People first, technology second

The Swiss Bell Food Group is in the middle of its digital transformation. CIO Sven Friedli emphasizes two pillars: the right technology to support the business goals, and a reliable IT partner, like the ERP provider CSB, to ensure the successful implementation of the project.

"Our Spanish ham factories are a good example for the benefits of digital solutions. With a turnover of 15 million kilograms per year, you always need up-to-date inventory information, optimum production, transparent warehouse management, and secure traceability. For this, digital technologies are imperative."

This is what it sounds like when Sven Friedli describes the advantages of a digitalized value chain. Since October 2020, Friedli has been Chief Information Officer (CIO) of Bell Food Group based in Switzerland. He graduated in information management and business administration, so he sees the IT decisions in the day-to-day business from a broad entrepreneurial perspective. Digitalization measures

Facts and figures
- Bell Food Group
- Established in 1869
- 12,000 employees
- 65 Plants in 15 European countries
- Manufacturer of meat and poultry, charcuterie, seafood, salads, convenience products, sandwiches, ready-to-eat pasta meals, soups
- Market leader in Switzerland
- Sales volume 4.1 billion Swiss francs in 2020
- www.bellfoodgroup.com

should always solve a specific problem in the company, and they should have a positive effect on the quality of data, the costs, or the sales. "With digitalization, we aim to enhance the fulfillment of our business requirements and to work profitably in the entire group," says Friedli.

Looking at the technologies behind this strategy, you will recognize most of the components: ERP, MES, supply chain solutions, data terminals in the internal goods flow and robotics ensure the envisaged integration of business and IT. Software modules like production planning or cutting planning are used to improve the transparency and to achieve efficiency gains at the different locations.

Founded by Samuel Bell in Switzerland in 1869, the former small-scale meat processing company evolved into an international player with activities in 15 European countries, from Spain to Romania. "Our product lines include meat and poultry products as well as charcuterie and seafood. We are also active in the convenience sector, so we produce everything from salads and sandwiches to ready-to-eat pasta meals, soups, and more," reports Friedli. "We employ around 12,000 people at our 63 plants, and we have a huge network of suppliers and sales partners in the food industry as well as in the IT sector who help us to meet the demands of our customers."

IT partner as an important pillar in the digital transformation

One aspect that is often underrated in the digital transformation is the significance of a functioning partnership between the user and the ERP provider. There are many examples showing that good tools are just one important pillar for the success of transformation processes. Another, at least equally important, pillar are the people. The Bell Food Group successfully cooperates with the ERP industry specialist CSB-System. "From among our digitalization projects, especially the ERP projects at our Spanish facilities have excelled with a high implementation quality. Simply because the collaboration between all parties involved ran like clockwork, everyone spoke the same language, and they all worked towards common goals. This is everything but self-evident."

Decision-makers in the food industry only know too well from their own experience what Friedli is talking about: value-adding processes and complex IT and OT structures that have grown over years cannot be transformed at the press of a button. Implementing a software system for HR or accounting is one thing. But digitalizing factory processes and optimizing the shop-floor management is something entirely different. These undertakings are change management rather than mere technology projects. Besides a suitable Factory ERP as the central nervous system, the consultants play a crucial role, as they know the software and the business requirements. For this, you need a deeply

rooted understanding of the needs and challenges of the food industry. Genuine cooperation between the ERP provider and your own staff, in local conditions, are essential to design optimal processes.

Friedli therefore expects the IT consultants from their IT vendors to be at home in two worlds: in IT, and in food processing. "We are all in the same boat. It is therefore important to have a common understanding of the processes in food production. A mere IT specialist without extensive industry expertise could do little to help move us forward. Peter Ettrich, head of the DevOps Center, speaks highly of CSB and the entire CSB project team. They have brought the digitalization at our ham factories to a new level."

"It is a delicious and expensive product that is produced on a large scale," Friedli says. "We are talking about up to one million hams that are hanging in our warehouses in Fuensalida for drying and aging." With the meat from different breeds of pigs that is processed in different types of ham, with different curing and aging times, depending on the quality and the designated certification, the implementation of traditional methods dating back over a thousand years on a large scale and in an industrial environment can be rather challenging.

"In the past, the facility did not really have an exact, comprehensive overview of the production process," explains Friedli. "For stocktaking, for example, it took us weeks to count all hams. Now, we have introduced an integrated supply chain solution that tracks the entire process, from the purchasing of the pigs up to the sale of the ham. All information and data is available in a single system across the entire process so that stocktaking is accomplished with a mouse-click – just like checking the revenues."

Solve problems with data and technologies

"The quick availability of information in the ERP enables us to act much quicker," explains Peter Ettrich. He is responsible for the CSB applications at 19 Bell factories all over Europe, and he was the overall project manager for the project in Spain. Also in labeling, the company saw rapid progress thanks to the reduction of errors. The installation of a ham grading system has advanced the integration of software and hardware.

In addition to that, the ERP has optimized the value creation in order picking. While pickers in the food sector often spend more time on running, searching, and printing than on the actual picking process, the Bell Food Group again counts on digital information instead of paper forms. The use of hand-held devices has not only accelerated the processes, but also reduced the errors and, consequently, the necessary rework.

The project has been a huge success and has helped Bell Spain to overcome problems in the production processes by means of technology – an achievement that was only possible, as Friedli emphasizes, because the IT team and the consultants at Bell Spain devoted a lot of time to understand which problems the company was facing, and how these issues could be solved by means of technology. "We have intensively investigated the steps in production, the type of reports required by the company, and the best ways for generating useful data from the various steps of the production cycle."

Spanish ham factories reach new efficiency levels

In fact, the ham production facilities in the Spanish ham regions Extremadura and Castile-La Mancha have been brought to an entirely new efficiency level over the past few months. Until recently, redundant work steps and incomplete information were substantial cost drivers. One of the most important requirements of the Bell Food Group was the change from a paper-based to a digital information flow, for example in the processing of recipes, purchase orders, and traceability.

On an area of 65,000 square meters, with 120 full-time employees, and a production capacity of 5,000 tons of raw ham (including the popular "Jamon Ibérico"), the factory of Bell Spain located south-west of Madrid is one of the most important production facilities for the company's raw ham sales in Europe.

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Jointly implement realistic use cases

Digitalization is nothing new for the Bell Food Group and has been in progress at many of the companies in the group for twenty years and more. Office work processes, batch processing, picking, inventory management and machines have been at least partly digitalized. In Oensingen, Switzerland, a high-bay storage facility controlled by RFID was put into operation in 2005, which was really pioneering state of the art in the meat industry back then.

Now, the goal is to link the single digital islands in an integrated network. In particular, the acquisitions of the last few years have to be incorporated in the information technology to obtain global data in order to get the big picture. Austrian poultry specialist Hubers has become part of the corporate structure just like Eisberg AG in Switzerland and Süddeutsche Truthahn AG from Germany. Bringing new facilities on board always entails the question how to accommodate their IT: how can the integration succeed despite heterogeneous "maturity levels" of the different sites?

There is still a great deal to be done. "We are aiming for operational excellence," says Friedli referring to the upcoming projects they want to kick off together with the CSB team at various locations in Europe. One example for the next level of productivity is the Manufacturing Execution System for a cutting facility in Switzerland – also coming from CSB.

The group's goal is to further enhance data-driven decision making in order to ensure its success. The direct costing and marginal costing system currently in its pilot phase is intended to bridge the gap between shop floor and top floor.

Ultimately, this is about continuous improvement of processes and initiating new digitalization activities with the ERP. The goal is a digital end-to-end chain from forecasting to scheduling and shipment, incorporating quality assurance as well as cutting, packing, and logistics. Leaving the urge for optimization aside, Sven Friedli and Peter Ettrich fully agree, "it is important to know the needs of the business units and to consistently pursue these requirements taking an iterative approach. You only achieve the right goals if the digitalization presents a clear benefit for your business!"

Solution overview
- ERP with Procurement, Inventory, Production, Production Planning and Control, Coverage Planning, Sales, Maintenance, Quality Management, Traceability, DMS, Weigh Price Labeling, Accounting and Finance, EDI, Mobile ERP, Route Management

Top customer benefits
- CSB consultants with many years of ERP project experience and broad knowledge of the food industry
- Seamless supply chain solution along the entire process, from Purchasing to Sales
- Quick information in the ERP enables fast stocktaking
- Significant reduction of errors in labelling
- Optimized value creation in picking through the use of mobile devices

Programmed for Your Success

CSB-SYSTEM