



Hartford Client Case Study

Client wins in 2003 Computerworld Excellence Awards –

Most Successful Project Implementation of the Year

Creating a single IT and business process platform for an amalgamation of three Top 100 companies put Hartford Consulting at the centre of one of the largest systems projects New Zealand has ever seen.

Client

- Fonterra

Project

- Manufacturing Integrated Applications

Partner

- Hartford Consulting

At a Glance

- 18 systems
- 16 sites
- 120 project team
- 2,700 impacted
- 2,586 trained
- on time, under budget
- common platform & data repository
- common applications
- no compromise to day to day operations
- reduced cost of IT ownership

Hartford Services Used

- strategy development
- planning
- system evaluation and selection
- hardware/software gap analysis
- project team selection
- communications
- change management
- risk and quality management
- tracking, control and reporting

When the product of amalgamation is a global top-ten dairy company and by far New Zealand's largest company, then a single set of integrated applications, processes and business rules to run on is vital. Partnering with experienced project navigators was critical for the success of this global giant – Fonterra.

Formed in October 2001, Fonterra is cooperatively owned by more than 13,000 farmers and has an annual turnover of US\$6.8 billion. The company's manufacturing business, which is the amalgamation of Kiwi Dairies and New Zealand Dairy Group, is the largest dairy ingredients operation in the world, producing over 1,000 products marketed in 140 countries.

Fonterra's strategic vision of industry leadership made a common set of applications and processes mission critical. So, just how do you implement 18 systems affecting 2,700 users across 16 geographically disparate sites and keep the milk – a readily perishable raw material – flowing?

For Fonterra Ingredients, the answer was to engage Hartford, a project specialist who could translate the merger vision into an effective project plan, easily understood by people at all levels – from factory floor to executive management.

"Good project management is about articulating the needs of the business and working effectively with people at all levels," says Paul Brown, Fonterra General Manager Operations Northern. "I think the ability of Hartford to deal with people at different levels in the business clearly is a strength I've seen, and it doesn't necessarily come with other suppliers."

Consolidating change

Known as MIA (Manufacturing Integrated Applications project), the project was at the forefront of the dairy merger and set the platform and the standard for other key business merger activities. When you understand the sheer scope of MIA you get a picture for just how much was at stake for Fonterra.

Tasked to deliver 18 systems, comprising finance, HR, asset management, planning, production, finished goods management and data warehousing, MIA's principal aim was to establish an integrated suite of common applications. These provide for a single source of information, business processes and rules to improve business decision-making, and have reduced the total cost of systems' ownership. By consolidating a single data centre with portal access, MIA has revolutionised supply chain visibility. It has also permitted synergies between sales and marketing operations, which previously had interacted via a 'gateway'.

Managing success

Driving all disciplines, from project scope, hardware/software selection, project team choice, through communications, change, risk and quality management and control, Hartford directed a project team of 120 over a 15 month period. In the process it also formally trained over 2,500 Fonterra people.

Hartford is distinguished by an ability to develop innovative, customised solutions for projects. For example, the unique 'super user' concept was evolved to ensure implementation success. Under this scheme, individual Fonterra users at all levels were hand-picked and released from regular responsibilities to learn the new systems, train their peers and grow into an ongoing troubleshooting and support role.





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Paul Brown
General Manager
Operations Northern,
Fonterra

Hartford Consulting
Level 12
West Plaza
Cnr Albert & Fanshawe Sts
PO Box 1562
Auckland
New Zealand

☎ 09 373 4100
🌐 www.hartford.co.nz
✉ contact@hartford.co.nz

The power of what, at face value, is a remarkably simple idea works at several levels; firstly, growing individuals to train other users guarantees a level of proficiency, and secondly, leaves behind empowered self supporting teams.

"The super user concept was a great spearhead to instil business intelligence in a number of core people who then provided support for both the rollout and post go-live support. That was just brilliant," says Paul.

Minimising risk

A key challenge for Fonterra was overcoming a natural resistance to material change for literally thousands of users – a task made more difficult because the project had to move quickly and, in many cases, ahead of other merger activity.

"The whole element of change and the risks that come with a large IT project are often overlooked and underrated," says Paul. "We weren't just taking three legacy companies and creating one. We were effectively bringing together seven different organisations into a whole and that meant changing the way we did things, business rules, IT platforms, and changing what was important to the business."

Impacting on the business at both strategic and operational levels, Fonterra could not afford for MIA to disrupt normal business. The risks were significant, with 20 percent of New Zealand's exports dependent on the successful implementation of MIA. "When you bring new systems into an organisation that is actually running and doing business, the risk to business as usual is high, particularly when you're a business with over 4,000 people and perishable raw materials."

One of the most visible risk-minimisation strategies employed by Hartford was a road show called 'A Day in the Life', which enabled staff to experience the new systems, processes and rules before going live. More than simply familiarisation, the approach enabled the project team to pre-empt and remedy issues without compromising the success of the actual rollout.

Transparency

"We needed to get a single platform so we could use the same financial applications and KPI measurement tools. As we had become one company we needed to be able to share information between sites and look at the efficiency of the business as a whole, rather than as a number of subsets," says Paul. "We couldn't have people focusing on different business rules or on performance objectives that may not necessarily have been in the best interests of the company. With the common platform delivered by MIA, we can disperse knowledge to a wider base and improve the efficiency of the entire organisation."

On time, under budget

Almost unheard of for a project of this magnitude, MIA was delivered on time and under budget, despite the scope widening part way through the project.

"The ability of Hartford to take a widened scope and do it within the original timeline and financial constraints has got to be a marvellous little gem," says Paul. "Apart from providing us with a benchmark for any successful project – on time, right quality, within budget – Hartford ensured that the project was delivered without compromising business as usual, and ensured we were able to leverage off a strong common platform in our first season operating as Fonterra."

We can do this for your business.

Hartford – passionate about making our clients successful