CASE: ARLA FOODS

ARLA FOODS IS BUILDING ONE LARGE BUSINESS INTELLIGENCE SYSTEM

QUICK FACTS:

CHALLENGES
- Act as one global enterprise
- Integrate data across 30+ systems in 8 divisions
- Harmonize data across the Enterprise
- Consolidate existing Data Warehouses
- Consolidate existing Business Intelligence solutions

APPROACH
- Enterprise Data Warehouse

BUSINESS BENEFIT
- Improved Decision Making
- Optimized Business processes
- Reduction in Cost
- Simplified System Landscape

CHALLENGES

Arla Foods being the Europe's largest Dairy producer and due to acquisitions and mergers had ended up with over 30 systems in 8 divisions. Ett (One) Arla Solutions (EAS Project) was initiated to simplify, optimize and integrate the company to function as one global enterprise.

ONE ARLA – The Global Business Strategy
According to this strategy, the IT systems, data and work processes are to be integrated to create a common business and realize synergistic gains. The project has turned out to be the largest business project in Arla's existence. With existing Data Warehouses and Business Intelligence solutions in place, together with the need to get control of the data in all their systems.
"In the old reporting world at Arla Foods, we had no less than 30 different standalone Data Warehouses, with well over 280 different overlying reporting solutions. Now that we have completed our consolidating reporting and analysis project, all of them will be replaced by a common Enterprise Data Warehouse and Business Intelligence system for the entire group"

This is how Business Intelligence Manager Michael Vølund of Arla Foods describes the difference between the BI situation with the old, decentralized reporting at Arla Foods, and the new, streamlined Arla Foods Business Intelligence solution, as it will emerge when the vision of One Arla becomes reality for the group's approx. 1,500 Business Intelligence users during the spring of 2006.

"Now the decision-makers will no longer need to spend time finding relevant data. Now the relevant data will be delivered to them automatically, arranged the way they want it to be, so they can spend time analyzing the data, in order to make the right decisions"

Michael Vølund,
BI Manager, Arla Foods

APPROACH

A major project is now underway to create a common BI platform for the entire group to replace the many decentralized BI systems in use to date. A single Enterprise Data Warehouse based on SAP Business Warehouse will be built with data from both SAP R/3 and the group's other IT systems. The overlying layer will consist of SAP's reporting tool SAP BeX for ad hoc reporting and Cognos ReportNet, with which users themselves can order standard reports.

This project has been divided into some 40 subprojects, where Arla Foods has chosen to supplement its own specialists in Data Warehousing, Business Intelligence, SAP and Cognos with consultants from Platon in a number of areas.

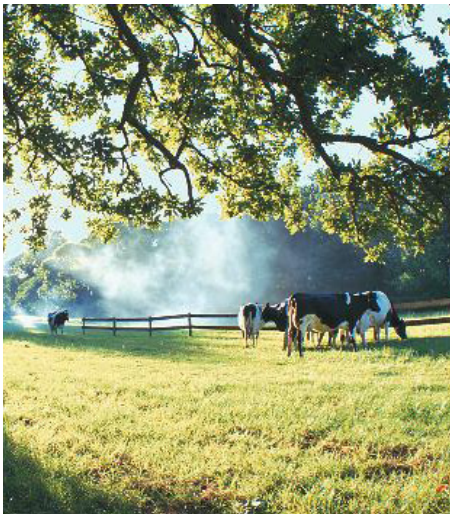
PLATON

Platon will provide expertise for these projects in the form of project management, requirement specifications, data models, implementation and testing.

This combination of internal and external forces has enabled this large-scale project to be carried out without any major complications. The BI system and BI portal are expected to come online as planned in April 2006, with a single harmonized and standardized Data Warehouse with high data quality, thanks to the Master Data project carried out at an earlier date.

This major BI project has, as expected, placed a great demand on the resources of EAS – Ett (One) Arla Solutions – which is the name given to the Arla Foods IT division after the One Arla vision was adopted. Therefore the management of all EAS's existing BI systems has been entrusted to Platon.

"The old BI systems will be phased out as soon as possible, so there is no longer any strategic reason for us to manage them ourselves. Therefore Platon has taken over the management of many of the legacy systems that we have been responsible for here at EAS, systems that Platon in fact helped build. So we now can use our resources on the new BI system, while Platon will handle the operations, batch processing, help desk and new developments for the more than 1,200 users of the old system. They have been doing this so well that the user satisfaction level is higher than ever. We have been able to drop the regular task-related status meetings concerning the business because they are no longer necessary."



BUSINESS BENEFIT

According to Michael Vølund:
"The most obvious reward will be the great difference in the maintenance and operational costs for a single system as compared to 30 systems. However, we anticipate even greater rewards on the business side, where until now we have had different BI systems, for example, for sales, accounting, production and distribution. Now all the data is located in a single system, with unlimited comparison opportunities across the organization. Now the decision-makers will no longer need to spend time finding relevant data. Now the relevant data will be delivered to them automatically, arranged the way they want it to be, so they can spend time analyzing the data, in order to make the right decisions."

ABOUT ARLA FOODS

Arla Foods is Europe's largest dairy group, with combined sales of almost DKK 48 million in 2005 and some 21,000 employees. Arla Foods is a cooperative owned by 10,500 Danish/Swedish milk producers, with headquarters in Århus, with sales to 130 countries worldwide, sales divisions in 24 countries and production in 10 countries.

Michael Vølund,
BI Manager, Arla Foods:

"We have utilized Platon's expertise for many years, and I can state unequivocally that what has always been their primary strength continues to be. They have in-depth knowledge of the products they recommend and work with, at least as much knowledge as the suppliers' own people. In fact they know a lot more, since they also know all the basic concepts from this specialized world, and they possess tried and tested methods for completing projects on time and with the right results. Moreover, they are not narrow-minded specialists with limited fields of expertise, they are 'holistic' people, who are very well oriented, not only in the IT field, but in the business world as well."