

Fonterra Optimises a New Information System – in just Seven Weeks

industry:

Consumer goods and services

country:

Asia

business challenge:

Fonterra needed to improve its access to information, so its team could make better business decisions. The challenge was to increase performance without undertaking a significant re-architecture project. Aggressive project timelines added additional pressure

solution:

In collaboration with several partners, Dimension Data implemented new hardware and software that accelerated all Fonterra's data centrally and ensured maximum value could be extracted from it. The entire project was completed in seven weeks, with no disruption to Fonterra's business

services:

Planning and deployment services for a SAP solution

results:

- Up to 70% reduction in request waiting times
- Increased usage by Fonterra's staff
- Increased ability to analyse long-term trends
- Key enabler of user, self-service capabilities

Executive Summary

To operate successfully in a competitive global environment, **Fonterra needed timely access to relevant information.** This enabled them to ensure key decisions are always fact-based. **Partnering with Dimension Data has made these aspirations a reality.**

Client Overview

Fonterra is the world's leading exporter of dairy products and responsible for more than a third of international dairy trade.

Fonterra's dairy farmers have long been known for producing quality milk and today New Zealand is a world leader in large-scale milk procurement and processing. Their global supply chain stretches from farms all over New Zealand to customers and consumers in more than 140 countries.

Business Challenge

Fonterra is a major global company. It processes more than 20 billion litres of milk per year, it's responsible for a third of the world's dairy trade and, with revenues of \$19.9 billion in 2011, it's a vital contributor to New Zealand's economy. With so much at stake, Fonterra's employees need constant access to accurate, up-to-date information.

As **Fonterra's Business Intelligence Solution Architect, Malcolm Humphries** explains:

"We need to ensure that our data is accessible when it's required. The importance of accurate reporting cuts across all levels of our business and impacts so many people – every day.

Our employees need access to data to generate reports and to make important business decisions."

The Way Forward

Due to the deteriorating performance of Fonterra's data warehousing solution users were not able to use the tool effectively. Analysing multiple months of data at a time was really difficult, and a lot of results were starting to be managed offline.

This meant that more time was spent on generating the reports and analysts weren't getting to the information they needed fast enough in order to understand bigger trends.

This was far from ideal. So Fonterra set itself an ambitious task - To accelerate performance for 70% of queries by 50-70%, and to reduce request waiting times from 110 seconds to just twenty. As Humphries explains, Fonterra reviewed all the available options:

"We could either do a lot of tuning in the existing environment, or we could adopt new SAP in-memory computing capabilities. In the end, there wasn't a huge cost difference between the two. But implementing a new appliance would give us better performance in a much shorter period of time."

Solution Delivered

The solution was the SAP Business Warehouse Accelerator (BWA) – a new system that removed performance constraints from the BW system and enhanced Fonterra's information services. BWA is essentially a plug 'n' play appliance that can be quickly linked to BW to improve performance on selected information sets.

“The solution makes our lives so much easier,” Humphries says. “Our employees’ behaviour has also changed – they’re analysing more data over a shorter period of time. **Our users are now more productive, they can complete reporting tasks in a more fluid and effective manner.** Getting to the information just isn’t an issue anymore. Ultimately, **our focus has shifted back to providing our business with better information resources.**”

“This is another great example of how the partnership between IBM and Dimension Data can provide clients with **best-in-class information system solutions quickly and cost-effectively.** When you bring together the best thinkers, builders and installers, **anything’s possible.**”

Raymond Skoglund, Channel Manager, IBM New Zealand

Services Provided

Getting the BWA up and running included implementing the appliance into Fonterra’s data centre and linking it to the existing SAP BW instance. Before the BWA deployment was rolled out, an IBM Blade Centre configured with IBM General Parallel File System™ (GPFS™) was installed to support Fonterra’s business intelligence (BI). GPFS is a SAN configuration device that enables high-performance, enterprise file management. As soon as the BWA was in place, response times were reduced by up to 70%.

Value Derived

The results speak for themselves. The new system was in place within just seven weeks. Fonterra now has a single platform for all its information, employees no longer have to export data to Excel, and Fonterra has achieved its twenty-second target for requests. It’s also far easier for analysts to look at long-term trends, which helps them make more informed decisions regarding the future.

“The solution makes our lives so much easier,” Humphries says. “Our employees’ behaviour has also changed – they’re analysing more data over a shorter period of time. Our users are now more productive, saving an average of eighty seconds a report. Getting to the information just isn’t an issue anymore. Ultimately, our focus has shifted to providing employees with timely access to the right information, and that’s where it should be.”

The project is proof that with the right technology and right team in place, collaboration can deliver impressive results, regardless of the size of your business, the deadlines imposed or the magnitude of the task at hand.

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