

BUILDING SHELTERS OR WINDMILLS IN DIFFICULT ECONOMIC CLIMATE

This month, Anglia Business Solutions explains that fresh produce companies need to examine how to redefine their business models to reflect the tougher trading conditions – and proposes a new solution from Microsoft to do just that

THE CURRENT dire global economic outlook will certainly prove very challenging for businesses across all sectors.

Stories of how the major retailers are reacting are rife across the fresh produce industry. Price-cutting is the norm and suppliers and growers say they are funding the campaigns. As battles for consumers' budgets intensify, this situation is unlikely to improve. In such a climate, it is tempting to scale back all investment expenditure and wait for better times to return.

There is an old Chinese proverb that says: "In stormy times, some people build shelters; others build windmills." The reality in the fresh produce industry is that the demand for healthy foods will remain strong, even if the emphasis will focus more on staples than exotics during the current downturn. While nobody can forecast how long it will take for the green shoots of recovery to emerge, history tells us that better times will return. When that happens, those who have weathered the storm will emerge stronger and well positioned to capitalise on the upturn in trading conditions.

What nobody can say with any certainty is how long it will take for economic conditions to recover. The surprising aspect of the current crisis is how quickly it all happened. Six months ago, the outlook on the global economy was very positive. What a difference a few short months can make. The question is, can it rebound as quickly?

So what has all this got to do with technology? The encouraging signs from the industry are that quite a number of companies are taking the time to examine how their business models can be refined to reflect the more austere conditions that they face. When margins are under such severe pressure, organisations are driven to find out where they are either making or losing money. The difficulty that they encounter is gaining access to the detailed information that exposes these trends. Few people with legacy systems can quickly identify their most or least profitable products or most productive pack lines.

Here, a fully integrated, modern end-to-end dynamic enterprise planning solution can help to throw some light on the subject. However,



Will you build a shelter or a windmill as the economic downturn bites?

such solutions mean a significant investment in time and money as well as taking anything between four to nine months to deploy. A state-of-the-art financial application can be rapidly deployed and very beneficial. Nevertheless, the real gains are made when the complete supply chain is seamlessly integrated with the finances. This is where the real operating costs and profitability can be defined and swift management action taken on commercial concerns.

This factor has been recognised by Microsoft, which has launched an initiative designed to assist those companies wishing to invest in their technologies. As the world's largest software company, it is well placed to assist from a financial aspect. The company's turnover last year reached an impressive \$62 billion (£41bn) while they generated pre-tax profits of more than \$22bn. Moreover, their cash or cash equivalent on the balance sheet is more than \$22bn. They have decided to use their massive financial muscle to ease the task of deploying their technologies with a scheme called Smartpay.

Microsoft Smartpay offers a simple, easy and affordable way for customers to purchase the entire end-to-end solution. This includes the Microsoft licences, enhancement and

support, partner services, hardware and even third-party software, all for one monthly fixed cost. This enables the customer to preserve precious cash to sustain their core business and protect existing credit facilities with their bank when required for business expansion.

With no hidden charges, flexible and tailored payments to suit requirements and a quick and easy application process, Microsoft Smartpay is a fantastic way to acquire the solution customers need, rather than one they perceive that they can afford.

The key point is that this is in effect an unsecured loan at a very competitive rate. The current offer is that it comes with an initial six months' payment holiday. This means that the customer begins to see the benefits of the solution as the payments begin.

It is fair to say that this initiative has been welcomed by beleaguered companies wishing to use the downturn to refine and automate their key business processes. These far-sighted companies plan to be around to capitalise on the upturn by using modern technology as a business enabler to improve the productivity of their people.

Details of Microsoft Smartpay can be found on: www.angliabs.com/MSF_Smartpay.aspx ○