

BY ADAM PLETSCHE

# TAKING Bread maker's research drew out the right vendor – and solution CONTROL

**B**ackerhaus Veit, a Canadian bakery producing artisan breads, flatbreads and rolls, has invested in new software to get a better handle on the reams of information that bounce around its plant on a daily basis.

The manufacturer, wanting to streamline its sales and forecasting information, lot tracking, production scheduling and recipe management, recently signed on the dotted line with Indian firm ICICI Infotech. It is currently implementing the vendor's enterprise resource planning (ERP II) software, Orion, to streamline processes and respond more quickly to market and customer demands.

Sabine Veit, president and CEO of the Woodbridge, Ont.-based baker, says until now the company has been working with Microsoft Excel spreadsheets and using an older computing platform to track its important information.

"As an owner/operator I really felt we needed more of a one-stop system for all of our numbers," she says.

Arun George, controller at Backerhaus Veit, says the old system's limitations, especially in manufacturing and procurement, plus

the company's growing volumes, made it nearly impossible to access and retrieve data and keep it all in one place.

Backerhaus Veit started looking for an alternate system in the fall of last year. It wanted software that, when it came out of the box, would handle its requirements as closely as possible so very little customization would be required.

Bottom line, the company did its homework. It scouted out the market, looked at possible solutions, arrived at a manageable dollar figure for its budget, then did a detailed analysis of its needs. When requirements were defined, a request for proposal (RFP) was posted to about 15 possible suitors.

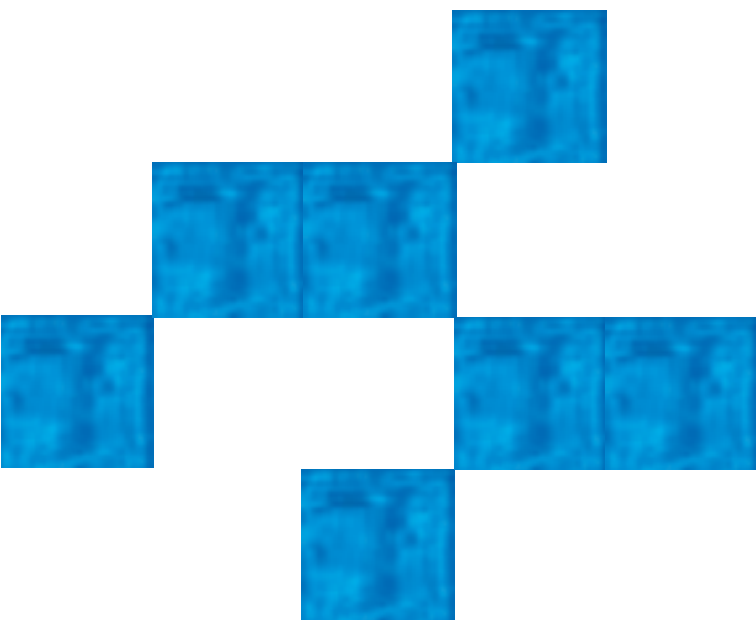


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## A STUNNER

The RFP itself was something to behold, according to ICICI Infotech, the eventual winner of the business, as it contained some 1,600 questions. It also listed demonstration script requirements – complex scenarios that the software would have to be able to solve.

"It was the most detailed and elaborate RFP that we have ever come across," says Sharad Vajbayee, vice-president of ICICI's enterprise solution business in the U.S. and Canada.



It was so detailed that some vendors questioned whether it might be more of a learning exercise than an RFP. Adds Vajbayee: “It created some suspicion at the vendor level: Are they serious about these requirements or are they just posing this repository of questions?”

It also forced a common vendor dilemma: whether to bid at all, considering the effort that would be required before any money changed hands. In the end, ICICI decided to invest the time, though it took several consultants three or four weeks to prepare for its first meeting and the demonstration.

In the end, Backerhaus Veit was just being more thorough than most, says Vajbayee. And that’s a good thing, he says, because trusting in a software package’s ability to handle your particular scenarios breeds confidence in the choice. And it’s better than going through the typical exercise: listening to vendor promises – which are occurring in a vacuum – of “this is possible, that’s possible.”

## WORK SCHEDULE

Now that the partnership is in place, the software implementation has begun. It has been split up into two phases. Core financials, order processing and some other modules will go live in time for Backerhaus Veit’s fiscal year, which



starts in August. The second phase, related to manufacturing and scheduling, kicks in sometime later in the year, possibly December. Currently, testing is being done on phase one.

Eventually the bread maker is planning to use its new software system to do business electronically with its North American customer base.

“The application provides an interface wherein customers can actually log in and either place their order or look at the status of their orders,” says Backerhaus Veit’s George. “They’ll have access to product data, which we can post in a secure manner to customers and users.”

For a relatively small manufacturer (110 employees), this will be an impressive achievement. This is not to say that small organizations can’t be technologically advanced, but generally a client of this size has fewer technology savvy users. As such, users require and expect simplicity from their applications, explains ICICI’s Vajbayee.

“This may not seem important, but it’s a showstopper for that size of customer,” he adds. “They want to believe [in the information] they see and it has to be really simple.” For example, Backerhaus Veit is looking at using touch screens for production data entry.

But the most critical difference between a bread manufacturer and another type of manufacturer is in how its bill of materials is defined, says Vajbayee. Quantities – two pounds of this and four pounds of this – are not listed. Instead it’s: the raw material B will be a percentage of raw material C, which is more complex. The perishable nature of products also ranges. Recipes are managed differently for fresh breads and frozen breads due to their different shelf (or freezer) life requirements. The software must be able to handle all variances.

But whatever a company is manufacturing today, it needs technology – but it has to be the right technology.

According to Veit, the efficiencies gained through giving operators effective systems to work on are often grossly underestimated. She suggests that manufacturers who are kicking the tires of ERP and other enterprise-based software packages do their research.

“It’s easy to go wrong, so do your work beforehand in choosing somebody. And making sure what you need is really important. A lot of smaller companies either feel they don’t have the resources or they don’t quite understand [the technology] themselves. Then they end up with systems that are mediocre, that don’t give them proper tracking numbers. Then management decisions are made that may or may not be right.”

Veit says users must demand the right technology from their software vendors, rather than simply choosing from a list of their current offerings.

She also points out that, internally, all staff must buy into the notion of improving processes and systems. “And make it clear to your people that this is not a make-work project. This is something that will help you grow your business stronger and better.”

The people at Backerhaus Veit were so dedicated and

engaged in this process – in all departments – that they developed a clear stake in the success of the implementation.

“That is the first ingredient, and if you don’t have that then I don’t know how you’ll be happy with your software solution.”

*Adam Pletsch is a Toronto-based freelance writer and editor.*

### **Siemens technology train comes to Canada – food and beverage segment a new priority**

*By Adam Pletsch*

**A**n ambitious 12-railcar technology teaser called the exider train recently visited five Canadian cities as part of a worldwide 22-country, 120-city tour to highlight the many technological offerings from Siemens, the Munich-based electronics and engineering giant.

The idea behind exider was to showcase the company’s various product lines and services available for the process industries, manufacturing, machine building and construction – using customer examples.

The 300-metre long, travelling interactive exhibit boasted an impressive 224 plasma screens and monitors, 189 DVD players, four servers, nearly nine kilometres of electrical cables and almost three kilometres of data lines.

The train’s Canadian leg coincided with the introduction of a brand new focus on certain segments of the food and beverage industry in this country. Doug Wilson, account manager for this industry segment for Siemens Canada, says several products are going through changes – such as compliance efforts and regulation approvals – so they can be adapted for food and beverage customers.

“[Food and beverage] has been a focus in Europe within Siemens and it’s migrated over to North America. It started in the U.S. first with the creation of a food and beverage centre of confidence,” he adds.

But the initiative will not cover everyone. Siemens Canada is looking at the beverage industry (such as dairy, and bottlers like the breweries) and food processing. It won’t design its products and services for small food makers, for example. “We’re trying to stay at a bigger level, because a lot of the automation and a lot of the technology is higher end.”

Wilson says many food and beverage sector clients – and potential clients – have been asking to receive more of a focus. “That’s actually very prevalent,” he adds.

As proven by the impressively presented exhibits on exider, there is no shortage of applications for Siemens solutions. Siemens already services industries such as health care, information and communication, energy and power, industry and automation, and transportation and lighting.

Wilson is pleased to say that now food and beverage manufacturers can also ask: “What is Siemens going to do to help us?”