



FONTERRA KNOWS 'WHO'S GOT MILK' ACROSS ITS GLOBAL SUPPLY CHAIN

Challenge

The world's largest dairy ingredients exporter wanted to achieve end-to-end visibility across a supply chain that spans more than 140 countries. Fonterra wants to know – on a single screen – the status of any order at any time, from the time the order's placed, through international shipping, to its arrival in the customer's hand.

Solution

Fonterra built a world-class global supply chain visibility solution based on Business Activity Monitoring (BAM) technology. At the core of the solution is the Software AG webMethods suite. By a factor of 10, this is the largest BAM and Business Process Management (BPM) implementation ever seen by Software AG.

Benefits

- Ability to measure DIFOT (Delivered In Full and On Time) as seen by the customer
- Annual benefits are being measured in the millions of dollars
- Faster, more accurate service since agents know the status of any order at any time
- Proactive problem resolution, thanks to automated alerts
- Tighter control around unplanned costs
- Ability to manage vendors better



Fonterra is a co-operative owned by more than 11,000 New Zealand dairy farmers. The co-operative is responsible for more than one-third of the world's international dairy trade, is one of the world's top six dairy companies and sells more than 2.6 million tons of products in more than 140 markets globally.

Get There Faster.™

Next, Fonterra defined event-based processes to monitor and manage using webMethods Optimize for Process. This BAM product facilitates real-time insight into key business process activities. It provides managers with actionable information so they can make informed decisions to quickly address problems and capitalize on improvement opportunities.

Working with the Strategic Business Solutions team at Software AG, Fonterra designed 10 process views based on business functions and roles. Some of these processes have 20 or more steps, are long running and are branching.

Delivering a world of activity on one screen

webMethods Optimize for Process provides real-time insights into these event-driven processes. Fonterra can see how these processes are performing, what's working well, where there may be bottlenecks and why, and what can be improved. Process data collected by webMethods Optimize for Process will provide valuable input to alignment, optimization and aligned performance measures strategies.

To create the single graphical view of an order, Fonterra built a portlet using webMethods

Composite Application Framework (CAF). Customer service agents can input any order identifier, for example, a purchase order number or a container number, into the system and then see 100 different facts about the order on a single screen. The screen gets automatic updates as new signals are received from across the supply chain.

Resolving problems - before customer impact

Enhancing the solution further, Fonterra integrated BPM workflow technology so that it can proactively manage alerts. A BAM rule triggers an

TASK ID	ALERT RULE NAME	CREATED DATE	DELIVERY	SALES ORDER	CUSTOMER REQUIRED ETA	LOAD PORT ETD
<input type="checkbox"/> 198012	Delivery shipment ETA outside of DIFOT	2/09/2008 13:24	81296726	10094391	2008-10-15	2008-10-14T00:00:00.000Z
<input type="checkbox"/> 199486	Delivery shipment ETA outside of DIFOT	5/09/2008 06:36	81299323	10096075	2008-10-31	2008-10-04T00:00:00.000Z
<input type="checkbox"/> 199517	Delivery shipment ETA outside of DIFOT	5/09/2008 08:55	81299518	10098092	2008-11-12	2008-10-08T00:00:00.000Z
<input type="checkbox"/> 199549	Delivery shipment ETA outside of DIFOT	5/09/2008 10:26	81299692	10099004	2008-09-04	2008-09-18T00:00:00.000Z
<input type="checkbox"/> 199555	Delivery shipment ETA outside of DIFOT	5/09/2008 10:37	81299710	10098647	2008-10-27	2008-10-15T00:00:00.000Z



The business is alerted when events do not occur as expected - for example, if containers are left behind at transhipment ports, or incorrect quantities are received.

event, which creates an alert in the BAM inbox. The appropriate worker logs into the inbox to view the alert and takes relevant action.

When that worker grabs the task out of his inbox, he has immediate access to the single view of that order so he can begin to address the problem right away. If the worker ignores the task or doesn't act in the predetermined timeframe, another alert is generated for a different work group to resolve the issue. This capability enables Fonterra to measure the human response to an alert – how long it takes to resolve an issue.

Dashboards are provided at a strategic level for executives and at a tactical level for logistics personnel so that they can see what's happening with the supply chain at any given moment and what can be improved.

Getting a world of value from BPM and BAM

What's next with the global visibility solution? Innovations Fonterra previously only imagined. They include:

- Linking production planning and inventory with delivery schedules to highlight deliveries at risk given current production schedules and stock on-hand projections
- Predictive trend analysis – instead of alerting on single instances, the system will be able to continually analyze data and alert if trends outside tolerance levels or norms are identified
- Using activity data to establish a real-time carbon footprint dashboard

KEY COMPONENTS

webMethods product suite

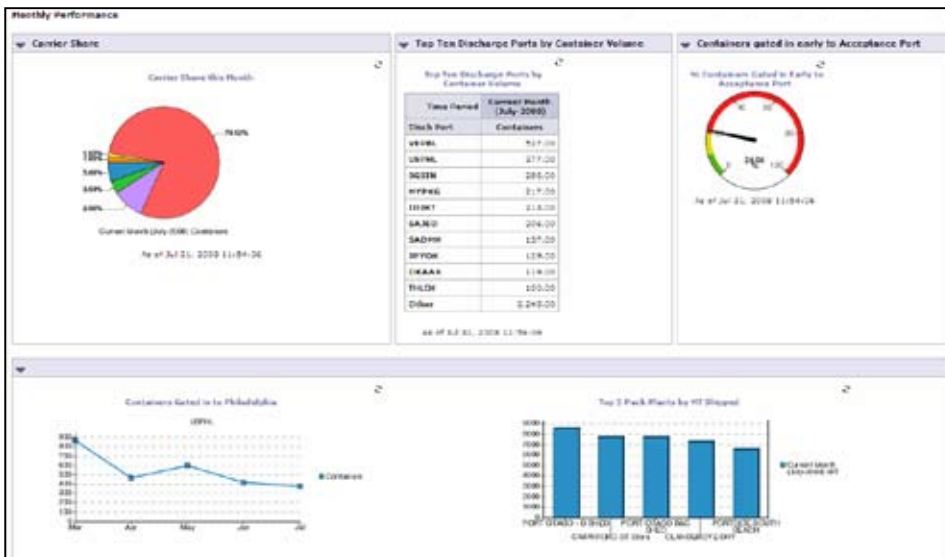
The webMethods Enterprise Service Bus is Fonterra's integration platform.

webMethods Trading Networks enables data from diverse systems to be populated into the global visibility solution.

webMethods Optimize for Process offers the BAM capability and provides real-time insights into event-driven processes.

webMethods CAF enabled Fonterra to build a portlet to create the single graphical view of an order.

The Strategic Business Solutions team at Software AG helped Fonterra implement the global solution and designed 10 process views based on business functions and roles.



Dashboards enable key performance metrics, both at strategic and tactical levels, to be viewed and monitored in real time.

Take the next step to get there – faster.

ABOUT SOFTWARE AG

Software AG is the world's largest independent provider of Business Infrastructure Software. Our 4,000 global customers achieve business results faster by modernizing, automating and improving their IT systems and processes to rapidly build measurable business value and meet changing business demands. Using our solutions, organizations are able to liberate and govern their data, systems, applications, processes and services - achieving new levels of business automation and transparency.

Our industry-leading product portfolio includes best-in-class solutions for managing data, developing and modernizing applications, enabling service-oriented architecture, and improving business processes. By combining this proven technology with industry expertise and best practices, our customers improve and differentiate their businesses – faster.

Software AG – Get There Faster

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