



## Simplot's ERP Transformation: Retail Innovation with DataXstream

### The Background

The Simplot Company recognized the need to modernize their IT infrastructure to better support its diverse operations across agribusiness and food production. At the time, the Company was operating without SAP systems and was ready to find solutions to better align technology with the expanding business needs across multiple verticals.

Simplot's operations span across mining, agriculture, and food — a scope their CEO characterizes as “mine to plate” — encompassing numerous business processes across agribusiness and food production sectors. After a thorough evaluation, the team selected SAP as the platform for their ERP transformation initiative, internally named “Project Bedrock.”

For the initial implementation phase, Simplot chose Simplot Western Stockmen's (SWS), a business unit focused on livestock feed, animal nutrition, hardware, and retail operations. SWS was considered an ideal choice for piloting SAP because it combined a wide range of business activities with a manageable operational scale. This made it ideal for piloting SAP across retail, field support, sales enablement, supply planning, and manufacturing without risks associated with immediate deployment to larger business units. With hundreds of retail locations under consideration for potential migration, Simplot needed a solution to grow alongside their business while enhancing employee workflow and customer engagement.

The combination of retail complexity and broader ERP transformation goals led Simplot to search for a specialized solution capable of seamless integration with their new SAP environment while addressing the unique requirements of their retail operations.

## The Situation

SWS operated a hub-and-spoke business model, with central facilities supplying retail locations and producers across seven western states. The operational structure included a feed mill for producing animal feed, a seed mill for processing agricultural seeds, and a central warehouse housing pharmaceutical and other animal products.

SWS retail stores operate unlike conventional retail environments. These locations serve ranchers and farmers across seven states who needed more than just products — they seek expertise. Conversations about proper animal nutrition or selecting appropriate pharmaceuticals dominate customer interactions. Store managers are trusted advisors in this specialized agricultural niche, where product knowledge carries as much weight as product availability.

When the project began, SWS utilized a retail system that required installation on local clients. Staff had created their own tracking methods with spreadsheets and paper forms, which led to processing inefficiencies. A particularly frustrating problem occurred when inventory discrepancies meant items physically present in a store couldn't be sold because the system didn't show them as available.

Managing animal health products presented unique challenges as well, particularly tracking which batches would expire when. Without proper batch management tools, stores would discover products past their sell-by dates sitting on shelves.

The system's rigid architecture couldn't handle the range of transactions

happening daily, from simple point-of-sale purchases to complex custom feed blends that required manufacturing time. Tracking these arrangements through fulfillment demanded constant manual intervention by staff.

The scale of future expansion magnified concerns about system performance under load. Furthermore, the existing setup created barriers between retail operations and production facilities, making it difficult to coordinate across manufacturing, distribution centers, and retail outlets.

For Simplot's leadership, addressing these challenges meant finding a solution that could integrate tightly with their new SAP environment while providing specialized retail functionality, bridging technical gaps, and supporting consultative relationships between store personnel and customers.



## The Initiative

Simplot sought a retail solution offering superior user experience while seamlessly integrating with their core SAP S/4HANA system. The initial evaluation included SAP's native Fiori interface, but as Principal SAP Enterprise Architect, Joshah Alencheril noted, they quickly recognized that "SAP native Fiori is probably not going to make the cut when it comes to some of the user experience aspects of things."

Further exploration led to DataXstream's OMS+ solution. Built on SAP's Business Technology Platform (BTP), OMS+ offered strategic alignment with Simplot's technology direction while maintaining critical integration with S/4HANA that would ensure data integrity and real-time information flow.

When evaluating OMS+, Alencheril applied a partnership philosophy he described simply as a "win-win for us." Rather than treating vendors as mere suppliers, Simplot sought meaningful collaboration. They requested that DataXstream invest resources in concrete demonstrations that would show business stakeholders exactly how their solution worked in practice. "SAP doesn't mean Spreadsheets and PowerPoints," Alencheril remarked, emphasizing the need to see actual functionality over abstract presentations.

Moving from selection to implementation, Simplot deliberately departed from industry norms by taking a "Simplot-led" rather than "SI-led" approach. This decision required building an in-house Center of Excellence SAP practice team. DataXstream's professional services team was integrated through a staff augmentation model, that included embedded team members who participated in daily stand-ups, sprint planning, and scrum meetings.

The implementation team conducted extensive "Day in the Life" studies to understand retail operations in depth. Shiv Kasthala, SAP Functional Lead for Quote to Cash at Simplot, described this process. "We would spend probably a few days every two weeks at the stores just being like a fly

on the wall, just seeing what they're doing, and asking questions at the end of the day." These observations provided crucial insights that formal requirement-gathering might have missed.

The team adopted a rhythm of three-week development cycles, with three consecutive cycles forming a "product increment." After completing each nine-week block, they gathered store managers for hands-on demonstrations where users could interact with the developing system.

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"Rapid deployment is always enabled when confidence is high. How you build that confidence is where proof of concepts comes into the picture," noted Alencheril. A regular cadence of "show and tell" sessions generated practical feedback that shaped ongoing development while simultaneously familiarizing future users with the system long before formal training began.

The implementation team tackled various specialized requirements, creating different order types to match SWS's distinct business processes. They built streamlined "cash-and-carry" workflows for customers purchasing items directly off shelves, separate processes for standard orders with future delivery dates, and other specialized workflows.

Connecting with Worldpay for credit card processing presented unexpected technical hurdles, requiring careful coordination to meet PCI security requirements without compromising the user experience.

Throughout the implementation, the team maintained a disciplined approach to customization decisions using a frequency/impact matrix to evaluate modification requests, approving customizations only for high-impact, high-frequency scenarios. The implementation team also developed comprehensive contingency plans for critical failure points,

such as securing mobile credit card readers as backup devices in case the primary integration failed at go-live.

The implementation spanned approximately two years, though Alencheril emphasized that OMS+ represented just one tentacle of the broader ERP transformation. Kasthala estimated that the core OMS+ configuration required about nine months to address the majority of requirements, with an additional three to four months needed for edge cases and exceptions.



## The Results

Simplot's implementation of OMS+ has delivered measurable improvements in efficiency, inventory management, and customer experience. The team established key performance indicators focusing particularly on transaction throughput and processing efficiency.

As Kasthala explained, the system consistently processes approximately 6,000 invoices monthly across retail stores, maintaining revenue levels comparable to preimplementation figures despite the transition. Transaction processing time for cash-and-carry orders average just three to four seconds, an improvement in enhancing both customer experience and employee efficiency.

ATP (Availability to Promise) functionality dramatically reduces backorders and lost sales. Store staff access a quick-view tile showing what is truly available to sell after accounting for existing orders. "On the OMS+ screen, we gave them a small tile, which provides them what's available to promise," Kasthala explained. This real-time insight prevents staff from making commitments they cannot fulfill.

For pharmaceutical products, batch management tools allowed staff to sort items by expiration date, prioritizing sales of soon-to-expire batches. Kasthala noted this "reduced a lot of excess inventory which is expired and cannot be sold anymore."

A key improvement came in payment flexibility. The system now permits associating payments with orders rather than invoices — a seemingly small distinction with major operational benefits. When customers order custom-blended products requiring manufacturing time, stores can collect payment upfront while tracking the order through production and delivery.

The cash-and-carry order type streamlines immediate purchases by automatically executing multiple SAP steps. Kasthala described how "the moment they tender the payment, the OMS+ zips through the entire sequence of transactions, right from creating an order to creating a

delivery, completing the picking on it, completing the PGI (Post Goods Issue), completing the invoice.” These integrated transaction flows dramatically reduce process time while eliminating training complexity.

Integration between retail operations and upstream supply chain activities improved significantly, though challenges remained. As Kasthala noted, “ERP is tightly integrated. An ERP can only run as fast as the slowest one in the herd.” However, the design decision to link payments to orders rather than invoices provided resilience against temporary inventory discrepancies.

The successful SWS implementation proved that OMS+ could handle Simplot’s requirements at scale, a critical validation for a company considering migrating additional retail locations in future phases.

## Lessons Learned

Beyond specific features, the team developed implementation approaches and configuration standards they could apply across the broader enterprise.

The primacy of business transformation over technology implementation emerged as perhaps the most fundamental lesson. “It is not application driving the transformation. The business process drives transformation, and the technology is just to support that,” said Alencheril. Positioning the initiative as a business transformation rather than an IT project created stronger alignment with organizational objectives and greater stakeholder engagement.

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Though departing from industry norms, the Simplot-led approach delivered significant benefits by fostering organizational ownership and knowledge development. Building an inhouse Center of Excellence

allowed Simplot to maintain control while the staff augmentation model with DataXstream ensured access to specialized expertise.

Adopting agile methodologies with incremental delivery has created multiple advantages. Kasthala highlighted how this approach built user familiarity. “Users are getting used to seeing the screens, how they behave, so it’s not something new that they see after nine months.”

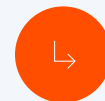
Early stakeholder involvement, particularly from frontline personnel and power users, proved vital to understanding business needs. The strategic selection of early adopters accelerated change adoption throughout the organization, creating change agents who could influence broader adoption while respecting institutional knowledge.

Contingency planning for critical failure points proved invaluable, as demonstrated when backup mobile credit card readers maintained business continuity during integration issues with the primary payment system.

The team approached vendor interactions with the belief that making a strong first impression was essential. This enabled them to steadily provide value while ensuring the overall quality and reliability of the solution.

What emerged from this experience was Simplot’s effective balance of big-picture strategy and day-to-day practicality. The team delivered tangible improvements to current operations while laying the groundwork to support future growth.

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