



BUTCHER'S PET CARE MASTERS DEMAND-DRIVEN MANUFACTURING WITH IFS APPLICATIONS™

Butcher's Pet Care has implemented IFS Applications as its core ERP system. Delivered on-time and within budget, the investment provides a complete business management system with advanced forecasting and demand planning capabilities. Customer service support is also benefiting from increased visibility and seamless connectivity between sales, production and the warehouse.

Production at Butcher's is a 24-hour process, running continuously, five days a week. The IFS system introduces additional facilities, such as constraint-based scheduling, which will allow Butcher's to achieve more efficient production cycles.

Customer orders are usually placed at short notice. It is a demand-driven sector where fulfillment requires an efficient supply chain that delivers the correct amounts of the right product into the stores—on time and fully compliant with shelf-life specifications.

Traditionally, production planning is based on historic sales, overlaid by company marketing strategies. Very little information is available from the customer until the order is actually placed. Forecast and demand planning involve complex judgments, and these are becoming increasingly complicated as the company strives to make its products ever more appealing in this highly discerning and competitive market.

INSUFFICIENT SUPPORT FROM LEGACY SYSTEM

Butcher's Pet Care systems legacy was a basic stock-warehousing system, coupled with financial ledgers and a customer sales order processing capability. A separate system was used for forecasting. Other key functions were supported by solutions based on Word and Excel spreadsheets.

Project Manager, Jeff Martins says, "Nothing was linked, and information was often re-keyed and duplicated. Transferring a sales forecast into a production plan or financial forecast was time-consuming and unreliable.

"Designed initially and tailored for meat processing, the previous system did not support manufacturing operations. We needed a unified business management system, and preferably one that could be based around a standard vanilla format to suit our current and ongoing requirements."

DEVELOPING MARKET—CONSUMER FOCUS AND BRAND LOYALTY

The highly competitive pet food market is driven by customer needs for convenience and health. Head of Marketing, David Costello says, "As the needs of consumers change, we need to adapt and innovate. This year alone, we have successfully launched several new brands and formats, while evolving the Butcher's brand.

"Customer loyalty is still key to our success in the market. The new system will help us to ensure we remain a key brand for retailers and consumers."

ABOUT BUTCHER'S PET CARE

Founded in 1987, Butcher's Pet Care Ltd. is an independent pet food manufacturer, producing the leading dog food brand, Butcher's, as well as Classic cat food and Olli dry cat food. Butcher's Pet Care produces food of the highest quality, using only natural ingredients to ensure superior taste and perfectly balanced, complete meals for pets. All products are available in supermarkets, pet shops, and convenience stores across the UK.



PRODUCTION PLANNING

“This increasing scope is driving the need for better demand planning and more flexible manufacturing,” explains Jeff Martins. “Production control has changed from simply keeping stocks at a specified level to a more complex scenario of satisfying the requirements of different customers more effectively by manufacturing the right products at the right time.”

IFS OFFERED BEST FIT

The search for a replacement system resulted in a list of 15 potential suppliers, which was subsequently reduced to 4, including IFS. A project team representing all the people that would be involved in using the new system produced a list of requirements and a score card to weigh up the strengths of each vendor. IFS emerged as the clear winner because of the depth of preparation and ability to show how its software provided the best fit for Butcher’s requirements.

“Crucially we were very particular about finding a suitable vanilla version of the package and IFS was able to deliver that in its demonstrations,” added Jeff Martins.

Some modifications have been made to meet specific requirements not covered within the standard IFS functionality. In the warehouse, for example, these include facilities to produce smaller picks and part pallets automatically, allowing more flexibility in marshalling customer orders.

SYSTEM IMPLEMENTED WITH MINIMUM DISRUPTION

A kick-off meeting was held in October 2004, and training was completed by the New Year. Operational procedures were defined and documented during the first quarter of 2005. In terms of functionality, it was decided to implement all the core components as a total package.

“Above all our single goal was to make the change without any disruption to the business,” says Jeff Martins. “A pilot run was held in March; after a final check, the new system went live in April 2005.

Implementation resources were matched by the availability of Butcher’s small team of key personnel, who shared time with their main day-job responsibilities, in production planning, sales, warehousing and finance.

The software installation went according to plan. All areas were able to make the transition onto the new system on go-live day, except the warehouse, which had a temporary setback caused by a faulty network connection.

CONTINUING DEVELOPMENT

The core system applications covering demand planning, manufacturing, finance, payroll, sales order processing, purchase order processing and warehouse planning went live simultaneously. Licensed for 60 users, the system is configured in profiles and then users. For example, a manufacturing profile allows several users to share a menu; similar arrangements are in place for the other modules.

The company now has a unified system with interlinks between all departments. Looking back over the first six months, Jeff Martins is happy that the core applications are bedding in successfully. The company year end accounts have been completed and audited and Butcher’s have reached the stage where IFS Applications is running the business efficiently.

The company can now exploit the information generated by IFS. A database manager and Crystal Reports specialist have been recruited to take advantage of the online analysis facilities. These reporting capabilities will unlock the potential intelligence value of IFS Applications by defining and presenting reports, such as profitability statements and other key performance indicators, across the entire business.

BENEFITS

- Advanced forecasting and demand planning capabilities
- Increased visibility
- Seamless connection between sales, production and warehouse
- Smooth implementation with no business disruptions
- Online analysis facilities and reporting capabilities

SOFTWARE

IFS Applications™ 2004
IFS Business Modeler



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David Costello, Head of Marketing