

Brasil Foods: Revitalizing Supply Chain Planning in Just 12 Weeks



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Company

Brasil Foods S.A.

Industry

Consumer products – food

Products and Services

Meat, dairy products, and processed food

Web Sitewww.brasilfoods.com**SAP® Solutions**

SAP® Supply Chain Management application,
 SAP Advanced Planning & Optimization component,
 SAP Global Delivery group, SAP MaxAttention™ services



Brasil Foods S.A. (BRF) needed to **modernize supply chain planning** as a key step in unifying the two groups that merged to form the company. To upgrade its outdated versions of the SAP® Supply Chain Management (SAP SCM) application and SAP Advanced Planning & Optimization (SAP APO) component, BRF engaged the SAP Global Delivery group and SAP MaxAttention™ services. With help from SAP, BRF went live with its new software without business disruption in just 12 weeks, 5 weeks less than projected.

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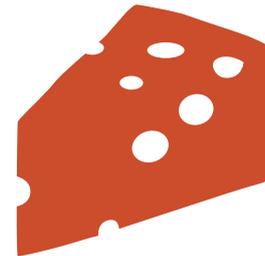
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Feeding the world with the best from Brazil

Brasil Foods is one of the largest players in the global food market, producing about 5.7 million tons of meat and dairy products (poultry, cattle, and pigs) and processed foods annually. It has an annual turnover of R\$23 billion (US\$11.3 billion) and employs 113,000 people in 63 factories in Brazil and abroad. BRF is the country's third-largest exporter.

BRF was formed recently through the merger of Sadia and Perdigão, both of which were established giants in Brazil's food industry. Perdigão, the larger of the two with a 68% stake in the combined operation, has been a major user of SAP applications for many years, including SAP SCM and SAP APO. The company uses this software for managing its supply chain and for planning the fulfillment of customer demand.



5.7 million

Tons of food produced annually



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Creating a modern, company-wide planning environment

At the time of the merger, Perdigão had very old versions of SAP SCM and SAP APO in place that were not delivering optimal performance. After BRF was formed, company management recognized the importance of bringing this software up-to-date. Upgrading would not just improve operations for the supply and demand planners from Perdigão; it would also be a key step in preparing to bring the planners from Sadia on board. The ultimate result would be a unified, company-wide supply and demand planning environment with tremendous efficiency benefits.

But BRF executives also recognized that the project would be far from straightforward. The versions of SAP SCM and SAP APO could not be upgraded to the current versions in one step. Rather, they had to be upgraded to intermediate versions that would then have to be migrated to the current versions. Furthermore, the software was an essential part of everyday business. Around-the-clock attention to the planning environment throughout the upgrade was mandatory, and any issues had to be addressed immediately by the right experts. Extensive downtime while going live would pose massive disruption to operations. Clearly, this was not a routine upgrade project, and routine resources and approaches would not suffice.



17 weeks

Original completion
schedule



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Answering unusual demands through the depth of SAP Services

BRF found a two-pronged answer to its challenges within the SAP Services organization. The SAP Global Delivery group, with people in many locations around the world, satisfied the company's need for all-hours attention to its SAP SCM and SAP APO environment. This choice also helped control upgrade costs since support was provided remotely. "The methodology that the SAP Global Delivery group uses was crucial to the completion of the project on schedule and with a window of unavailability short enough to avoid business disruption – just four days," says Jefferson Strapazon, SCM functional analyst for BRF. "Because of the group's proximity to SAP development centers and innovation hubs, this service enables projects that are not possible on-site."

For fast access to the right people, BRF knew exactly where to turn: SAP MaxAttention services, which had proven vital on another recently completed project.

"SAP MaxAttention provides much better visibility for us and our issues within SAP," Strapazon adds. "Whenever an issue needed the attention of more senior or experienced people at SAP, the team was in contact immediately, accelerating the solution of problems."



4 days

Window of unavailability during cutover



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Exceeding schedule and downtime goals

BRF allocated six people on its staff to the project, plus a project manager and a consultant who specialized in the SAP NetWeaver® technology platform. Because this project entailed an upgrade of such an outdated system, the implementation would have to break the mold. Instead of the usual methodology, the team developed parallel environments – quality, development, and production – each of which was upgraded and tested after converting the original version to the intermediary.

To provide adequate coverage across time zones, the SAP Global Delivery group assigned teams in both India and Argentina to the project. Between them, they spent 18 hours a day working for BRF. At the end of the shift in India, activities were transferred to the team in Argentina. Most activities were

performed by the SAP Global Delivery group, which needed little interaction with BRF. This support from SAP, and close alignment with the overall project team, slashed 5 weeks from the original 17-week schedule, enabling the upgraded software to go live in just 12 weeks.

To avoid business disruption while going live, the SAP MaxAttention team deployed its downtime optimizer service. All preparation for the cutover was performed while the business was in full operation – a key factor in keeping the window of unavailability so short. When going live, two transaction processing issues arose that SAP MaxAttention promptly handled, boosting performance by 90%. In fact, by amplifying their priority, SAP MaxAttention resolved most issues that arose within 24 hours.



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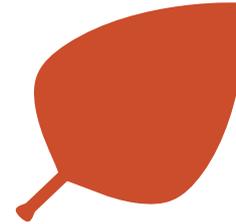
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Enjoying the fruits of integrated planning

The up-to-date versions of SAP SCM and SAP APO, now in full production for the planners from Perdigão, are making a substantial impact on company operations. They use demand planning, supply network planning, and deployment functionalities to attain the integrated environment BRF was seeking. These functionalities are also used for establishing sales forecasts and determining plant production capacities, which are used in structuring demand and operating plans for each plant.



12 weeks

Actual project duration,
5 less than scheduled



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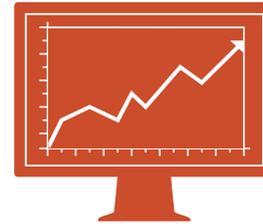
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Accelerating critical processes

The upgraded software is delivering significant improvements in performance, especially for critical processes such as optimization, master data processing, and transactional data processing. “All these processes now perform normally,” says Strapazzon. “Transactional data processing is running 70% faster than before the upgrade, helping to speed up planning. In addition, improvements in the new version are facilitating the identification and analysis of incidental problems, which we then correct in the next production cycle.”



70 %
Improvement in
transactional data
processing speed



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Moving into the future as one company

With its technology platform up-to-date, BRF is now preparing to fully assimilate Sadia, which will also employ SAP SCM and SAP APO. With its production capacity nearly doubled by the merger and a modern, unified environment for planning how to take best advantage of it on a total company basis, the future is bright for BRF.

