



Poultry Producer Creates ERP From Scratch in 10 Weeks

Overview

Country or Region: Victoria, Australia

Industry: Food Production

Customer Profile

Turi Foods is a family-owned business providing poultry to large supermarkets and fast food outlets.

Business Situation

In 2009, Turi Foods bought the slaughtering and processing operations of a competitor. This facility – called Golden Farms – used an Oracle ERP system that was too expensive for a single facility to maintain. La Ionica had a three-month grace period in which to find an alternative.

Solution

Fenwick Software Pty Ltd deployed Microsoft Dynamics NAV at Golden Farms after a 10-week implementation period, which included writing a bespoke call centre application.

Benefits

- Reduced licence costs
- Increased ability to make system changes quickly
- More productive finance staff
- Better company-wide integration

“I estimate we have saved about A\$100,000 by being able to get a replacement system in and working before the existing licence expired.”

Chris Turner, CEO, Turi Foods

Golden Farms is a poultry facility in Geelong, Victoria, which processes and packages approximately 400,000 chickens per week. In July 2009, it was acquired by Turi Foods and the company that provided Golden Farms’ Enterprise Resource Planning (ERP) system gave it three months to either purchase a new licence as a single site user or stop using the system. A new licence would have been prohibitive, since the ERP system was designed for multi-facility operations. With little time to examine its options, Golden Farms turned to ERP specialist and Microsoft Gold Certified Partner, Fenwick Software. Fenwick said it could deploy Microsoft Dynamics NAV 2009 within three months, including electronic data interfaces (EDIs) to major customers and a bespoke call centre tool. Golden Farms agreed, and in late October the new ERP went live. Staff now have a system that is easier to maintain than its predecessor, and which generates reports more quickly.

“A new licence would have been too costly. The application was good for six or seven sites, but it was too much just for one.”

Chris Turner, CEO, Turi Foods

Situation

Turi Foods – owner of the long-established La Ionica brand – is one of Australia’s three largest poultry producers. With operations in Victoria and New South Wales, it delivers premium-quality chicken to Australia’s largest supermarkets such as Coles and Woolworths, and to major fast-food chains such as KFC, Nando’s and Red Rooster.

In July 2009, Turi Foods acquired the Victorian operations of competitor Steggles. Renamed Golden Farms, this Geelong facility processes and packages approximately 400,000 chickens per week.

The 400 staff at Golden Farms manage a wide range of tightly integrated tasks, including supply, production management, invoicing and distribution, and sales. The company cannot carry large amounts of dressed poultry because of its limited shelf life. As such, demand and supply have to be kept in balance on a daily basis.

“Each morning between 7am and 10am, sales staff call customers to establish how many birds are required the next day and what type,” says Alex Latter, National Planning Manager, Golden Farms. “This data is immediately fed to suppliers and production staff. It’s a very fast-moving operation.”

To manage and coordinate these activities, the facility had used an Oracle ERP system that was licensed by its previous owner, a national-scale producer. However, when it was acquired by Turi Foods, Golden Farms was given three months to either renew its licence as a single operating entity, or cease using the software.

“A new licence would have been too costly,” says Chris Turner, CEO, Turi Foods. “The application was good for six or seven sites, but too much just for one.”

Golden Farms had to find a new production, finance and customer management system (CMS) – and quickly. Besides managing the call centre, it would also have to manage ordering, invoicing and stock inventory, and integrate them into the existing warehouse system. It would also have to execute hundreds of payments per day, which was currently an intricate and time-consuming task.

Most importantly, however, the system had to be adaptable.

“We constantly have to make updates to our systems, for example, when supermarket discounts change,” says Jackie Dean, IT Manager, Golden Farms. “We found it very difficult to make these changes in the old system, not least because we would then have to pilot test invoicing and accounts to make sure that it was all still working properly. That process took at least two weeks.

“It was also expensive to maintain, particularly in terms of working hours. If there was a bug and I could fix it, I would, otherwise it would have to get our IT team onto it. Just supporting the systems was a full-time job.”

Solution

Golden Farm’s new parent company, Turi Foods, already used an ERP system called Navision, which had become part of the Microsoft Dynamics range of ERP and CRM applications.

“On the very first day all the deals went through, and the invoices went out. The business did not stop.”

Jackie Dean, IT Manager, Golden Farms

“We went to see Navision at Turi Foods to see if it was doing all the things that we were doing,” says Dean. “Most of the functionality we wanted was either standard, or could be created with a minor modifications. However, a call centre task management function would have to be designed and programmed.”

“I was sold on the scalability,” adds Turner. “We could see that as we got bigger we could add some of the Dynamics bolt-ons that would help manage whole areas of our business, such as yield calculations and workers compensation.”

Golden Farms engaged Microsoft Gold Certified Partner Fenwick Software to advise on and deploy the latest version of the software, Microsoft Dynamics NAV 2009. With a long experience of ERP implementations, Fenwick Software believed it could get everything done in the 10-week window open to them. Implementation began in August 2009.

“The guys we were working with were very good,” says Dean. “The challenge was to get all the old data out of Oracle and into templates – which Fenwick gave us – to populate the Dynamics databases. This was more complex than you would imagine: we also had to insert all the day-to-day changes that we were still making in Oracle, so that Dynamics would not be three months out of date when we turned it on.”

“These projects normally take about nine months,” says Peter Fenwick, Managing Director, Fenwick Software Pty Ltd. “But we had the benefit of a well-defined methodology, and good-quality people who know the food production industry.”

The new ERP – including a call centre module and an EDI interface – was completed within 10 weeks.

“It also came in under budget,” says Dean. “That’s not always the case.”

Benefits

Golden Farms now has an ERP system that suits its size, is easy to modify, and that staff like to use. Most importantly for the CEO, there was no interruption to business activity when the old licence expired, and he has a system that can grow with the company.

Ease of deployment

“The fact is that it was ready on time,” says Turner. “We hear horror stories about system implementations that are still not ready after 12 months. The real benefit for me is that the implementation was trouble-free.”

“I don’t know of anyone who has implemented a finance and production system in 10 weeks,” adds Dean. “On the very first day all the deals went through, and the invoices went out.”

Turner is also convinced that they found the most economical solution.

“The other systems we looked at would probably have worked out at about twice the cost and twice the hassle,” he says. “Overall, I estimate we have saved about A\$100,000 by being able to get a replacement system in before the existing licence expired.”

Trouble-free maintenance

The IT staff at Golden Farms are particularly pleased with the relatively low level of technical maintenance the new ERP system requires.

For More Information

For more information about Microsoft Dynamics products and services, call 1800 197 960. To access our website, go to:

www.microsoft.com/australia/dynamics/

For more information about Fenwick Software Pty Ltd products and services, call 03 9695 3333 or visit the website at: <http://www.fenwicksoftware.com.au/>

For more information about Turi Foods, call (02) 8783 8833 or visit the website at www.turifoods.com.au/

"If there is an issue, it is quickly rectified," says Dean. "The support from Fenwick Software is excellent, and we have had hardly any down time."

Critically, staff find it much easier to update Dynamics NAV when the terms of its deals need to be changed.

"The updates are very quick to execute, and we can generally have them done in an hour or two," says Dean. "For example, if we have to apply a new set of discounts we don't have to apply a cents-per-kilo update on every product, just on the customer. What used to take weeks now only takes five hours."

User support

Call centre staff have an improved tool for making customer calls. A constantly scrolling task list prompts individual call centre staff to make sales calls in order of priority. Meanwhile, the Microsoft Dynamics interface provides them with easily accessible support data.

"Whereas a query in Oracle would typically take three to four minutes to return an answer, staff now get the data in two to three seconds," says Dean.

"This is particularly helpful to sales call staff who may be researching a customer's purchasing history while they are on the phone.

"In addition, the people in finance absolutely love it. Making payments to large accounts used to require a huge number of steps, and now there are only three. What used to take them half a day now takes them twenty minutes."

Future conversion

In the longer term, the deployment of Microsoft Dynamics NAV will ease the integration between Golden Farms and its new parent company.

"When we got together, it was clear that although we do the same business, the way we do it is very different," says Dean. "Now we are steadily changing the way we do business to get our operations into sync. And because Dynamics NAV is more amenable to making changes, that is making the process much more pleasant."

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Software and Services

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