



F&B giant implements global dairy solution

Global food and beverage leader implements dairy management solution

Nestlé is the world's largest food and beverage company. With more than 2,000 brands across 191 countries, it is ranked number 64 on the Fortune Global 500 in 2017.

Nestlé prides itself on continuous innovation, and the company's success is founded on over 150 years of anticipating trends and understanding consumers' needs. It has the most advanced science and innovation network in the food and beverages industry, which enables it to translate its knowledge into highly-relevant products and services for consumers.

The challenge: A global dairy management solution

In 2014, Nestlé launched a project – GLOBE Milk Solution (GMS) – to replace aging dairy management software in its 25 plus dairy markets around the world. Nestlé's Digital Innovation in Operations and Agriculture Lead, **Tomas Vera**, explains that his company needed to replace its old and obsolete systems with a global solution.



"Each country in our network had its own, customised local solution. Some markets shared a platform, but almost every market had its own because the laws and regulations governing raw milk processing differ from one country to another," he says. "The payment calculation formulas are also very different, which forced the creation of these disparate systems."

Nestlé logically concluded that a global solution that could align data, yet be specific enough to cater for each of its markets, would be the optimal outcome. Some markets also had older solutions that needed replacing for a number of reasons, including the high risk associated with running obsolete systems without support. Maintenance costs in supporting 22 individual systems across 25 dairy producing countries were also significant.



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Nestlé's Digital Innovation in Operations and Agriculture Lead

Tomas explains that a lot of Nestlé back end systems – like purchasing and payment – were run on the enterprise software solution SAP, so it was logical to investigate whether a global solution could be built using this existing platform. "We did a pilot with SAP, but realised their solution was very far from what we needed in terms of functionality," he says. "We needed an open pricing engine where you could design very different payment formulas and SAP is very rigid in this respect.

"It would have meant a lot of development in each market to create a workable system, so we started looking elsewhere for a solution that could handle our diverse markets."



The solution: Contec’s Madcap global platform

When investigating a global solution, Nestlé looked at several suppliers, but initially found only companies who designed systems for their country of origin.

“We needed a company with software that was flexible enough to handle the various formulas and conditions in each of our local markets,” says Tomas. “We realised there were very few with global ambitions and the software to match.”

Quite far through the selection process, Nestlé discovered that some of its Caribbean markets were already using Contec’s Madcap solution. Investigation confirmed that it was working well, which sealed the decision and the company was selected as the global solutions provider.

Replacing the individual systems in each market meant that maintenance costs could be drastically reduced – a core requirement of the business case.

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The benefits: Significantly reduced maintenance plus global data sharing

Nestlé’s investigations led it to Madcap as the solution of choice to manage milk supply and processing in its international markets. The main driver in the business case was to reduce maintenance costs across the many disparate systems. This was delivered as anticipated.

“We are saving around 80 percent on our maintenance costs by using Madcap,” explains Tomas. “These are significant; however, there are other intangible benefits that have arisen by aligning our data across all our markets.

“Recently, for example, we needed information on antibiotic testing in our emerging markets. Previously we would have had to email each market, asking them to get data from their local solution. Now, we can look it up across all markets at the click of a button.”

Tomas highlights Madcap’s ability to handle the specificities of Nestlé’s many and varied markets as a key

stand out. The capability of its pricing engine and ability to adapt to local conditions and ways of working is another.

He would also recommend Contec based on their responsiveness. “They are not like a pure IT provider,” he says. “They really know the dairy business and all of its associated processes. Contec brings this to play in our working relationship.”

Jeremy Ridley, Contec’s Technical Director, says their aspiration was to have a large multinational company as a client. “The New Zealand and Australian market is technically advanced, which gave us the footing to build a strong system. Working with Nestlé, in turn, has opened our eyes to the way large companies operate and we have learned a lot from them.”



Contec and Madcap: Smart tech for dairy

World-leading New Zealand milk supply chain software company, Contec Group International Ltd (CGI), provides solutions trusted by dairy processors and producers around the world. Our comprehensive, integrated suite of modules include milk transport scheduling, milk collection, milk testing and producer/farmer payment. We use mobile apps to communicate important milk quality and component results.

Headquartered in Christchurch, New Zealand, we have been supporting clients to manage and grow their businesses using smart supply chain technology since 1974.

Our premier product, Madcap (Milk Analysis, Data Capture and Processing), is a flexible and reliable platform that integrates the milk supply chain and allows timely access to relevant and accurate milk quality and component results. This provides dairy processors and producers with superior business intelligence that enables them to run an easier, safer business.