

CUSTOMER PROFILE

FOOD & BEVERAGE

LAWSON AT NUTRECO



Lawson M3 Helps Nutreco Unify Its Global Organization and Become Leader in Food Safety

As if uniting more than 120 food production and processing units in 22 countries with a collaborative enterprise system wasn't a big enough challenge, Nutreco has also set itself to the task of implementing a supply chain traceability system across the organization. But that's par for the course for a company that's single minded and has a reputation in its industry for world class standards.

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Roel Bakker, Director of Information Management, Nutreco



Business Benefits

Managers at Nutreco, the Netherlands-based global food company, are the first to admit that Nutreco's disparate organization, spread across five continents, makes management a challenge. And while the company has seen net sales increase by 48 percent in a three-year period since 1999, it recognized it faced a rapidly changing market that brought with it new demands.

"We're in an era when speed of communication and supply chain agility are pre-requisites to fulfilling customers' needs," says Roel Bakker, director of information management. "And we had to act decisively so we could continue to build and retain our preeminent position with retailers."

"It meant we needed visibility throughout the supply chain, and fast access to accurate information from the businesses to give us a complete picture to make informed decisions."

And while Bakker says it will take at least 12 months to measure quantifiable benefits, he has a very clear view of what he expects. He says each business has its own detailed business case with key performance indicators and returns on investment.

At this stage he prefers not to divulge detailed information before Lawson M3 demonstrates it is delivering the results—a pragmatic approach that summarizes his "see it first then believe it" philosophy. But he is optimistic about where some of the main benefits will accrue.

"The main payback areas will include improved business processes, reduced stock and debtor days, improved procurement, lower cost of IT ownership and increased sales." And he adds, "We'll also have improved management tools for benchmarking, and an ability to integrate acquired companies more quickly and effectively."

Consistent with its decentralized management culture, the company is not strict in its approach. "During the past three years the business has grown significantly, both through acquisition and organically," he says. "We've ended up with different ERP systems and other 'local' systems. Lawson M3 can integrate to all of them where required."

"And we've set ourselves the long-term task of implementing a single system to give us fast data exchange, supply chain transparency and more efficient business processes. But we're not going to impose the system unilaterally on businesses. Each one has to make a strong economic case," he stresses.

While the new technology backbone will unite the organization, the information it produces will also feed the company's NuTrace traceability system. Developed in partnership with Lawson, it's being implemented simultaneously with the enterprise system.

In 1999 the company decided to be one of the first in the industry to respond to the growing crisis over food safety. And it embarked on a strategy anticipated to make it one of the most electronically enabled and competent in the global food industry when it comes to traceability.

"Food safety is both a social and a commercial necessity," says Dr. Reid Hole, corporate director of food safety. "We were committed at an early stage to implement new systems and processes, and give retailers, and ultimately consumers, information that will build trust and confidence in the safety of the food they eat."

"Our ultimate aim is to achieve this through better control systems and shorter recall procedures."

"Lawson is innovative and a global player with global support."

Roel Bakker, Director of Information Management, Nutreco



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Hole says further development of both systems is a high priority for Nutreco in order to retain its competitive edge. “We’ll undertake this development in collaboration with our customers to make sure it’s driven by market needs.”

And he adds, “These two Lawson systems working together will give us a competitive edge in our relationships with retailers, and send strong, positive messages to all our stakeholders that we won’t compromise on our desire to establish world class standards throughout our supply chain.”

The Company

Nutreco’s core business is contained within two business streams: Aquaculture and Agriculture. These focus on fish and animal feed production, and fish, pig and poultry farming and processing.

Combined, the two business streams have eight business groups comprising a number of business units made up of operating companies.

While it has competitors in both aquaculture and agriculture, Nutreco has no comparable rivals that span both markets. As a result, its vertical integration covers a large part of the supply chain “from field to fork”.

Why Lawson?

“Lawson is innovative and a global player with global support,” says Bakker. “It develops and implements its own software, and has regular updates. We get direct accountability.

“It also has a good track record,” he adds. “Lawson M3 has been implemented at one of our Norwegian operations, Skretting, for many years and it has good functionality and fit. We’ve had good experiences.”

The Implementation

In the Aquaculture feed business, Lawson M3 has been implemented in Norway, Canada and Chile. And during the next few years it will be rolled out to other feed companies for salmon and other species worldwide.

The salmon business groups of Marine Harvest have defined their business case and are preparing the implementation of Lawson M3 globally.

Meanwhile, the business group Trouw Nutrition International has begun implementing Lawson M3 in the US and Poland, and it will be rolled out to all other operating companies.

In the coming years, other business units within Agriculture will prepare business cases and investment proposals.

Bakker says that one of the things he liked about Lawson was one of the first questions asked: How do you want to work? “This told me that the company understood our requirements from day one, and wanted a long-term partnership that would meet both our needs.”

And he says they haven’t been disappointed. “We’ve got some highly skilled people on the project who understand the food market and make a measurable input to our thinking.



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Future Plans

At the moment, Bakker says the company is wholly focused on the current projects. "There are a number of business investment proposals being considered from parts of the business not included in the current project, but at the moment we have to be single-minded."

However, longer term, he sees closer collaboration with retailers as essential to the next stage of the company's reinforcement of its market position. But until then he's keen to make sure no one takes their eye off the ball.

About the Solution

Lawson M3 will run on a single IBM iSeries box that will be outsourced.

And one aspect Bakker fought hard to ensure was zero modifications. "We made it clear from the outset that we wanted to go with standard Lawson M3.

"The interaction between the two systems, Lawson M3 collaborative enterprise application and the company's NuTrace traceability solution, will give us a very effective enterprise-wide information system." And he adds that the NuTrace traceability system is also an integrated part of the Nutreco Food Safety approach, which has been designed to give the company a competitive edge.

Nutreco is also implementing Lawson's corporate portal and data warehouse applications.

"These two Lawson systems working together will give us a competitive edge."

Dr. Reid Hole, Corporate Director of Food Safety, Nutreco

About Nutreco

Nutreco Holding NV is an international company with leading positions in high quality food for human and animal consumption. The company is present at various stages of fish, poultry and pork production chains.

Nutreco's activities are organized as Nutreco Aquaculture and Nutreco Agriculture. Within these business streams there are eight business groups, each made up of business units that together have more than 120 production and processing units, with a work force of approximately 13,000 people in 22 countries.

Since its flotation in June 1997, Nutreco has made acquisitions in the Netherlands, Spain, Germany, Canada, Poland, Chile, Portugal, France, Scotland, Belgium, Hungary, Norway, Australia and the United States.

In 2002 Nutreco had sales of EUR 3.8 billion.