

## CASE STUDY: SAP inventory management system replacement



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## New inventory system at ZESPRI minimises risk and enhances core SAP system

A new SAP wharf inventory management system implemented by ZESPRI, in conjunction with Oxygen, through Project WHARF has helped the global marketers and exporters of New Zealand kiwifruit future proof a critical component of its supply chain, bringing it into line with its core SAP system.

Oxygen also helped ZESPRI improve its order management processes by automating the creation of supplier purchase orders, delivering process efficiency gains and reduced error rates.

The WHARF project was the result of a wider strategic system review that Oxygen helped ZESPRI undertake to pinpoint the SAP functionality it would require to establish best practice supply chain processes, and optimise its future business operations.

“Our legacy inventory system was 13 years old and was fast approaching the end of its service life. We needed to mitigate the risk of it suffering a significant failure, which, if it occurred, could have severely impacted our export shipments,” says Raj Kant, Group IS Manager, ZESPRI.

The WHARF system plays a vital part in ZESPRI’s inward and outward goods process. “When the kiwifruit arrives at the wharf from

the suppliers it must be validated to ensure it meets the specifications of the ZESPRI Customer Order and is able to be exported to the intended destination. As the kiwifruit is loaded onto the ship, further validation is undertaken at shipside to ensure that the correct product is being loaded and the system records the hatch and container that the fruit is being stowed in,” Kant says.

The ZESPRI legacy system was replaced using SAP’s inventory management application, coupling it to TekConsole and providing integration between information captured on handheld scanners and the SAP backend.

Says Kant: “We have had no post go-live issues and we have now processed over 100,000 pallets of kiwifruit error free using the SAP WHARF system. Oxygen understood our requirements, providing the guidance and additional resources we needed to work with our team for a successful outcome.”

“We now have a fully supported, secure WHARF system which no longer exposes us to the risk of failure.”

Raj Kant, Group IS Manager, ZESPRI

“On a scale of one to 10 the success of this project is in the high nines. Oxygen has been a great partner.”

Raj Kant, Group IS Manager, ZESPRI

## THE BUSINESS CHALLENGE

- Reduce risk of exposure caused by potential legacy system failure
- Replace custom purchasing documents with standard SAP functionality to enable standard inventory management functionality to be used in downstream processes
- Increase the SAP “footprint” and provide a strong foundation for future supply chain initiatives

## THE OXYGEN SOLUTION

- Undertake a fit gap analysis of SAP functionality against ZESPRI’s future state supply chain processes including commentary on departures from recognised best practices
- Develop a business blueprint for the Wharf functionality. Map requirements to standard SAP transactions and identify areas requiring custom development
- Document detailed functional specifications, undertake the relevant configuration and develop the related custom programs
- Provide technical guidance on TekConsole that has proven to be a robust deployment

## RETURN ON INVESTMENT

- Installed on time and under budget, the WHARF project has provided ZESPRI with a stable, responsive and secure critical application on ZESPRI’s core operating system
- The WHARF system is now real-time with data arriving in the SAP system as it is recorded on the wharf providing better visibility of the location and status of product
- Eliminate support costs associated with the legacy hardware and software

## CUSTOMER PROFILE

ZESPRI is the world leader in kiwifruit, supplying 60 countries with around 100 million trays of premium quality kiwifruit each year with revenues in excess of approximately 1 billion NZD. Representing around 4,000 kiwifruit growers globally, ZESPRI is the sole exporter of kiwifruit from New Zealand to countries other than Australia.

With a head office in Mount Maunganui, New Zealand, and offices in Asia, Europe and the US, ZESPRI works with growers and post-harvest operators in seven locations around the globe where it grows and/or sources top quality ZESPRI™ GREEN, ZESPRI™ GREEN ORGANIC and ZESPRI™ GOLD Kiwifruit.

