Harrods: Supporting the luxury goods business with a modern technology platform

Harrods

Explore Harrods's journey with SAP

The iconic department store of Harrods in London's Knightsbridge is synonymous with luxury. To support its digital transformation and strategic shift to an e-commerce platform, the company selected SAP Integration Suite, part of SAP Business Technology Platform, to connect both cloud and on-premise technologies.

Industry	Region	Company Size
Retail	London, United Kingdom	4,800 employees

40%
reduction in TCO across the integration landscape.

30%
shorter process times, freeing staff to focus on other tasks.

"One of our key strategic principles is to leverage the benefits of cloud and as-a-service solutions wherever possible to meet fast-changing business dynamics. SAP Integration Suite supports these ambitions."

Andreas Efstathiou
IT Director, Harrods Limited

Attracting a new generation of consumers

Harrods Limited first opened its doors in Knightsbridge, London, in 1849. Since then, it has gained recognition as one of the world's greatest emporiums. The iconic department store offers designer fashion rooms, extended beauty chambers, food halls, and restaurants, with every corner designed to optimize the customer experience. To attract a new generation of affluent consumers, the company made a strategic shift to an e-commerce platform, which required extending its high-fashion online marketplace to offer stock not traditionally carried in its stores, giving more choice and enhanced experiences.

However, Harrod's integration environment, using a single instance of SAP Process Orchestration software, was inflexible, complex, and carried a heavy business-critical transaction load. This made it difficult to allow downtime for system patching and maintenance and resulted in business outage. As well as lacking a robust infrastructure, the company identified gaps in serving online customers in China and the Middle East. It was therefore losing revenue opportunities and incurring increased costs.

The business needed to create a standardized, scalable, and stable integration platform to connect various systems across multiple technologies and vendors. And it wanted to meet demand for increasing traffic and transactions, minimizing downtimes that impact business-critical processes. To do this, Harrods wanted to modernize its IT infrastructure and migrate to an integration platform as a service. While promoting e-commerce, the cloud-first integration approach aims to deliver on other strategic initiatives too, such as transforming both HR and customer relationship management.

"We harnessed our 20-year relationship with SAP in committing to a cloud-first integration strategy to simplify our IT landscape and provide a standard set of services for communications and transactions with our technology partners. We wanted a rock-solid integration layer to drive a multitude of projects in our pipeline."

Scott Johnson
Head of Digital Technology and Engineering, Harrods Limited

### Deploying an integration platform to drive e-commerce and other strategic projects

Harrods's approach was to first adopt the new software, SAP Integration Suite, part of SAP Business Technology Platform (SAP BTP), for strategic projects before migrating existing integrations, including SAP Process Orchestration and third-party middleware interfaces. SAP Integration Suite helped to address a range of integration challenges, including software patching, scalability, API management, and throughput challenges and connections to third-party solutions. Using this flexible and scalable architecture allows the company to separate business-critical transactions from other noncritical batch transactions and establish a hybrid landscape by connecting to several SAP and third-party cloud and on-premise solutions.

The business reused 60% of existing content from Enterprise Services Repository of SAP Process Orchestration, continuing its use as a central repository for design objects and maintaining on-premise integrations. It successfully deployed more than 600 additional integration flows to production, over half of which are completed on its global e-commerce platform. With 100,000 products published online, Harrods is now processing two million transactions per day through its digital channel.

To take advantage of additional services on SAP BTP, Harrods then migrated to SAP BTP for the Cloud Foundry environment. The company availed itself of the SAP Event Mesh capability, enabling applications to communicate asynchronously to monitor specific business-critical events. For example, together with the API Management and Cloud Integration capabilities within SAP Integration Suite and an ever-growing number of prebuilt adapters, it can track entry and exit door swipes by staff that, in turn, inform payments to them. It also uses process visibility, part of the SAP Build Process Automation solution (in SAP BTP), and the SAP Business Rules Management component to enhance its business processes with modern IT capabilities.

SAP Integration Suite also underpins the initiative to move to a single customer view by facilitating integration between the various customer systems, such as the SAP Marketing Cloud solution, SAP Service Cloud solution, and a third-party e-commerce system. SAP Integration Suite replicates data from these systems into SAP Customer Data Cloud solutions to enable a single customer view across sales channels. Lastly, the SAP Analytics Cloud solution is used to provide insights on integration data, such as message throughput and message counts over extended periods. See the figure for the full systems integration architecture.

Harrods regularly engaged with experts from SAP for comprehensive planning, infrastructure setup, and implementation support and guidance, with opportunities for feedback and requests.
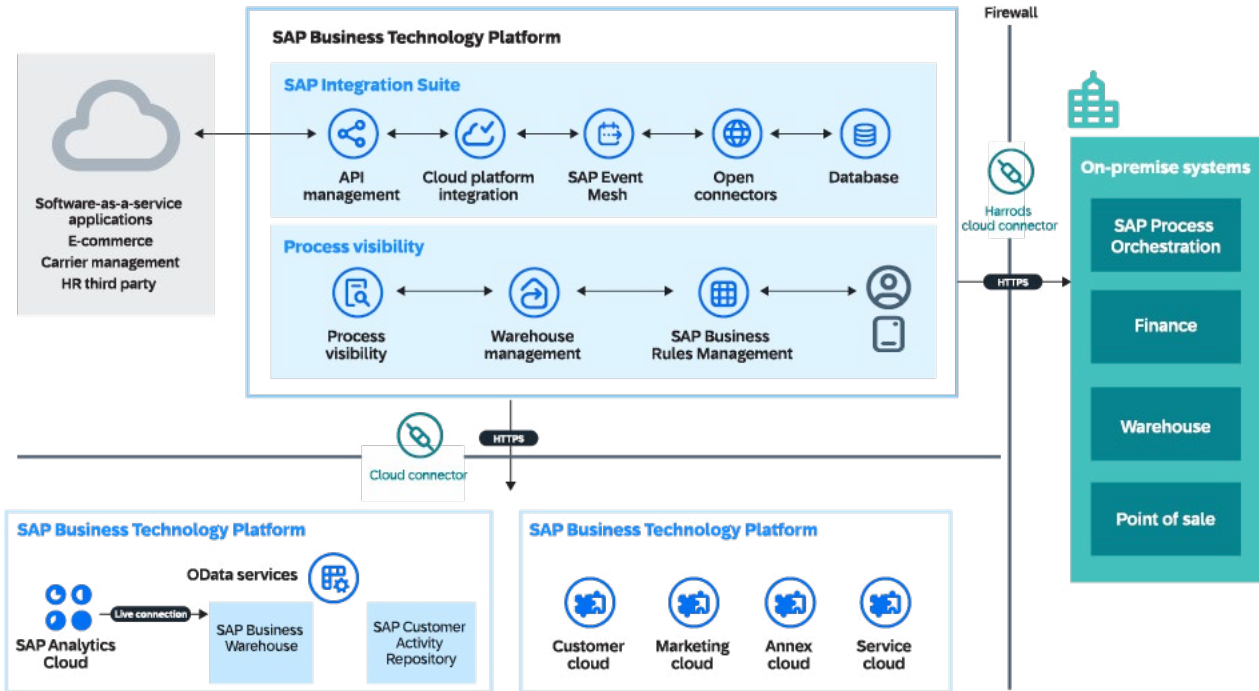
"We've stabilized our end-to-end business processes by taking advantage of the various capabilities within SAP Integration Suite."

Andreas Efstathiou
IT Director, Harrods Limited

Adapting to changing business dynamics unhindered by technical barriers

By transitioning to a cloud-first integration strategy, Harrods has successfully adopted a modern integration infrastructure with SAP Integration Suite. The flexible architecture supports the company in rapidly scaling to meet business demands, while the cloud technologies come with built-in resilience, automated patching, monthly upgrades, and multiple integration and process automation services.

The simplified landscape enables Harrods to efficiently deliver integrations in application-to-application and business-to-business electronic data interchange. It can now connect to cloud and on-premise systems from SAP and third-party systems across multiple protocols from within a single platform. The company can adapt to changing business processes without technical constraints.

With this standardization, Harrods has streamlined its business operations. It can more easily engage with partners and expand its global presence to meet increased customer demand in new markets, including China and the Middle East. And its upskilled IT team can focus on higher priorities by reducing the time spent on highlighting and investigating errors.

And with the move from SAP BTP, Neo environment to SAP BTP, Cloud Foundry environment, Harrods benefits from avoiding significant yearly costs.

"At Harrods, a cloud-first approach using leading IT technologies is the driver in IT. The integration landscape evolving into a hybrid landscape caters to cloud and on-premise technologies using SAP Integration Suite."

Damien O'Dowd
Senior Integration Architect, Harrods Limited

Fashioning more real-time digital interactions

While focusing largely on integration, the company is keeping the advanced features of SAP BTP around process visibility front of mind. This includes self-service dashboards for business users that enable order and article tracking for a comprehensive article creation process.

Looking ahead, Harrods hopes to deliver a defined set of services on the API layer and a single portal for business integration with SAP Business Accelerator Hub to standardize the portal for API discovery and make it more user-friendly. It plans to redeploy its existing electronic data interchange landscape on SAP BTP, taking advantage of the Integration Advisor capability within SAP Integration Suite. The goal here is for the company to accelerate business-to-business implementation and maintenance scenarios using machine learning. It's also keen to apply SAP Integration Solution Advisory Methodology to define and govern its integration strategy.