

Agropur Fine Cheese Division

Savoring a Fast, Focused Implementation of SAP R/3® Enterprise

Agropur Fine Cheese Division, which produces and distributes widely recognized brands such as Babybel, Oka, Vaudreuil and Chevalier, is one of the three divisions of the Canadian-owned and operated dairy products leader Agropur Cooperative. The other divisions are Natrel (known for its Sealtest, Ultra'milk and Moostache brands), and the Industrial Division (major supplier of leading brands of packaged cheese). Agropur also owns Ultima Foods (Canadian franchisee for Yoplait Yogurt) in equal part with Agrifoods International Cooperative. With \$1.9 billion in annual revenues, the Agropur Cooperative employs over 3,000 people across 20 plants, and represents 5,000 dairy farmers across Canada. The Cooperative's Fine Cheese division, which is Canada's largest fine cheese manufacturer and distributor, employs 420 employees in two manufacturing plants and a Montreal-based national distribution center.

Although aging may be good for cheese, it is not typically good for IT systems. In 2003, the company decided to replace its outdated legacy system with one that would support its business processes through continued expansion of its popular brands. To facilitate this change, Agropur Fine Cheese Division selected SAP® and Deloitte Consulting LLP – which had previously completed a successful SAP implementation for its sister division, Ultima Foods – as its implementation partner.

The Situation

Mid-market firms face many of the same business challenges as their larger counterparts, but they frequently have fewer resources to work with. As a mid-market food company, Agropur Fine Cheese Division was naturally challenged to minimize its capital outlay as well as the strain on its employees. Therefore, it required a fast, focused implementation with minimal business disruption. In addition, the solution would not only need to deliver standard ERP functionality but it would also need to support the unique requirements of the food industry, such as variable weight management, price management, warehousing and distribution of perishable products, EDI and interfaces with mobile systems.

The Challenge

Agropur's legacy system had been highly customized to meet its needs. Moving forward, the company required a platform that could easily be expanded via a proven upgrade path. This meant that the new SAP system would need to be implemented with as little modification as possible. It also meant that users would need to adjust to new business processes that were quite different from what they were used to.



The Solution

In late 2003, Agropur Fine Cheese Division launched the Integrated Resource Information System, or IRIS, project. The project's scope encompassed implementation of SAP R/3 Enterprise with the following functionality:

- Sales and distribution
- Finance and controlling, including profitability analysis
- Material management
- Warehouse management
- Demand planning
- Technical infrastructure
- Security profiles

To help the Fine Cheese Division work around its resource constraints, Deloitte leveraged its deep experience in the food and beverage industry as well as its previous work with the organization's sister division, Ultima Foods. A number of configuration templates, work plans and training documents helped accelerate the implementation and reduced costs. In addition, a number of the technical developments were also outsourced to Deloitte's Application Maintenance Outsourcing (AMO) center in Markham, Ontario.

The Collaborative Approach

Agropur's leadership assigned some of the company's best people to the project on a full-time basis. These dedicated team members worked side-by-side with Deloitte's practitioners to address both technical challenges and the change management issues that arose from introducing new business processes.

"Agropur's employees competence and dedication, along with our industry expertise, have significantly contributed to the success of this project", notes Sebastien Tessier, the Deloitte senior manager on this project.

The Results

The IRIS project went live in May 2004, a short six months after it had begun. Already, the Agropur Fine Cheese Division is enjoying the advantages of an integrated ERP system that provides real-time information and that enhances operational efficiency via standardized, streamlined processes.

The IRIS project demonstrated that enterprise systems are no longer beyond the reach of mid-sized companies. Through innovative use of pre-configured templates, proven support materials and industry best practices, mid-sized companies can lay the foundation for future growth at an affordable cost and with minimal risk.

"We were pleased with the implementation and the way our new SAP system is performing," notes Jean Carrier, vice president finance and administration for Agropur Fine Cheese Division. "Deloitte helped us implement this new platform swiftly and cost-effectively. We are now well-positioned to grow our business and to strengthen our competitive advantage for many years to come."

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