



CASE STUDY Dale Farm

MICROSOFT DYNAMICS™ NAV

BACKGROUND

Dale Farm Limited, Northern Ireland's leading food company, manufactures and markets a wide range of dairy products covering milk, cream, milk powders, cheese, butter, dairy spreads, yogurts, ice cream and desserts. The company operates in the UK, Irish and international markets in its own Dale Farm, Spelga, Dromona, Rowan Glen, and Loseley brands and in major multiple private label.

The company has a group turnover approaching £300 million with over 1100 employees and comprises of 5 manufacturing locations in Ireland, Scotland and England. Over the past 3 years the company has embarked on a major growth strategy focusing on consumer products, food ingredients and food service. As part of this strategy the company has doubled its sales by acquisition and strong organic growth, supported by a £20m investment in new facilities.



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WHY MICROSOFT DYNAMICS™ NAV

Dale Farm Limited had over 20 legacy systems, a mixture of software packages and in-house developed solutions. Its parent company, United Dairy Farmers, also operated a significant number of packaged and custom solutions and the group decided to introduce standard processes and implement a group wide generic ERP system.

Sysco and Microsoft Dynamics™ NAV were chosen because it was felt that the breadth of functionality in the package was a cost effective solution for their diverse business requirements. Also, the customisation capabilities of Microsoft Dynamics™ NAV allowed Dale Farm to make changes easily and quickly. This was very important to the group because there were specific dairy industry requirements that would not be met through a standard ERP solution.

Sysco demonstrated that they had the local support and implementation capabilities for a company the size of Dale Farm and promised to grow with them as the group expanded.

THE CHALLENGE

The biggest challenge was the introduction of a new system and new processes to an organisation that was already going through significant change. It was therefore important to get user buy in to the implementation by demonstrating the improvements in processes and improved visibility to information at an early stage. Sysco ensured that the rapid implementation of the package provided quick wins to the organisation.

There were a number of other challenges:

- ◆ Meeting complex business requirements previously met through "tailor-made" solutions
- ◆ The scale of the implementation and the need for staged rollout requiring interfaces to legacy applications
- ◆ The merging of a number of subsidiaries during the implementation
- ◆ Complexity of the Dale Farm customer base
- ◆ Providing functionality to handle four different types of Distribution
- ◆ Four different long term interfaces to other applications such as hand held sales ordering, EDI and several third party distributors
- ◆ The high volume of transactional data

"Two key areas we initially thought may cause us problems were modifications for the milk distribution side of the business and the interfaces with the legacy packages. In the end both were big successes and enabled us to rollout the system in a controlled manner. Sysco made the required modifications providing a modern system with the necessary integration between functional modules."

David Brown Group IT Director



Liquid milk warehouse and packing facility

IMPLEMENTATION

Initially Sysco introduced the financial modules independently. All legacy financial ledgers were replaced and new interfaces were built throughout, integrating the new modern systems with the legacy distribution systems. As the subsidiaries were merged their financial ledgers were consolidated.

A phased approach was then taken to rolling out the distribution modules. Sysco started with the chilled foods sector of the company and then embarked on the Milk distribution business. During this roll out United Dairy Farmers purchased Rowan Glen, a Scottish company manufacturing yoghurts and probiotic drinks. Rowan Glen, implemented the Finance, Inventory, Sales and Distribution modules. This presented Sysco with additional challenges as there were very tight deadlines to be met while still continuing with the main Dale Farm rollout. Sysco pulled out all the stops and Rowan Glen went live in 12 weeks.

"Since implementing Microsoft Dynamics™ NAV in Rowan Glen turnover has more than doubled. It was key to have the new systems and processes in place to enable and support this rapid growth."

David Brown, Group IT Director

In March 2004, Dale Farm also purchased the GB yogurt and dessert manufacturing operation of Parmalat, and decided to replace all of their ERP modules with Microsoft Dynamics™ NAV. This project had a deadline which was even more stringent than Rowan Glen. The business models and procedures established during the previous implementations enabled the subsequent roll out of Microsoft Dynamics™ NAV to Dale Farm Kendal to be successfully completed in 6 weeks, including the development of new EDI messages and an interface to a third party distribution organisation.

Sysco's role in the implementation:

Sysco consultants working with Dale Farm were involved from the beginning, setting up the prototype Microsoft Dynamics™ NAV system, defining existing processes and mapping these to Microsoft Dynamics™ NAV. This also involved the design, development and implementation of Dale Farm specific requirements to Microsoft Dynamics™ NAV. The consultants led key workshops to agree system configuration and processes, then led initial training of users and hand holding during "go-live".

Dale Farm have outsourced the distribution of their Chilled Food business and had interface systems in place. Sysco were able to replicate these existing interfaces to Excel Logistics and Wincanton using Microsoft Dynamics™ NAV development tools. The tools were also used to develop the interface to legacy Hand Held Terminals.

As suppliers to the major food retailers Dale Farm are extensive users of EDI. Through partnership with EDI software suppliers Freeway, Sysco facilitated the migration from Dale Farm's legacy EDI software to the Freeway EDI application. All EDI messages through Freeway are interfaced via a Navision EDI module. Presently there are over 70 EDI messages across the Group transmitted through Navision EDI.

Dale Farm Milk Manufacturing and Distribution is a "24/7" type business and Sysco were called upon to provide out of hours support in the early days of the implementation. Sysco personnel provided this on site support and assistance for several months during the go live phases. On-going dedicated Microsoft Dynamics™ NAV support is provided by Sysco's support team who have a detailed knowledge of the system configuration.

*"Sysco appreciated the need to meet deadlines and provide comprehensive support and they demonstrated their commitment to Dale Farm with some long hours and late nights."
David Brown, Group IT Director*

One of the benefits of Microsoft Dynamics™ NAV is its uniformity across all modules making end user training a straight forward task. Sysco provided the bulk of user training on site. Once the initial training and implementation was complete Dale Farm has been able to roll out training throughout the company utilising in-house trainers.

BUSINESS BENEFITS

One of the main benefits for Dale Farm is they now have one integrated ERP application, with Microsoft Dynamics™ NAV allowing them to introduce standard business processes across the group, which in turn has improved data integrity and efficiency with reduced duplication and effort.

Microsoft Dynamics™ NAV has also helped to reduce costs by increasing the use of IT in numerous functions within the business, introducing more automation and e-commerce, and reducing manual effort and paper handling. Moving to a common hardware platform and operating system has also reduced IT support and maintenance costs.

Another significant benefit from the system is the increased visibility and drill down capabilities. These allow Dale Farm to analyse data from the General Ledger and drill right the way down to the stock, sales or purchase transaction. By providing more accurate, comprehensive and timely information Dale Farm now have better decision making capabilities.

The fact that Microsoft Dynamics™ NAV is a Microsoft product brings a number of key benefits most notably the reduction of risk by moving from legacy systems to the world's largest software company. With this also comes a much greater level of integration with other Microsoft server and desk top products and a committed product development strategy well into the future.

The flexibility of Microsoft Dynamics™ NAV should not be underestimated and a key benefit of Microsoft Dynamics™ NAV is the ability to adapt and customise functionality to suit the ever changing business requirements of an organisation like Dale Farm. Also, the system has been designed to scale up with increased volumes and capacity with business growth and acquisition.

*"The improved visibility of information has helped us increase our control of the business and improve decision making based on better information."
David Brown, Group IT Director*

THE FUTURE

Dale Farm required a stable solution that would support and grow with their business. Sysco have provided more than a solution they have provided a partnership. It had to be a team effort to improve and support Dale Farm systems. Sysco have a good functional knowledge and development expertise for interfaces and modifications. Dale Farm were delighted to have local application knowledge and found Sysco easy to work with and enjoyed having the access to consultants face to face.

Dale Farm will continue to expand with the acquisition into value added food products throughout Northern Ireland and Great Britain, and is confident that Sysco will continue to support their ever changing business. The next phase of the Microsoft Dynamics™ NAV rollout has now commenced with the implementation of the manufacturing and service management modules of Navision.

*"Sysco know our business nearly as well as we do now. The implementation was a success and we have gained the business benefits that we expected. The final stage is to get additional improvements through the implementation of the manufacturing modules and a pilot study has already started. Dale Farm looks forward to working with Sysco as our business continues to grow and we extend the use of the system into new areas."
David Brown, Group IT Director*

For more information about Microsoft Dynamics™ NAV and Sysco Software Solutions visit www.sysco-software.com

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