



53 Park West Industrial Park, Park West Road, Dublin 12

Tel: 01 438 0200

Fax: 01 438 0288

E-mail: [info@filestores.com](mailto:info@filestores.com) web: [filestores.com](http://filestores.com)

## CASE STUDY

### Tesco Ireland

*Leading grocery retailer uses scanning services from SIS to free up office space and make key trading information more readily available to staff and partners*

**Tesco is Ireland's leading food retailer serving over one million customers in 110 stores every week. The company supports almost 27,000 jobs between direct and indirect employment. For several years, all the scanning of documents used by Tesco Ireland was done by Tesco's subsidiary in Cardiff. Not only was this costly, it was also becoming unsustainable. Tesco Ireland was not in favour of setting up its own in-house scanning unit so, after going out to tender on the business, it appointed business process outsourcing specialist Scan Image Services (SIS), part of the DMG Group, in early 2007. Tesco rates the service provided by SIS so highly that it has decided to extend it beyond the initial deployment with the Finance Department to every other head-office department.**

#### Business Situation

Paper is a byproduct of virtually any business operation and the larger the business the more paper it is going to have to deal with on a daily basis. As one of Ireland's largest businesses, Tesco processes thousands of paper documents every week, ranging from supplier invoices to delivery dockets. All of this documentation needs to be scanned so that it can be accessed by the Tesco head office and other administration teams across the Tesco world.

For several years, the task of scanning Tesco Ireland's documents was handled by Tesco's subsidiary in Cardiff and every week a large number of boxes were posted from Dublin. However, in early 2007 Tesco Ireland had to look for an alternative supplier.



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“The Cardiff link was changing. We had no facility for scanning within our Irish operations at all – it was not part of our business – so we had to look outside the company,” explains Joe Walsh, Finance Operations manager and Office Programme manager, Tesco Ireland.

Before approaching any suppliers, however, Walsh travelled to Cardiff to evaluate Tesco’s scanning system there and develop a template of how the Irish service could look.

One thing he decided early on was that he didn’t want to set up a scanning function within the company. “All the scanning in Cardiff was done in-house by Tesco staff. I was not interested in that; we didn’t currently scan paper and I didn’t want to create a new area for the business that we weren’t experienced in.”

Having returned to Dublin, Walsh approached three suppliers of scanning services and sketched out his vision of what he wanted, inviting them to come back with fleshed-out proposals. The Scan Image Services (SIS) proposal won hands down, he reports. “SIS said they could deliver everything I wanted and at a very reasonable price.”

### **The Solution**

The solution proposed by SIS involved placing a full-time scanning technician within Tesco’s head office in Dun Laoghaire from May 2007, together with a high-throughput Bowe Bell + Howell duplex scanner, networked to a PC and server provided by Tesco. The technician scans between 35,000 and 40,000 documents per week and is assisted by Tesco employees who prepare the document to be scanned.

In addition to the full-time scanning operation, SIS provides periodical bulk-scanning services to make inroads into the mountain of documents held on file at Tesco. In these cases, SIS takes away boxes of files for scanning at its own scanning facility at Park West in Dublin. “This has enabled us to free up a lot more space in our offices,” says Walsh.





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But converting the documents to electronic format is only half the battle. For a scanning operation to be efficient, users also have to be able to access the soft-copy documents afterwards. Here, a head-sheet containing barcodes is provided with each document. This tells the scanner which electronic folder to file the document into and what name to give to images, rather than the technician having to do this manually in each case. The document-viewing platform itself was provided by Tesco. This web-based system allows any authorised user to view scanned documents that have been indexed and forward them on to colleagues or business partners as necessary.

The scanning system conforms fully with legal and regulatory requirements in terms of how documentation is managed and stored within a commercial environment. This was an area Walsh had been concerned about prior to the project.

“As a big business we have regular Revenue audits as well as our own internal and external audits and auditors are still hung up on having paper in their hand so our main concern was whether or not we had to keep paper documents. SIS was able to produce enough information on the legislative requirements for me to go back to the business and tell them that only scanned images were needed – we wouldn’t need to hold on to the paper except in the case of certain legal files. For example, we used to store payroll files for seven years. We don’t do that any more; we store seven years of an image.”

Once a document is scanned and quality checked, Tesco destroys the source document. For this, it uses the services of SIS sister company Shred-it, which also manages the recycling of paper afterwards.

## Benefits

The scanning project’s principal objective was to significantly reduce the amount of paper stored at Tesco’s headquarters in Dun Laoghaire. According to Walsh, this has been achieved – and more. “We wanted to save space by removing filing cabinets and boxes and we’ve done this. We also wanted to make the information accessible to everyone by converting it to soft copy. This has knock-on benefits in terms of efficiency because to go to a filing cabinet, find a document, consult it and then put it back all takes time. With the new system, you just type in what you’re looking for and it just pops up on your screen – it’s so easy.”





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According to Walsh, the system, by virtue of its efficiency and ease of use, has already given a “great confidence boost” to the business. Even employees who were extremely attached to paper are starting to approve of and use the system.

While there are cost savings associated with not having to store/hold thousands of documents every week, the project has not primarily been about saving money. “Rather, we see this as a business enabler – it has enabled the business to move forward and grow,” observes Walsh.

Walsh is delighted with the service provided by SIS and, in particular, the company’s willingness to adapt its service according to the changing requirements. “Everything I’ve gone to them with, they’ve been able to give me a solution even though some of the requests have been difficult and demanding. They’ve worked up a solution and then reworked it where necessary,” he notes.

## The Future

Initially, the scanning service was limited to the Finance function within the company but within a short space of time other parts of the business saw the value of the system and plans have now been made to roll it out across the business.

“As more and more people saw what SIS could do in terms of imaging, archiving, viewing and so on, the system grew quite rapidly such that we’re now looking to expand it office-wide to every function including human resources, property and store support,” says Walsh. “It may also be extended to our distribution business. We have two warehouses – Ballymun and Donabate. If we did decide to increase the scope of our scanning to include our two distribution centres, we would put SIS scanners and personnel into these sites as well.”

When the scanning project is fully rolled out, Walsh expects that the current throughput will be “a drop in the ocean” compared to what will be processed.





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The system has even had an impact beyond the boundaries of the Irish business. In order to improve the efficiency of its own scanning operation, Tesco UK have studied the Irish system and have replicated certain aspects, such as the barcoding system that allows the scanner to automatically file scanned documents, and settings that support higher rates of scanning and better quality images.

A number of prospective SIS customers in Ireland have also contacted Walsh to find out more about the system and its potential benefits. Walsh says he is only too happy to act as a reference. "We're very, very happy with the system and what SIS has achieved."

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**Joe Walsh, Finance Operations & Office Programme manager, Tesco Ireland**

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## **Solution overview**

### **Organisation profile**

Tesco is Ireland's leading food retailer serving over one million customers in 110 stores every week. The company's core food retail business has expanded to include clothing, household, entertainment and other non-food ranges.

### **Industry sector**

Grocery retail

### **Business situation**

Tesco Ireland had significant scanning requirements which were previously met by its sister company in the UK. When that service was no longer available, it had to look for an alternative supplier.

### **Solution**

Tesco chose SIS based on the quality of its proposal and the excellent value-for-money it represented. The solution involved placing a full-time scanning technician at Tesco's headquarters together with appropriate scanning technology.

### **Benefits**

- Frees up office space
- Facilitates electronic access to data
- Improves efficiency
- Boosts employee morale
- Provides proven template for office-wide rollout

### **Technology**

A high-performance Bowe Bell + Howell 800 Spectrum XF series duplex scanner and associated scanning and file-management software.

