

Case Study

Smithfield Foods Ltd puts food on the table with Kewill

Norfolk-based meat company, Smithfield Foods Ltd has improved the way it processes and fulfils orders from its customers using an Electronic Data Interchange solution from Kewill, a leading provider of global solutions for the dynamic supply network.

Smithfield



Background

Smithfield Foods Ltd is part of Smithfield Inc, whose wholly owned independent operating companies and joint venture companies produce more than 50 brands of pork, beef and turkey products and more than 200 gourmet foods, sold all around the world. The company is the world's largest producer and processor of pork in addition to being a world leader in turkey processing, cattle feeding and beef processing.

Smithfield Foods UK was formed in 2004 as part of a merger between the Norwich Food Company and Polish company Ridpath PEK. The former specialised in the supply of fresh meat, poultry and game to retailers, wholesalers, food processors and caterers whilst Ridpath PEK supplied canned and deli meats, including the well-known PEK brand. Together, and with dedicated supply lines from other Smithfield companies in Europe, they now supply an unrivalled range of meat products to all parts of the food supply chain.

Challenge

In the UK, Smithfield Foods Ltd has managed orders and invoicing with its 13 large grocery customers via Electronic Data Interchange (EDI) for a number of years. However, there were limitations to the systems in place that prevented Smithfield from expanding.

Ralph Farrow, Smithfield Foods' IT Manager, explained, "Our existing system did not provide us with enough flexibility to enable us to make improvements. Moreover, the data could not be validated against our back office systems as the system could not produce the necessary control reports for our finance department."

The existing system was also time-consuming. Ralph Farrow said, "We had to manually manage the system and dial in to go on line to retrieve

the latest orders and to send invoices"

Following a merger between Smithfield Foods and Belgian food group IFS, which also processed orders using EDI, the number of orders quadrupled and the existing system simply could not handle them.

Solution

Kewill offered to solve all these problems, including managing the transitional phase. Kewill's job was to ensure business continuity during this phase by creating subsets of orders according to different criteria and using lookup tables to forward orders to 3rd party companies.

Ralph Farrow said, "Kewill offered us a hosted solution which meant that they would take responsibility for all order and invoice transmission. They were also able to manage multiple document formats according to the needs of any retail customer."

Based on current best practice and state of the art technology, Kewill MessageBroker is an end-to-end, managed B2B integration service. MessageBroker manages the buyer's purchase order, the seller's confirmation, shipping papers, shipment status, invoicing, payment, enquiries and responses and administrative messages.

Kewill MessageBroker is always on line so orders are received as soon as they are sent, enabling Smithfield Foods to process them quickly. Notifications are received via email to say that an order has arrived. On Sundays, when most Smithfield Foods' staff are not in the office, Kewill was able to set up alerts which would be texted to their mobile phones, to confirm that an order had been delivered.

The number of EDI files has more than quadrupled since the merger last year to 500 EDI files per month, which works out to in excess of 2,000 individual orders per month. Kewill was able to absorb the additional

workload following the merger with no impact to the supply chain of Smithfield Foods Ltd.

Benefits

Ralph Farrow said, "The new system is much more user-friendly and, because it is on line and we get email notifications, we are spending less hours downloading and dealing with enquiries about the whereabouts of an order."

Ralph Farrow also believes that there are savings in time on systems support. He said, "We don't have to worry about PCs, modems and phone lines anymore, just that we have an Internet connection."

Smithfield Foods Ltd also heralded Kewill's professionalism, its responsiveness in making changes quickly and its understanding of the company's complex business issues.

Future

Kewill has been able to extend the EDI system of Smithfield Foods Ltd to its third party logistics vendor Innovate. Ralph Farrow said, "We are now instigating a project to extend the EDI link to the warehouse. This will cut down on the time spent on processing orders and also to eliminate errors."

This extension will enable Innovate to handle electronic orders from Smithfield Foods Ltd for smaller non-EDI customers where before these had to be entered manually, a time-consuming and potentially error-prone process.

More information

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