

CUSTOMER PROFILE

FOOD & BEVERAGE

LAWSON AT TERE



From milk flow to product flow with the help of Lawson

Tere is the biggest dairy company in Estonia. Time and changes in the operating environment made its old ERP systems obsolete. Lawson M3 provided the company with one integrated system, enhancing the company's processes and adding transparency and flexibility to its operations. And the Lawson solution can be expanded for future development.

“Thanks to Lawson’s deeply configurable functionality we can focus on improving our own expertise and do a lot of business-oriented development work ourselves. This will create more savings in the long run. This is exactly why we wanted a standard-based system.”

Rein Parelo, member of the board, Tere



Founded in 1893, Tere is the biggest dairy company in Estonia. Processing 200 tons of raw milk a day, the company used various enterprise resource planning (ERP) solutions to administer its operations, ranging from purchasing milk from farms, manufacturing and distributing its different products, to finance.

Different systems representing various generations were coming to the end of their lifecycle. Some of them were so old that they were no longer supported.

"The lack of integration was an obvious challenge. The old systems did not cover all of our business areas, which resulted in inefficiency and unnecessary wastage. Our main problem, however, was the insufficient information provided to the corporate management," explains Rein Parelo, member of the board, Tere. "Since the dairy industry has changed immensely in Estonia in recent years, we needed information that our existing systems were unable to produce. The EU membership also set us some new requirements, he added.

In order to enhance information retrieval and production processes, a decision was made to acquire a new, integrated ERP system.

The Company

Tere is the biggest dairy company in Estonia, which in addition to milk produces butter, cheese and yoghurt. Some 80 Estonian farms produce milk for the company. Headquartered in Tallinn, the 110-year-old company's best-known brands are Tere, Hellus, Meieri, Merevaik, Largo and Kohuke.

Tere's market share in Estonia is around 50 percent. There are 300 employees, 75 of whom work in the Viljandi production plant. The company's turnover for 2004 stood at EUR 48.5 million, and it used 75,000 tons of raw milk. Tere exports some of its products to the other Baltic states as well as to Finland.

Why Lawson?

"The Baltic states are an important operating area for us, and a few years ago we set up an office in Tallinn to be able to offer better service to our customers. Being an international company and having strong expertise in the food and beverage industry positioned us well in the Tere project," says Jukka Lahdenranta, a sales manager at Lawson.

The IT strategy of Tere is to build a flexible standard system to which the business processes can be configured. The company did not want a major customized project.

"We defined our basic processes from purchase to sales and asked the suppliers in competitive bidding to introduce the functionality of their solution for our processes. The new system had to fit in directly with the company's systems and operations. We examined the configurability of the solution and its suitability to our industry. Furthermore, as we operate around the clock, the new system had to support that schedule, too," Parelo explains.

Tere chose Lawson M3. It is a fully integrated ERP solution which can be introduced either in stages or as a single solution. It also offers the option to add further functions when needed. Lawson M3 also includes various value-added products, including business and customer relationship management. These can also be used separately.

Tere reformed its entire ERP system with Lawson. The project integrated customer order management, production, purchasing and invoicing. Some additional modules were included, such as electronic data interchange (EDI)-based ordering, pricing and discount calculation, telephone sales, transports and distribution. Financial administration and inventory accounting, even route planning is done using the solution.

The entire Lawson M3 suite was integrated to the server of Tere, on an IBM iSeries i5 platform. The Java-based and open application suite supports the XML standard and is built on the open WebSphere platform. It was easy to integrate in Tere's IT environment.





Manual data transfers were minimized. The information needs to be put into the system just once; thereafter the information is available to all, wherever it is needed.

The Implementation

The project started in early winter 2004, and the implementation was completed six months later. The number of user licenses acquired was at first about 70, of which half were for active users. The quick and successful implementation was the sum of many factors.

"Together the experts of Lawson and Tere achieved a great result," Parelo says.

The project's introduction process went smoothly, both in terms of implementation and cooperation between the customer and Lawson. The people involved were professional and committed.

With Lawson M3, Tere took a jump into one integrated ERP system. This enhanced the whole company's processes and brought transparency and flexibility to the business.

Future Plans

In addition to other benefits, Lawson M3 provides an excellent basis for future development and expansion. Further development of production and purchase operations is already under way. The printing management solution is also being forwarded.

"This is exactly why we wanted a standard-based system. The number of licenses has already increased by 20 to cover users for added functionality," Parelo says.

About the Solution

Lawson M3 integrates the management of orders and deliveries, production, purchasing and invoicing. It offers software modules that can be added, for example, for electronic data interchange (EDI)-based ordering, pricing and discount calculation, telephone sales, transports and distribution. The suite also includes applications for financial management and control, inventory accounting and route planning.

Partners

Lawson M3 is built on the IBM iSeries server with an integrated IBM DB2 database solution. Designed for an enterprise environment, it is extremely reliable, easy to maintain, and cost efficient.

IBM's goal is to create and develop innovative technologies for the needs of companies. IBM's product and service supply comprises server and storage hardware, software, and infrastructure services from which our global consultation and service organization builds technology solutions that support our customers' business.



LAWSON

Headquarters:

USA

380 St. Peter Street
St. Paul, MN 55102-1302
Tel +1 651-767-7000

Regional Offices:

Northern Europe

Denmark, Finland,
Norway, Sweden

Sweden

Tel +46 8 5552 5000
Fax +46 8 5552 5999

Northwestern Europe

Belgium, Netherlands,
Ireland, South Africa,
United Kingdom

United Kingdom

Tel +44 1344 360273
Fax +44 1344 868351

Central Europe

Austria, Czech Republic,
Germany, Hungary,
Poland, Switzerland

Germany

Tel +49 2103 89060
Fax +49 2103 8906 199

Southern Europe

France, Israel,
Italy, Portugal,
South America, Spain

France

Tel +33 1 34 20 80 00
Fax +33 1 40 39 25 07

Asia Pacific

China, Hong Kong,
India, Japan, Malaysia,
Singapore, Thailand

Singapore

Tel +65 6788 8769
Fax +65 6788 8757

ANZ

Australia,
New Zealand

Australia

Tel +61 2 8437 5600
Fax +61 2 8437 5699

info@lawson.com

www.lawson.com

“Together the experts of Lawson and Tere achieved a great result.”

Rein Parelo, member of the board, Tere

About Tere

Tere AS is the biggest dairy company in Estonia, which in addition to milk produces butter, cheese and yoghurt.

Tere's market share in Estonia is around 50 percent. It has 300 employees, 75 of whom work in the Viljandi production plant. The company's turnover for 2004 stood at EUR 48.5 million, and it used 75,000 tons of raw milk.