

# Standardizing Processes Allows Dufry to Find a Common Way to Work

**Capgemini helps travel retailer develop and implement a new set of consistent operating procedures across its entire organization**

## The Situation

Dufry is a leading global travel retailer. It operates more than 450 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

To grow, the company has had to shift from a wholesaler mentality to one much more focused on the retail aspects of the business, often resulting in a mismatch in processes and procedures from division to division. The company has also had to deal with the internal diversity resulting from absorption and acquisition of new companies.

To keep moving ahead, the company knew it would need to develop a common method of working that was standard across all working groups and across all its many regions, countries and shops. Capgemini was asked to assist in finding a way to accomplish this.

## The Solution

After a thorough analysis of the company's existing procedures, Dufry's Group Directors and Capgemini set out to develop a completely new set of standard procedures, with the

**“The main contribution of the Capgemini Consulting team was its ability to combine excellent consulting expertise with an unbeatable business sense, extending value of the project beyond just nice design to a real way to improve the business.”**

Xavier Rossinyol  
Global CFO  
Dufry



intention that they would eventually be implemented across the entire company. An initial workshop familiarized the main implementers from each of the regions and countries with the proposed procedures.

Once their buy-in was received on the project, named Modus, it was given a pilot launch at the company headquarters and fine tuned through proofs of concept in Russia, Italy and Tunisia. All the lessons learned from the pilot were incorporated into the overall plan before a phased rollout was carried out, region by region, across the rest of the company.

#### **The Result**

The Modus project has allowed a set of common operating processes and procedures to be successfully defined, standardized and implemented throughout the entire company.

It offers Dufry the opportunity to achieve much greater efficiency and to realize its vision of becoming a truly global company, one that is focused on service rather than managing relationships with customers/suppliers by achieving the highest level of excellence in central services functions.

#### **How Dufry and Capgemini Worked Together**

Dufry operates in 38 countries in Europe, North America, the Caribbean, South America, Asia and Africa. Operations in each country work with regional headquarters and local companies to guarantee that offerings are geared to the local habits of customers while maintaining a global structure that manages all operations centrally.

In such a complex environment, the value and need to capitalize on the different synergies created by standardization of processes among their operations by centralized negotiations with suppliers, and by implementing common IT platforms, logistics functions and financial controls, was seen as essential to the company's continued success.

Dufry's leadership team asked Capgemini to work with them to evaluate the existing processes and procedures, determine what needed to be changed and standardized, develop a new set of workable standard procedures and then assist the regional and country leaders to implement these new procedures in every store in the company.

The company headquarters was chosen as the initial test site for rolling out the new procedures, which covered the marketing, business development, retail operations, category management, supply chain,



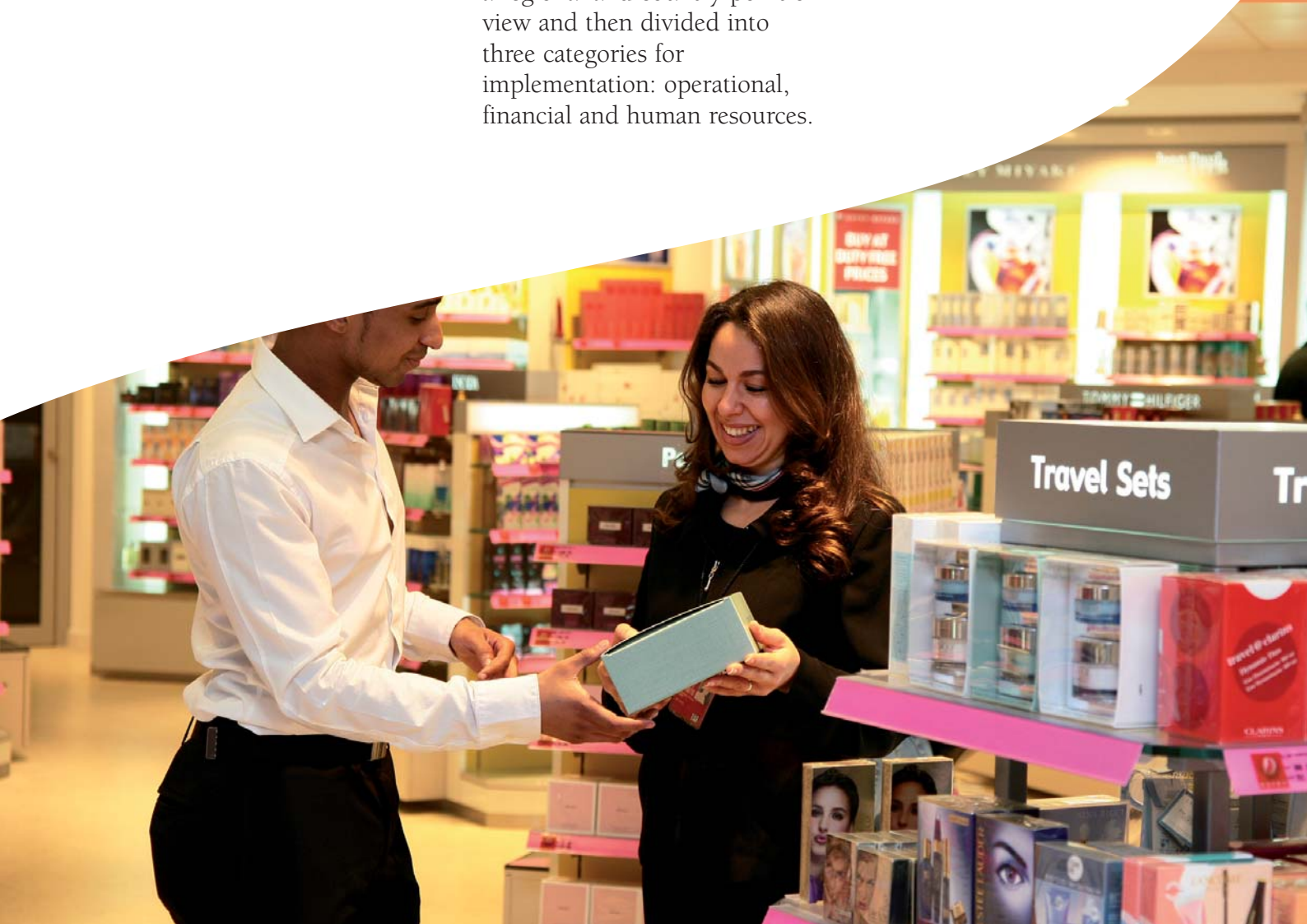
finance, human resources and corporate areas. Once the existing procedures were evaluated, new procedures were developed and validated by the key decision makers for each of the areas. Then the people responsible for implementation in the countries and regions were invited to a workshop where the new procedures were introduced, discussed and agreed upon. The attendees became the champions and sponsors of the project.

Even as the workshop was taking place, a proof of concept was being carried out in Italy, Tunisia and Russia. The new procedures were reviewed from a regional and country point of view and then divided into three categories for implementation: operational, financial and human resources.

Each proof of concept was conducted separately, followed by evaluation and proposals for modification.

Adjustments were made to the plan as a result of lessons learned from the pilot and the workshop, followed by the rollout team from Capgemini and Dufry moving out to the field sequentially from one geographic region to the next. The remit for the rollout team was to:

- implement Dufry's process model and common business principles
- implement the "To Be" organization



- identify organizational gaps, for people and skills
- help identify IT system gaps
- mobilize the entire organization and align it with the new vision.

In each region, the implementation team was trained on the new procedures and they, in turn, trained everyone else. A toolkit was developed that covered all the activities of the implementation and provided all the templates needed.

As each phase of the rollout was completed (the entire process took over a year), evaluations were gathered and adjustments made to the plan to fine-tune it before it moved to the next region. An internal newsletter was developed and sent out regularly to all employees apprising them of what was happening with Modus. Feedback was actively sought and encouraged.

A second phase of the project (Modus II) focused on defining operational and resource communities and organizing Dufry's operations around business units. The communities are tasked with evolving the processes and making them work. The company has been able to align commercial activities within major specialty areas while strengthening service and

integration at local and regional levels. People at all levels of the Dufry organization see the Modus implementation as a cornerstone for their future

growth and help them realize their vision of having the most innovative and profitable company in their industry.



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Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working - the Collaborative Business Experience® -

and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion and employs over 83,000 people worldwide.

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In collaboration with



Founded in 1865, Dufry is a global travel retailer with operations in 38 countries; more than 450 shops located at airports, cruise liners, seaports, and other locations catering to tourists. Dufry provides its customers with prestigious brands from more than 1,000 suppliers; customers rely on the professional services of over 6,750 Dufry employees.

Dufry has a clear vision—*"We want to be the industry's most innovative and profitable company."* Dufry is active globally, with its corporate structure

organized in five regions. It has been pursuing a strategy of profitable growth with focus on tourist destinations in emerging markets. Dufry Ltd, publicly listed in Switzerland, has its group headquarters in Basel. Since December 2006, a subsidiary, Dufry South America Ltd, also has a separate listing in the Brazilian and Luxembourg stock exchanges.

Dufry works with local partners and adjusts offerings to the local habits of customers. In 2006, it generated 73% of net sales from contracts with more than six years duration remaining; 34% from those with more than nine years. It has developed a strong portfolio of long-term concessions with airport authorities and other landlords.