us over several years.” – Graham Baker, Group Information Systems Manager, Yalumba Wine Company

Founded in 1849, Yalumba Wine Company is Australia’s oldest family-owned winery. From humble beginnings when founder Samuel Smith purchased a 30-acre plot in the Barossa Valley in South Australia, Yalumba has grown into a significant agricultural manufacturing and distribution business.

In August 2005, with Oracle’s Fusion project underway, the winemaker decided to review its existing JD Edwards World Xe implementation and supporting environment to ensure the long-term viability of its information technology architecture. After a thorough evaluation, Yalumba decided to upgrade to Oracle’s JD Edwards EnterpriseOne version 8.11 SP1 with Oracle Tools 8.95 and migrate from Oracle9i Database to Oracle Database 10g.

The implementation was completed on May 1, 2006. Yalumba subsequently upgraded to Oracle Tools 8.96 in April 2007. Using the latest release ensured the company could leverage the new underlying functionality when required.

“The Web capabilities delivered through JD Edwards EnterpriseOne will enable us to streamline business processes and reduce the time taken to complete tasks such as processing and delivering a customer order,” said Graham Baker, group information systems manager, Yalumba Wine Company.

“Enhancements to the product’s sales, distribution, and pricing functionality in the years since release 8.9 also strengthened the business case for the move. With the new enhancements, a number of modifications could be dropped, ensuring an easier upgrade path in the future.”

Key Benefits:

- Delivered sustainable architecture that would not be affected by product end-of-life issues
- Enabled customization to be dropped due to improvements in functionality
- Established platform for Web services and more flexible architecture
- Developed platform for growth

A Need for an Architecture Upgrade

Yalumba has employed JD Edwards software to manage its enterprise resource planning (ERP) requirements since 1998. This initial implementation streamlined business processes from customer service to accounts payable. Since then, Yalumba has remained a JD Edwards customer—with subsequent projects including upgrades to OneWorld Xe in March 2002—due to its flexibility, the ease with which the company’s information technology staff have been able to make changes to its functionality, and the ability to leverage the knowledge of a loyal community of users.

In January 2005, Yalumba commenced a review of its information technology architecture to provide it with certainty for at least the medium term. The review concluded change was required and the winemaker kicked off an upgrade project in August 2005. The timing was ideal as the Oracle Fusion project was paving the way for access to additional functionality and laying down a product roadmap that ensured the continued development of JD Edwards software.

“We knew that being current on software releases meant we would not have to worry about end-of-life and the basis of our information technology architecture going into the future,” said Baker. “It was critical that we laid down a robust platform that could scale to support our growth for at least the next three years.”

The company settled on a combination of JD Edwards’ EnterpriseOne, Oracle Database 10g, Oracle Tools, and IBM’s WebSphere Application Server 6 as its new software environment.

The winemaker has implemented an ERP system based on the JD Edwards EnterpriseOne Sales, Advanced Pricing, Manufacturing, Inventory, Purchasing, General Ledger, Accounts Receivable, Accounts Payable, and Fixed Assets modules across its workforce. The project has enabled Yalumba to concentrate on fulfilling its commitment to be the finest independent winemaker in Australia.

The Future of the ERP System

The company’s information systems environment has also been transformed to use Web services to quickly and easily deliver ERP applications to the 200-odd concurrent system users.

Baker said the partitioning functionality in Oracle Database 10g and its capacity to enhance the manageability, performance, and availability of applications was a useful feature and that it would be further evaluated over the next six to 12 months.

“Partitioning has the potential to speed up queries over large amounts of data in tables and improve backup times given data can be put into ‘read-only’ mode,” said Baker. While Yalumba has no current plans to deploy Oracle Real Application Clusters, the winemaker recognized the functionality has the potential to reduce costs and enhance the flexibility of its information systems environment.

Yalumba is also evaluating Oracle BPEL Process Manager to automate business processes and reduce development times. It is also looking at Oracle XML Publisher to provide a central architecture to deliver information to employees and partners securely in the correct format.

“Whether these projects go ahead will be based on demands from the business for speedier development and integration with customers and suppliers,” said Baker.

The database, enterprise system, and Web environments are hosted on IBM System x366 servers using Intel Pentium 3.2 GHz processors, while deployment is hosted on an IBM System x346 server. Smaller peripheral systems are hosted on an IBM System x306 while backup and storage is largely undertaken using an IBM DS4500 storage area network. Yalumba is considering moving from a Microsoft Windows 32-bit to 64-bit operating system to enhance the performance of applications within the new environment.

Extending the ERP Footprint

With the implementation bedded down, Yalumba is now preparing a business case to acquire JD Edwards Advanced Planning, Human Resources, and Payroll. Yalumba will be able to automate payroll and management of the employee lifecycle, freeing managers to focus on strategic planning issues. It will also help the company better manage its supply chain by aligning material and capacity planning with factors such as consensus forecasting, sales orders, production status, purchase orders, and inventory policy recommendations. These will be implemented over the next two years.

Why Oracle?

Yalumba opted not to evaluate competing solutions due to the strong Oracle Database and JD Edwards knowledge base within its operations.

“We looked at databases like IBM’s DB2 when we first purchased JD Edwards back in 1998 and Oracle was streets ahead at that point,” said Baker. “We’ve not seen the need to evaluate rival solutions since as we’ve been extremely happy with the performance and functionality of Oracle’s database products and the user-friendliness and ease with which we can add our own enhancements to the JD Edwards software.”

Implementation Process

Yalumba declined to take on a partner to help with the implementation, which ran from August 2005 to May 2006, due to its policy of dealing directly with software vendors.

“We believe in direct relationships,” said Baker. “This enables us to hold the vendor directly accountable rather than having to manage things through a third party.”

Yalumba had already completed two upgrades itself using internal resources and support from Oracle. That existing experience proved invaluable in ensuring the upgrade to JD Edwards EnterpriseOne was completed on time and within budget.

After making several significant modifications to the software following the initial deployment of JD Edwards, Yalumba has subsequently pursued a “vanilla” approach to implementations.

“We dropped 50% of those initial modifications when we went to Xe and subsequently dropped another 25% when we went to 8.11 SP1 due to the increased functionality of the product and the ease with which we could change business processes,” said Baker.

The 8.11 SP1 upgrade was run in similar fashion to the upgrade to Xe. Yalumba engaged Oracle Consulting to train key personnel who would be involved in the setup, testing, and knowledge transfer. The vendor’s consulting arm was also asked to help configure the test environment in light of the magnitude of the shift to a Web client.

“We made a decision early on that this project would be a technology upgrade only, rather than a functionality or business process upgrade,” said Baker. “Therefore no significant new

functionality was rolled out, unless it meant a modification could be removed.

“The challenge was issued to the upgrade team to take a strong stance on modifications, ensuring that they were really required and that they were re-developed with the least impact on standard JD Edwards code,” said Baker.

Once the implementation was completed, Yalumba’s information technology staff stabilized the system to ensure application speeds at least matched those of the Xe environment.

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