



Making technology pay!

Fresh Produce Journal IT Monthly – Article 18 **Published September 2005**

Evaluating Your Solution Options

When I left the Fresh Produce industry five years ago, selecting a business management system was relatively straightforward. If you were in brassica's, you selected a solution from one of the traditional suppliers with experience in that sector. If you were in potatoes, you looked for the partner with a good potato trading solution. You also checked out the customer references. The fact that the systems were light on some of the basics of financial and human resource management didn't seem to matter. At least you could understand and relate to the screens and system reports of the operational system and the IT supplier seemed to speak your language.

On returning to the industry in 2003 with Anglia Business Solutions, it was evident that the landscape had shifted. For a start, the companies in the industry had changed. The massive power wielded by the major retailers had forced significant consolidation in the sector. To compete, companies had to embrace rapid growth to meet the demands of the multiples and protect their market share. Some companies I used to deal with had tripled and even quadrupled in turnover. These were now sizeable businesses dealing with all of the growing pains of rapid expansion. On top of this, the supermarkets were putting the squeeze on margins while raising the bar on their quality and delivery expectations.

These factors have all asked serious questions of the traditional technologies in use within the sector. Suddenly, senior management realised that to compete, they needed much more information on what was going on within the business. What's more, they needed it as it was happening and not weeks later when it was too late to act. The new demands exposed the weaknesses of the traditional back office applications in use in fresh produce. The main complaint was the inability to rapidly extract meaningful financial information on products and customers and to know that the information was reasonably accurate.

To meet the demands of the changed fresh produce sector, powerful new solutions were required. By their very nature, such solutions would have to be wide ranging in their scope. This indicates that the software vendors had to be substantial companies with the necessary investment resources to compete globally. At the core, such systems would have to include sophisticated financial applications that were linked to all of the operational aspects of the business. When you cut to the chase, the fresh produce industry is no



Making technology pay!

different to any other. It's about making money. There is little point in winning major supermarket supply deals at razor thin net margins if you run out of cash trying to meet the service needs of the contract.

However, IT systems that embrace all of the operations of a fast moving business such as the fresh produce industry must have extensive functionality across all of the applications. In addition, such systems need a fair degree of flexibility to enable companies to react swiftly to changing market conditions. The problem is how to evaluate the various solutions now on the market on their suitability for your business. If you have never been through the process of selecting an enterprise wide system before, it can be quite a daunting task. As technology has advanced rapidly in recent years, part of the problem can be trying to get to grips on what is now possible. Furthermore, even if what you would ideally like is possible, whether it is feasible from a financial or deployment viewpoint.

The first thing to realise is that decision that you make on your business management solution can have a significant long term impact on your business. Having invested in the technology, you are likely to have to live with it for the next ten years. Making a wrong choice can therefore put you at a serious commercial disadvantage as software becomes a key business enabler in future. The decision is therefore strategic to the business and responsibility should always be taken at board level.

The next aspect to consider is how you decide on which system will help you to meet your long term business goals. These goals should dictate your choice of solutions. If your aim is sell the business in the near future, your option may be to either do nothing or make a minimal investment in a new system based on price. If you see a major opportunity to grow by increasing your market share either organically or by acquisition, the selection of your future technology platform takes on a different dimension.

During the past two years, I have seen a number of varying techniques employed by management teams on the system selection process. Some have been extremely impressive. Careful planning and quality management time has been invested in thinking through the new requirements and quantified potential business improvements. However, these have been the exception in the industry.

Other management teams have parked this in the "too difficult" bay and delegated the task either to their internal IT person or to an outside consultant. In such cases the results have been mixed to say the least. Where the task has been delegated, the most impressive assessments have been carried out where the board has provided the individual or team in question with unambiguous guidelines on the expected deliverables from the system. Where the brief is "just go and get us a new system" price rather than value



Making technology pay!

tends to take precedence. While the brief has been met in the latter scenario, the chickens only come home to roost further down the line when the limitations of the new system are experienced in the real world.

In various discussions with senior fresh produce executives, they have explained that one of the difficulties in the selection process is compiling a requirements document. To assist in this process, we have constructed a sample request for information (RFI) spreadsheet. This has been created from the many specific fresh produce functionality requests we have had over the last two years. It lists the typical functionality needed to be met by the application. It also asks if the specific functionality will be met from within the package, has to be specially developed or if it will be provided by a third party product. It also allows you to prioritise the functionality in line with your business needs.

To request your free copy of this RFI spreadsheet, please send your contact details to linkfresh@angliabs.com.