



NESTLÉ

THE FOREMOST NUTRITION, HEALTH, AND WELLNESS COMPANY ENHANCES SAP® ERP TO ENSURE TRACEABILITY AND SPEED TIME TO MARKET

“Availability of high-quality master data contributes significantly to the reduction of our time to market for new product introductions.”

Susan Barry

Assistant Vice President
Business Excellence Decision Support
Nestlé S.A.

QUICK FACTS

Company

- Name: Nestlé S.A.
- Location: Vevey, Switzerland
- Industry: Consumer products – food and beverages
- Products and services: Foodstuffs and pet care
- Revenue: SFr 107.6 billion (€69.5 billion)
- Employees: 276,000
- Web site: www.nestle.com
- Implementation partner: SAP® Services organization

Challenges and Opportunities

- Automatically match the unique material number in the SAP software with the incoming GS1 Global Trade Item Number
- Integrate track-and-trace processes for foodstuff products throughout the supply chain
- Remove administrative bottlenecks that slow down introduction of new products

Objectives

- Provide full traceability for foodstuff products
- Automate the order-to-cash process
- Ensure data is both of high quality and available in order to meet standards required for new product introduction

SAP Solution and Services

SAP ERP application – including materials master functionality developed with the help of SAP experts, which is now standard functionality in SAP ERP

Implementation Highlight

Complete, tested, high-quality solution ready to be deployed to other SAP customers

Why SAP

- Standard solution delivered with support from SAP
- Excellent experience with strategic development services from SAP

Benefits

- Gained ability to track products through the complete production and delivery cycle
- Complied with requirements for tracing foodstuff products
- Retained internal identification codes while supporting multiple external business partner needs
- Accelerated time to market for new products by capturing process and product data

Existing Environment

SAP ERP



Nestlé S.A., the largest food and beverages company in the world, wanted to introduce global standards for its multiple operations. By standardizing product codes in its SAP® software, Nestlé would be able to share data internally with complete confidence in the accuracy and reliability of the information.

The company engaged a group of strategic development experts from SAP to create a solution to track and report on every ingredient and finished product throughout the manufacturing and distribution process. The solution matches GS1 Global Trade Item Numbers (GTINs) with internal Nestlé identifiers flawlessly and automatically and supports the automated order-to-cash and procure-to-pay processes.

From Proprietary to Standard

Located in Vevey, Switzerland, Nestlé leads the global nutrition, health, and wellness marketplace, producing world-famous brands such as NESCAFÉ, KitKat, S. Pellegrino, Maggi, and Purina pet care products. With some 276,000 employees worldwide, Nestlé generates annual revenues of SFr 107.6 billion (€69.5 billion).

Tracking products and processes involving thousands of international suppliers, partners, and customers is a complex activity. Auditable data on in-

gredients and their sources, production processes, and finished goods – including delivery – must be fully traced at every stage.

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Vera Feuerstein, Business Excellence Manager, External Standards, Nestlé S.A.

Nestlé is evolving in a heterogeneous environment with its external partners. Each company uses its own internal code for products and locations, which does not match Nestlé’s material and customer number.

The introduction of industry-standard GTINs and Global Location Numbers (GLNs) went some way toward standardizing the identification of product,

partner, and location. However, one GTIN could reference several materials, each defined individually by Nestlé in its SAP software for logistical purposes.

The SAP solution gives Nestlé the functionality to determine the correct material.

Building a Standardized Solution

To manage the GS1-compliant sales and purchasing process, Nestlé enhanced its existing enterprise resource planning (ERP) software from SAP with the assistance of SAP strategic



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development experts. To do this, SAP experts developed standards-based functionality.

Vera Feuerstein, the business excellence manager of external standards at Nestlé, comments, “Our experience of working with SAP was very positive. Our job was to convince them of the

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industry requirement and to include it in the solution. Even though it was a steep learning curve, and our original requirements were extremely ambitious, the SAP team was able to focus on what was really needed to make the solution effective. The result is a solution that allows Nestlé to implement complete translation between external and internal identifiers without changing internal processes. The integration and standardization offered by the SAP software offers huge benefits, as we preserve the business logic and requirements of the Nestlé process while achieving traceability along the supply chain.”

Meeting Product Traceability Requirements

With the new functionality in place, Nestlé is able to meet even the most demanding of product traceability requirements. Originally designed as a customer-facing solution, the functionality has been extended to include

suppliers, partners, and affiliates right through to final delivery to customers. For example, full traceability is achieved by using a GTIN, a dispatch advice message, and a Serial Shipping Container Code. This allows Nestlé to track products from suppliers right through to individual customer locations. The solution links the incoming ingredients in the production system using the Nestlé codes, which are then used for all internal processes.

The new functionality allows product definitions to be shared across all the Nestlé operations worldwide and

automates the reconciliation with external suppliers' and partners' coding systems.

Strategic Development Success

The new development is now available as a standard element within the SAP ERP application. Working with SAP proved to be a great success for Nestlé, with the delivery of a fully tested, quality-assured solution.

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