CASE: ARLA FOODS MDM PROJECT

ONE ARLA - THE GLOBAL BUSINESS STRATEGY

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
- Master Data Management Project
- 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, Arla needed to address integration and harmonization of their data.

"On the whole it was extremely difficult to compare data across the organization if we wanted to see how much we had sold of a specific product, or to a specific customer, at the global level." explains Henning Pedersen Senior Consultant with Ett Arla Solutions, the IT division at Arla Foods in Århus, Denmark.

ONE PRODUCT – SEVERAL PRODUCT NUMBERS

Examples of such problems included the fact that a specific dairy product could have different product numbers in the various IT systems while different products could have the same product number.

The same applied to customers and suppliers. This situation was barely tolerable before the merger, when MD Foods had clear divisions.

However, at Arla Foods, where the goal was to create a global business model across geographical and IT technology boundaries, this situation was unacceptable.

APPROACH

It was decided to initiate a Master Data Management project to organize the data and lay down guidelines for defining Arla's Master Data, as well as for determining who owned it and who was responsible for maintaining it.

"The purpose of the project is to make the way we work simpler, more efficient and more integrated."

Åke Modig, Deputy Managing Director, Arla Foods

PLATON

“With help from Platon’s specialists, we have created a global Master Data Management solution for our SAP R/3 platform, with common general definitions for selected master data. Previously, when our Master Data situation was fragmented and confusing, a great deal of manual work was often required to generate reports for the group. Now this takes place without any significant harmonization problems,” says Henning Pedersen.

BUSINESS BENEFIT

The company has achieved greater efficiency and better data quality. According to Henning Pedersen:

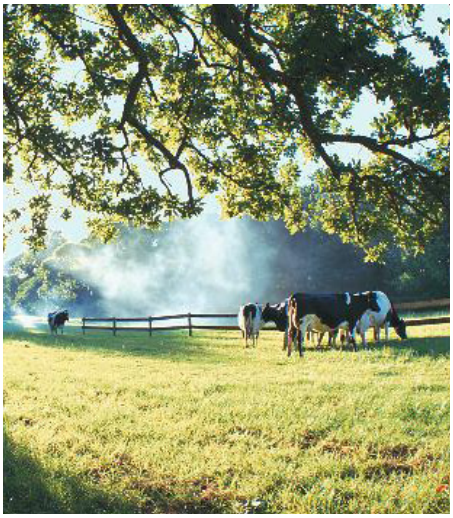
“Our global Master Data is now stored and maintained in a single, central location, where the primary systems are updated automatically. We can now aggregate and integrate data across the organization, regardless of where it comes from, and we therefore use fewer resources than before. The entire basis for reporting has improved noticeably, to the delight of not only the employees and senior management, but of our customers as well, who are increasingly placing demands on us with respect to the electronic exchange of Master Data via, for example, data pools. We have automated and enhanced the efficiency of our work procedures at the same time, by maintaining the data and thereby achieving better data quality. Redundant and conflicting data are now a thing of the past.”

“Moreover, we have acquired preparedness capabilities to handle new problems that may arise when we enter new types of data or want to connect new merger partners. We are also currently in the process of introducing Key Performance Indicators, in cooperation with Platon, to measure the quality of our data.”

ARLA FOODS IS NOW AT THE FOREFRONT

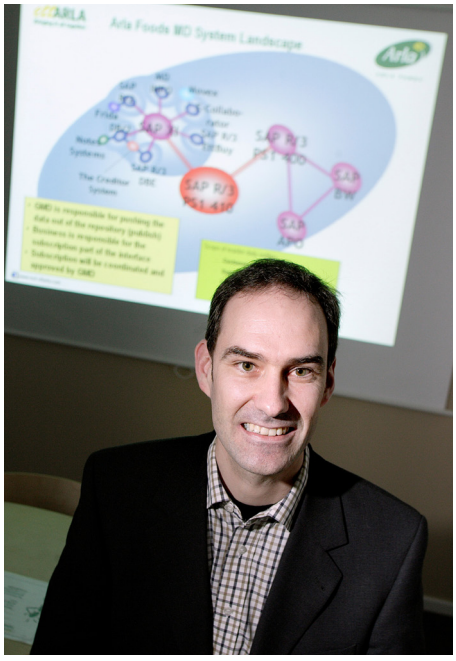
But it has involved a lot of hard work. In Henning Pedersen’s words:

“It has proven to be a more comprehensive project than anticipated. The task of gathering global Master Data maintenance into a single system has been solved. Achieving adequate data quality, however, is a laborious process, and this is where Platon must take part of the credit for the fact that we have come as far as we have.”



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.



Henning Pedersen, Senior IT Consultant Arla Foods:

“We have used Platons’ experts in two ways:
The first to map and analyze the ‘current situation’ and to ensure that we come the long way and technically difficult road to the ‘new situation’.

The other we used Platon as sparring partners for the strategic work surrounding data quality. And they have been a great help all of the way. We needed help from key experts with a deep understanding of the data and know how to work systematically with data quality as the goal. And that Platon has shown the knowledge and capability.”