

Emmi transforms its business processes to achieve its strategic goals

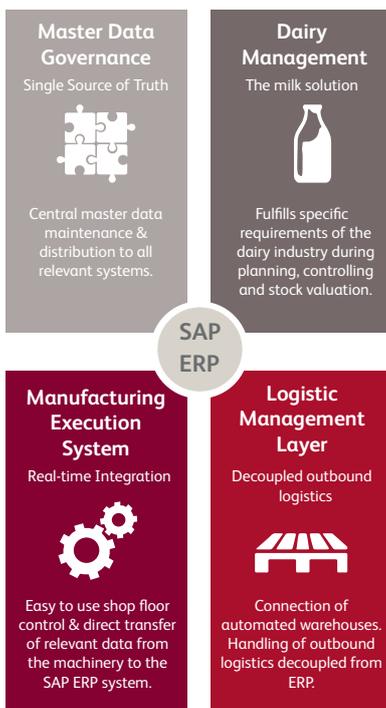


Emmi strengthens its market positioning as an innovative premium dairy producer by harmonizing its diverse and decentralized process landscape through a customized IT platform.



"BearingPoint's profound understanding of processes and systems in all relevant areas has significantly contributed to the purposeful and pragmatic definition of the business requirements and to converting them into specific, implementable solutions"
- Lukas Fischer, Programme Manager OneERP

"BearingPoint succeeded in reconciling the various parties and perspectives involved and did so in a complex project environment, thus providing critical help in driving the progress and the success of the project" - Lars Mächler, Head of Corporate Development of Emmi Corporate



The key components of the accompanying IT integration

About Emmi

Emmi is Switzerland's largest milk processor and one of the most innovative premium dairies in Europe. At home, the company focuses on the development, production and marketing of a full range of dairy and chilled products, including Swiss cheese. Abroad, Emmi concentrates more on brand concepts and specialties. Some well-known brands include Emmi Caffè Latte, Kaltbach cave-aged cheese specialties and Onken yoghurts. In Switzerland, the Emmi Group has approximately 25 production plants, and exports its products to around 60 countries. With 5,780 employees, it generated revenues of 3.3 billion francs in 2016.

A customized procedure model for increasing competitiveness

Due to high raw material costs, milk prices by Swiss producers are much higher than international competitors. Nevertheless, Emmi has enjoyed steady growth thanks to an astute acquisitions-led business strategy, which was guided by three principles:

1. Consolidate market positioning in Switzerland,
2. Accelerate international growth, and
3. Adhere to systematic cost management.

From this position of strength, the OneERP project was born, driven by Emmi's desire to forge a new basis for continuing long-term growth. The aim was to transform the profusion of processes and systems (the legacy of multiple of acquisitions over the years) with a universal process model.

Early on, Emmi identified the core challenges:

- Harmonize and standardize processes in a comprehensive manner to support its strategic goals
- Ensure compliance with IT standards in a complex target IT environment
- Adapt the functional interests of the local units via a coordinated, methodical approach to align with strategy
- Effectively on-board employees along with continuous development of the organization by focusing more on the benefits and opportunities that will arise from the change, and less on the technical aspects
- Target-oriented coordination of the different partners involved – over five consulting partners for various specialist areas – both when developing the concept and during the transformation

The elements Master Data Management, Manufacturing Execution System, Dairy Management and Logistic Execution Layer were also rapidly defined as central building blocks of the accompanying IT integration, and subsequently implemented together with SAP ECC as an ERP system.

Parallel implementation of harmonized business and IT processes with a new Business Process Management Organization

To get such a formidable job done, Emmi's executives knew they needed more support. Our crew was brought in to help implement the above measures and drive adoption of the new processes. Together, we architected a solution using a holistic approach based on our Business Transformation Framework (BTF). The BTF is a structured top-down approach that helps define the company strategy, based on business requirements; after which IT concerns are taken into account.

At the project's inception, a systematic process segmentation was comprehensively defined. This entailed providing specifications for the design of the business processes in terms of harmonization, optimization and standardization. In turn, these specifications helped build, in the form of process priorities, the roadmap for the execution and acceptance structures, the allocation of budgets, and the

organizational change impacts to be considered.

A business process management organization was also defined and rolled out in stages. This enabled the team to swiftly assign responsibilities, and to test and establish the decision paths. These actions made possible target-oriented steering and synchronization of the project, which sometimes involved over 150 team members. BearingPoint took charge of its own working results and, along with Emmi, coordinated all involved parties' collaboration.

The scope of the project encompassed all processes in the fields of finance and controlling, master data management, sales, planning, purchasing, quality management, production and logistics with the relevant organizational units of the Swiss division.

A variety of prototype and agile project methods proved essential in the complex integration task.

Successful transformation in a culturally diverse company: Change Management is key

Owing to the history and culture of various parts of the company, the Change Management piece was a significant success factor. As was the ongoing and staunch support of Emmi's top management and C-level executives, which turned out to be critical to the project's forward momentum.

Change management initiatives were carried out on all levels company-wide. This involved extensive communication of the project's progress and future steps via the internal newspaper and TV channel, the intranet, a poster campaign and roadshows, and so on. Special attention was given to employee training as well as providing ongoing support.

Together we'll get there

In line with the business case, and based on our benchmark analysis, Emmi is on track to realize savings in the two-digit million francs range in the years to come. Yet already there have been some positive results:

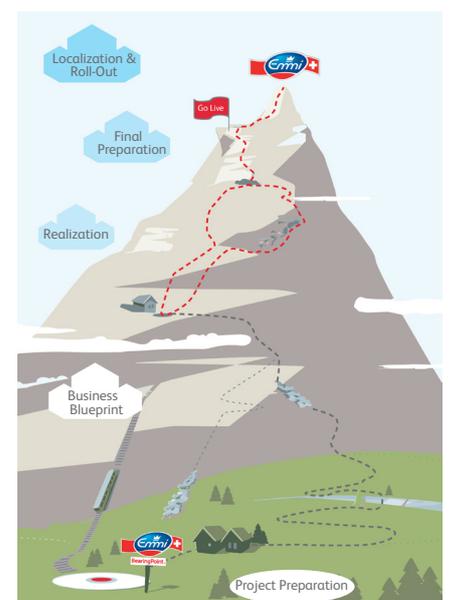
- Substantial efficiency gains from higher automation levels during the process handling
- Improved Overall Equipment Effectiveness resulting from complete vertical integration
- Reduction of the Total Cost of Ownership in IT thanks to the harmonization of IT structures
- Increased efficiency due to greater transparency

At the project's start, we chose an image of a group mountain climb to signal our intention to work proficiently as a rope team. At its close, the project team was honoured for its excellent collaboration and implementation work with the coveted SAP Quality Award in gold in the "Business Transformation" category in 2017, as well as the ASCO award in the "Best Business Transformation" category in 2016.

"The collaboration in the team was a highlight for me. It ran like clockwork. Our motto, 'We are Emmi', was actively embraced, it was really impressive" - Martin Finger, Site Project Manager in Langnau, about the plant's go-live



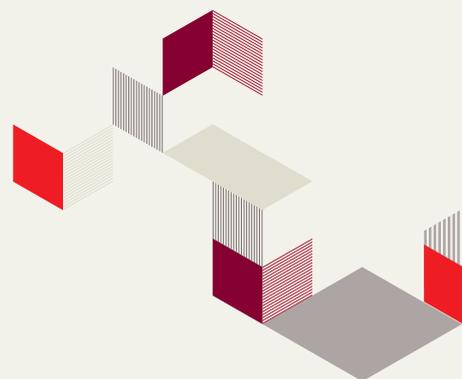
BearingPoint's Change Management approach



About BearingPoint

BearingPoint is an independent management and technology consulting with European roots and a global reach. The company is active in the following areas: Consulting, Solutions and Ventures. Consulting includes the classic consulting services, Solutions is focussed on its own technical solutions in the fields of Digital Transformation, Regulatory Technology and Advanced Analytics, and Venture supports the funding and development of start-ups. BearingPoint's customers include many of the world's leading companies and organizations. The global consulting network of BearingPoint with over 10,000 employees supports customers in over 75 countries and cooperates with them to help them achieve a measurable and sustainable success in business.

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