

A cut above the rest with the right IT solution.

Micarna SA, a leading Swiss meat processor, has combined its business processes in a sustainable way using Meat Management by Softproviding.

Think ahead. Go there.

The “prime cut” amongst IT systems.

Micarna SA, which has 2,300 employees and a powerful sales organization, is one of the leading companies in the Swiss meat industry and supplies 600 branches of its parent company Migros, the biggest Swiss retail chain, as well as a number of third-party customers selling products from Micarna.

For years, process control was managed with SAP-based isolated solutions. In the long term, however, this situation was not economically viable. Micarna was looking for a way to connect the production runs across several levels with their own SAP system and the system used by the parent company.

Meat Management by Softproviding offered a solution that supports the entire production and integration process efficiently.

“The collaboration with our IT partner, Softproviding, was a real project highlight. The consultants thoroughly examined our processes and worked closely with us to tailor the solution precisely to our requirements.”

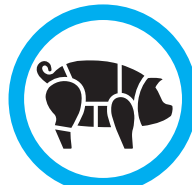
Dieter Gähwiler, CFO, Micarna SA



Slaughtering



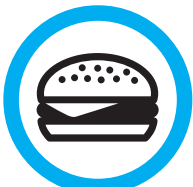
Disassembly
Cattle



Disassembly
Pork



Disassembly
Poultry



Further
Processing



Packaging



Picking

SAP Customer Success Story Consumer Products



“myMeat, in conjunction with SAP software, supports our entire production process and has helped us optimize processes.”

Dieter Gähwiler, CFO, Micarna SA

AT A GLANCE

Company

- Name: Micarna SA
- Location: Courtepin, Switzerland
- Industry: Consumer products
- Products and services: Fresh and processed meat products
- Revenue: SFr 681 million (€429 million) in 2005
- Employees: 1,500
- Web site: www.micarna.com (German and French only)
- Partner: softproviding ag

Challenges and Opportunities

- Provide IT support for all stages of the production process and across multiple sites
- Integrate shop-floor operations with other key business functions

Objectives

- Implement industry-specific software built on in-depth knowledge of the meat processing sector
- Introduce a solution that dovetails with existing SAP® software at Micarna and at parent company
- Ensure the new software enables compliance with stringent statutory regulations such as the food regulation EU 178/2002

SAP Solution and Services

SAP ERP application and myMeat, a qualified SAP All-in-One partner solution

Implementation Highlights

- Outstanding collaboration with implementation partner
- No interruptions to day-to-day operations
- Rapid project completion, on schedule and within budget

Why SAP

- Parent company's strategic commitment to SAP software
- Micarna's industry-specific needs best fulfilled by myMeat

Benefits

- Provided end-to-end integration throughout the entire meat value chain
- Afforded greater visibility into daily operations
- Optimized processes and use of raw materials
- Improved reporting
- Reduced effort for demonstrating compliance with legal requirements
- Lowered software maintenance costs
- Met with high user acceptance

Existing Environment

Legacy, stand-alone systems and third-party, industry-specific solutions

Third-Party Integration

- Database: Oracle
- Hardware: Hewlett-Packard
- Operating system: HP-UX

MICARNA

Qualified SAP® All-in-One Partner Solution Delivers Support for the Meat Production Process

By introducing myMeat, Micarna SA – based in Courtepin, Switzerland – has streamlined processes, secured end-to-end visibility into its production chain, and cut costs. The qualified SAP® All-in-One partner solution from Allschwil, Switzerland – based softproviding ag has enabled the Swiss meat company to implement effective product tracking and tracing, increase automation throughout operations, and establish an integrated, future-proof IT foundation based on state-of-the-art SAP software.

A True Cut Above the Rest

Micarna, a leading player in the Swiss meat industry, was founded in 1958. The company employs 1,500 people and posted revenues of SFr 681 million (€429 million) in 2005. Micarna delivers to third-party customers and to its parent company, Migros, Switzerland's largest supermarket chain. Known as the “orange giant,” Migros sells Micarna products at over 500 of its stores across Switzerland and Germany.

Migros is a long-standing SAP customer and has a strategic commitment to rolling out the software across the group. Against this background, Micarna introduced SAP R/3® software (functionality now found in the SAP ERP application) in 2002. The software supports a wide range of administrative tasks, including human resources management and financial accounting. However, the implementation did not extend to production processes, where Micarna still had legacy stand-alone applications and third-party, industry-specific software in place.

When Micarna opened a new slaughtering facility in May 2003, the company decided to look for a new IT solution to support production. “On the whole, our legacy systems were serving us well. But they lacked integration and didn’t meet all our requirements in segmentation,” explains Micarna CFO Dieter Gähwiler. “We needed software that would not only link shop-floor operations across multiple facilities but also dovetail with the SAP software at Micarna and at our parent company, Migros.”

Tailored to the Meat Industry and Based on SAP Software

Micarna opted for myMeat, a qualified SAP All-in-One partner solution from softproviding. “At the time, it was the only industry-specific software on the market that offered support for the entire production process,” recalls Gähwiler. myMeat includes functionality for a wide range of activities, including live-stock procurement, slaughtering, segmentation, batch allocation, order picking, sales, and tracking and tracing. “The software also integrates seamlessly with our SAP application and gives all users access via a single, standard interface,” explains Gähwiler. “This was essential because we wanted to link production with other areas of the business, such as accounting and materials management.”

Outstanding Teamwork Makes Rollout a Success

The implementation kicked off in May 2003 and was headed up by softproviding. By mid-2005 myMeat had been successfully rolled out across four Micarna sites. “Collaboration with softproviding was a real project highlight,” says Gähwiler. “They took a close look at our processes and worked hand in glove with us to ensure the solution met our exact needs.” The implementation went smoothly, with no interruptions to day-to-day business.

myMeat Delivers the Goods at Micarna

Since go-live Micarna has been able to shut down multiple stand-alone systems, paring back the cost of software maintenance. “In addition, all our mission-critical data is now stored and managed centrally,” says Gähwiler. “This information is now linked with all our other operations, such as quality management and sales

and distribution, giving us end-to-end visibility across the company.” What’s more, there has been a significant improvement to reporting. “We can now generate monthly reports automatically and in real time – something that simply wasn’t possible before,” says Gähwiler.

Greater Transparency Means Better Processes

Better visibility into core operations has enabled Micarna to improve process efficiency considerably. “In the meat industry, raw materials account for around 80% of costs, so it’s important to ensure they are used efficiently. In the past, it was difficult to record the precise amount of meat going into a product and to compare that with the recipe,” says Gähwiler. “Now, all scales on the factory floor are integrated with the central solution, and staff members enter data via user-friendly interfaces. This enables us to see exactly what we are using and identify where there is room for improvement. As a result, we have been able to optimize the use of raw materials – and increase yield.”

Another area that has benefited greatly from integration and automation is packaging. Micarna has 800 different products, all requiring labels with cost and weight information. “Prices vary from day to day, and previously we had to update each set of scales by hand for each product,” explains Gähwiler. “Now this is performed automatically, making the whole process much more efficient.”

Micarna is also enjoying the advantages of improved tracking and tracing. “We can check instantly which animal a product originates from,” says Gähwiler. “This has made it easier to demonstrate compliance with statutory requirements.”

The Next Step

In early 2006 Micarna integrated with Optigal SA (owned by Migros), a Swiss poultry company with breeding, fattening, and processing operations. A key task in merging the two companies was the integration of their IT environments. “Building on the successful myMeat implementation, we have been working with softproviding to roll out the software for the poultry production process,” says Gähwiler. “The poultry unit went live with the myMeat solution on schedule at the beginning of January 2007.”

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Dieter Gähwiler, CFO, Micarna SA



Human Capital Management



Shop Floor Integration



Financials

Integrated Processes



Controlling



Product Safety



Reporting

The functions of Meat Management, which Softproviding has developed specifically for the meat industry, integrate perfectly into the SAP ERP environment. The SAP-endorsed business solution from Softproviding forms a solid platform for sustainable growth at Micarna SA.

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