



"Our SAP Business All-in-One solution provides the foundation we need to succeed, enabling us to address our retail customers' needs now and in the future."

Mark Anson, IT Director, LDH (La Doria) Limited

QUICK FACTS

Company

- Name: LDH (La Doria) Limited
- Headquarters: Alconbury, England
- Industry: Consumer products food companies
- Products and services: Canned and dried ambient foods
- Revenue: £250 million (€297.7 million)
- Employees: 60
- Web site: www.ldhltd.com
- Implementation partner: itelligence Business Solutions (UK) Ltd.

Challenges and Opportunities

- Keep pace with changing market demands
- Satisfy customer requirements while minimizing on-hand stock
- Reduce manual, multistep processes
- Eliminate reliance on IT for reporting

Objectives

- Implement software with rich functionality and flexibility
- Gain insight into product movement throughout the supply chain
- Automate processes
- Standardize reporting and analysis

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SAP® Business All-in-One solution

Implementation Highlights

- Developed detailed project plan
- Received executive-level support
- Created dedicated implementation team
- Worked closely with knowledgeable partner

Why SAP

- Established brand with proven history of longevity
- Scalable nature of software providing the ability to keep pace with changing requirements

Benefits

- Reduced stock holdings by 25%
- Raised stock accuracy to more than 99.5% on average
- Gained control of stock on a pallet level
- Improved service delivery levels
- Gained insight into margins of every product associated with every customer at a granular level
- Gained confidence about making strategic decisions
- Relieved IT group of need to develop reports



As the leading supplier of private-label ambient foods to UK retailers, LDH (La Doria) Limited needs control of its products throughout the supply chain – even as market demands evolve. But it struggled to achieve this with its legacy software. By deploying an SAP® Business All-in-One solution, LDH is able to run more efficient, profitable operations. "Our SAP Business All-in-One solution provides the foundation we need to succeed, enabling us to address our retail customers' needs now and in the future," explains Mark Anson, IT director of LDH.

Struggling to Evolve Operations

With offices in Alconbury, England, LDH is the leading UK-based, private-label supplier of canned tomato products, fish, fruit and vegetables, dried pasta, and selected other ambient foods to major UK supermarkets. Since 2000, the company has more than doubled its annual revenues.

LDH had utilized a legacy enterprise resource planning (ERP) solution since 1999, but the software proved lacking when it came to meeting the changing needs of the UK market and LDH. According to Anson, "UK retailers were developing more efficient supply chains with enhanced control and visibility of individual pallets and the products on them as they traveled from suppliers to the customer. Our legacy system could not provide this visibility, nor did it enable us to run efficient logistics."

Hampered by Legacy Software and Manual Processes

For seasonal products, such as tomatoes, LDH gets an order commitment from its retail customers for the upcoming year. LDH must then deliver the product to agreed volumes, typically spanning a number of months. "We need tight control over and keen insight into our stock and our customers' forecasts in order to minimize on-hand stock while making sure we can meet our delivery promises," explains Paul Nicholas, logistics director for LDH.

The legacy software lacked support for materials resource planning. LDH's procurement managers had to manually extract information from the software, export it to a spreadsheet, and rely on the logistics team to calculate what stock to buy and when. "The length of time needed to simply review each SKU was overwhelming. Plus it was extremely difficult to forecast requirements with any accuracy," continues Nicholas.

Whenever employees or managers wanted reports, they had to engage the IT team. "My organization was continually developing reports, until we had literally thousands of them. Most of the reports were redundant, but because reporting and analysis were not standardized, we simply lost track and would repeat our efforts," recalls Anson.

But the problems didn't end there. LDH procures goods from around the world in a multitude of currencies at varying exchange rates. The legacy system could not manage this complexity and, as a result, the cost of goods imported was calculated using an average value across exchange rates. "Because we were capturing inaccurate costs, our margin analysis was often incorrect," continues Nicholas.

Choosing a Foundation for the Future

Realizing that it needed new ERP software to support its growing business and new market dynamics, LDH began evaluating its options. A committee representing directors from throughout the business was tasked with choosing a new solution. After assessing software from four vendors, LDH quickly whittled the list down to two – SAP and International Business Systems.

During a board meeting, LDH's chief executive officer and directors from across the business compared the functionality and usability of both solutions, while also considering the vendors' financial standings and histories. "SAP is an established brand in the



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Going Live Without a Hitch

SAP in the United Kingdom recommended that LDH work with itelligence Business Solutions (UK) Ltd., a valueimplementing a solution such as an SAP Business All-in-One solution, believing it would interrupt business operations for a significant period of time. "To allay their fears, we created a dedicated implementation team, developed a detailed project plan and contingency plan, and went through multiple testing phases before going live," states Anson. With the agreement of the retailer, the company reduced activity as it put the solution into productive

combined with better data, has given warehouse employees total visibility into every single pallet, even those in transit. Once a pallet has been delivered to a customer, LDH can track batch numbers by pallet. "With our SAP Business All-in-One solution, we are in control of our stock on a pallet level, which gives our retail customers the utmost confidence in our stock integrity," says Nicholas.

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added reseller based in the United Kingdom. "itelligence are specialists at implementing the SAP for Wholesale Distribution solution portfolio within the midmarket sector," explains Anson. LDH was impressed with the steps itelligence took to understand its business and goals. Based on this insight, the reseller created a scoping document and blueprint that illustrated how an SAP Business All-in-One solution would overlay LDH's business. "itelligence understood our business and knew we wouldn't accept a solution that wasn't right for our future," says Anson. While LDH largely handled the implementation, itelligence contributed knowledge specific to SAP software and helped develop and deliver the solution that LDH sought.

Many of LDH's retail customers had expressed concerns about the company

operation, asking retailers to submit only half the volume of typical orders, followed by full volume the next day. "We went live with no issues. In fact, one retailer said it was the smoothest implementation it had ever taken part in," recalls Anson.

Improving Stock Integrity

The implementation of an SAP Business All-in-One solution coincided with LDH's migration to a proactive warehousing system using bar-code scanning. Within the warehouse, the staff uses the SAP software on a regular basis, with some accessing the software via handheld bar-code scanning devices.

Radio-frequency identification and bar coding in the warehouse greatly improved logistics accuracy. This,

Accurately Forecasting Requirements

LDH has also improved its forecast capabilities. "We feed financial data into our SAP Business All-in-One solution, and it determines the best course of action to help us achieve our goals. Once our employees began trusting the output, they were able to make more informed decisions," says Nicholas. At the same time, office and warehouse employees no longer needed to call upon the IT department for help accessing information.

According to Nicholas, LDH is now able to predict its goods, receipts, and sales with 95% accuracy for planning purposes. "It's quite amazing how we can predict with such accuracy what to expect over a 10-week period, considering that we're bringing in product from all over the world, and we don't necessarily have firm commitments from retailers. We were nowhere near this with our legacy system. The result of this accuracy is that our stock holdings have become very consistent, which in turn enables us to plan better financially. We know exactly what money will be going out and coming in."

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Because the company's supply chain team can now manage the forecast and requirements by exception, it experiences far fewer out-of-stocks. In fact, stock accuracy has gone from 98% to more than 99.5% on average, and stock holdings have been reduced by 25%.

Enhancing Business with Better Visibility and Control

Moreover, the company's delivery service levels have improved tremendously. Explains Nicholas, "Our service level is the key to our business success. Improving that by even one percent means a significant amount of additional sales. Plus, high service levels lead to repeat business."

In addition, LDH now knows the margins of every product associated with every customer down to a granular level. "We can run margin analyses inside and out. We understand the financial controls of the goods in transit as soon as they arrive at the warehouse. Our landed cost accuracy and better visibility over fluctuations in currency bring greater control to our financial department," continues Nicholas.

For example, freight rates are affected by oil prices and other factors beyond the control of LDH, which in turn impact the company's margins. LDH can now analyze this data at any particular point in time, to understand the true margin on any product. It can also accurately track costs associated with transport, warehousing, and anything else that adds to the overall cost of its product and to a particular sale. "As a result, we have confidence that our management figures are second to none. We know when we're making money and when we're losing money on a particular item. And when we know we're going to make a commercial decision that will result in a loss, we can cap it because we're fully aware of exactly what that loss will be. That's a fantastic position to be in as a food importing company," explains Nicholas.

With its SAP Business All-in-One solution in place, LDH sees a bright future. "Our SAP Business All-in-One solution provides a solid foundation for our business and service. It suits our needs now, and we're confident that it will readily support our requirements in the future," concludes Anson.



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