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If You Think That Knowledge is Expensive, Try Ignorance

Organisations now generally accept that we live in the information age. However, the ability of many companies to accurately monitor key performance indicators across the enterprise is extremely limited. The root cause of this in the fresh produce industry is the lack of integration of the various systems that manage the processes throughout the business.

Many companies in the industry operate on a mixture of accounting systems, spreadsheets, specialist databases and manual processes. This typically leads to the creation of islands of data. As the business expands, it becomes increasingly difficult and expensive to keep track of what is really going on with the products and services provided to an increasingly demanding customer base. In such scenarios, business managers have to run faster and faster to meet client expectations.

The Herculean task of constantly monitoring product quality and delivery commitments falls to the senior managers within the business. As a result, it is not uncommon to find that the directors spend an inordinate amount of time extracting data from a myriad of sources. They therefore become the most expensive administrators within the business. Furthermore, while focused on the day to day control aspects, it is easy to lose sight of the bigger picture on driving the progress of the company.

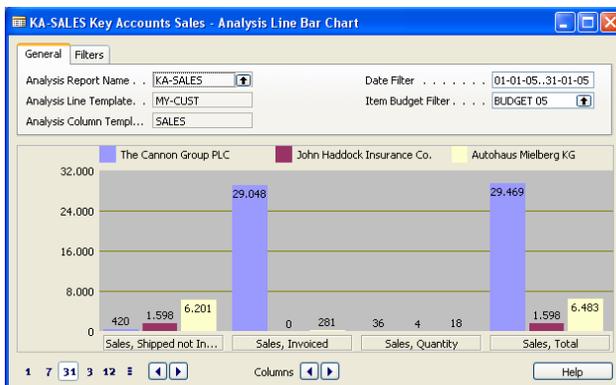


Fig 1: Example of generated Key Performance Indicator chart.



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Business intelligence is the ability to dynamically measure and monitor all aspects associated with the defined business processes within the company. This is now beginning to play a key part in the management of fast moving businesses such as the fresh produce industry. In the past, this has been difficult to do as the reporting tools have been relatively complex or the packaged applications too specific. However, the arrival of powerful integrated business applications into the sector will greatly help organisations currently struggling to cope with the task.

The key elements that make up a business intelligence solution are performance indicators, alerts, reports and company information. For example, you may wish to dynamically measure the finished product yield from consignments supplied to pack houses as they are fulfilled. It may be useful to be automatically alerted when the consignment profitability drops below expected levels. If the product supply chain is adversely affected by weather or transport factors, it may be useful to have an early warning system that enables you to take pre-emptive action. Day by day profitability indicators may help avoid nasty surprises at the end of the month.

Modern integrated solutions cope with these requirements through the delivery of dashboard technologies. Typically, these automatically produce trend information on the key performance indicators of the business as events unfold. The key to their usefulness is that the indicators that they measure are aligned to the goals of the organisation. More importantly, they should be updated to reflect changes as they happen throughout the organisation. This is in marked contrast to the current view of information delivery which is little more than historic reporting of aging data.

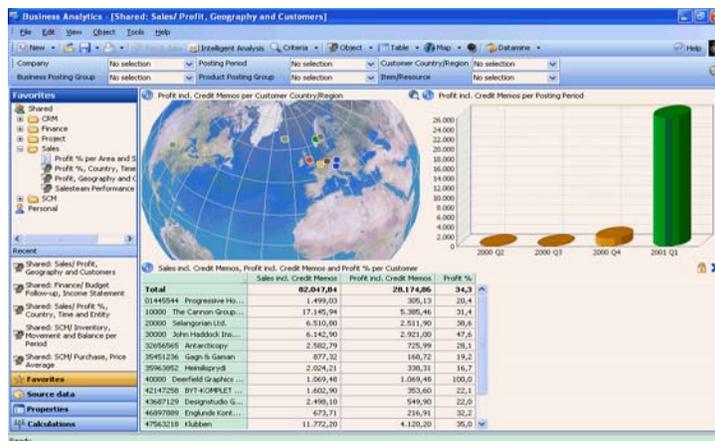


Fig 2: Example of Dashboard view of profitability across the enterprise.



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Today's reality in the fresh produce sector is that customers will continue to exert more pressure on suppliers to meet even more stringent quality and delivery standards at lower prices. To counter this, companies will need to be able to gauge the performance of the organisation at all levels. Here through the use of integrated solutions, business intelligence will play a key role by providing one version of the truth easily accessible throughout the enterprise. In today's ever more competitive environment, this seems more like a survival strategy than a luxury. **As somebody once said "If you think that knowledge is expensive, try ignorance".**

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