

MIGROS LUZERN COOPERATIVE FEAT. FIPS – THE FRUIT IMPORT PLANNING SYSTEM

"We've never invested heavily in IT support, so it was time to start."

FIPS, the fruit import planning system from activeIT is shaking up the industry. Where once you worked with error-prone Excel documents, today an intelligent system rules, based on a database that stores all information securely and is available at all times.

FIPS supports order planning with live data such as sales quantities and spoilage, all lead times, processes and ripening cycles – keeps transport planning on track even in the event of serious changes such as the failure of a container – and guarantees demand-oriented ripening planning for on-time deliveries.

The Migros Luzern cooperative, one of Switzerland's largest retailers, has had the system in full operation since February 2022.

Fabian Pfrunder, project manager at Migros Luzern, on the challenges, insights and benefits of FIPS:

LACK OF TRANSPARENCY, NO COMMON DATABASE AND "FREESTYLE" PLANNING

One reason for the Swiss retailer to opt for the Fruit Import Planning System from the Austrian software provider was the lack of transparency in the existing system.

"Marketing partly didn't know how much buffer goods were still standing around or when the goods were yellow. There was also confusion among ripeners as to which greenware would come when. For us, it was never a primary goal to make savings with FIPS or to push key figures down or up. We are primarily concerned with process support and process safety," says Fabian Pfrunder.

Not only the limited manageability of the processes, but above all the risk of carrying out the entire quantity and maturity planning in Excel was another aspect.

"There were two, maybe three people who could really handle Excel and the macros that were created. If a new item occurred somewhere, there were often problems. Of course, we also wanted to minimize this risk of "freestyle -like working," Pfrunder adds.

According to the project manager, the common database that is now being built on is also a major plus point of FIPS: *"Every time we wanted to do statistics, it was a general staff exercise with countless Excel documents. Just the usual – it's still often the case in other companies. We've never invested heavily in IT support, so it was time to start."*

MIGROS

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- Since 1941
- 20,000 tons of bananas each year



Optimization of all processes through digitalization



Fruit Import Planning System FIPS:

- Quantity planning
- Order planning
- Transport planning
- Stock planning
- Ripening planning
- Transparent supply chain
- Minimization of underdeliveries & spoilage
- Faster response times
- Change history

INTEGRATION, CHALLENGES AND LESSONS LEARNED

The integration of FIPS did not present a major technical challenge for the Swiss company, as marketing and ripening were previously working with Excel.

"It wasn't about replacing an existing system or doing data migrations. We just built two interfaces. One into our SAP and one for forecast data from SAP. Accordingly, the integration worked very well."

"However, it was more challenging for our employees, because the switch from Excel to FIPS meant a change from "freestyle working" to a "rigid corset." It was also difficult for us as a company to tell our employees that things didn't work the way they used to. After all, a pallet is a pallet and not a box. It was really a big challenge to move from a free, or no system at all, to a predetermined system, like FIPS – and we mastered it!"

The simultaneous conversion of the warehouse management system was another major issue for Migros and activeIT. Pfrunder explains: *"In retrospect, our approach of wanting to implement everything at once was wrong. If we had had more know-how from FIPS at that time, we would have made certain requirements differently. Not everything always worked out exactly as we had imagined, but that has nothing to do with failure. On the contrary. The project is definitely a success story! But there would certainly have been other paths that would not have been quite so steep. We and activeIT somewhat underestimated the complexity of the requirements and the procedure. The conclusion from this: We could have made life a little easier for ourselves with a different approach."*

According to Migros Luzern, there was room for improvement in the FIPS launch process, regarding the transfer of know-how and, in particular, the area of user documentation. *"Unfortunately, not much of the training stuck with most employees. Therefore, we would have wished for detailed documentation from activeIT."*

Michael Fellingner, FIPS Consultant at activeIT, comments: *"For us, too, every integration is a learning process from which we can take a lot for future process flows. Since we modified and improved some functions internally at the same time as the Migros project and these modifications, such as warehouse and maturity planning or incoming and outgoing interfaces, were then adapted to the requirements of the cooperative, it was unfortunately not possible in terms of resources to create extensive user documentation. In retrospect, this was suboptimal. In the meantime, we have optimized this process to be able to relieve our customers even more in the future."*

Fabian Pfrunder emphasizes the commitment of everyone involved and the solution orientation that was there at all times as highly pleasing with regard to activeIT: *"That was very positive! We could always ask questions – I've seen that happen quite differently."*



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Fabian Pfrunder, project manager

FROM QUANTITY AND ORDER PLANNING TO TRANSPORT AND (MOBILE) STOCK & RIPENING PLANNING

The Migros Luzern cooperative uses FIPS with a wide range of functions. For quantity planning, the internal forecast SAP was attached to the FIPS immanent demand & weekly planning to import the daily sales figures.

The modules of order planning (with mail dispatch and packing list import), extended transport planning and stock and ripening planning are used intensively.

Thanks to FIPS GO!, goods receipts, stock bookings and certain warehouse and goods issues can be handled on the move. Traceability of the pallet by scan is also ensured.

"We need a lot from FIPS - also in terms of statistics. With regard to transport, we are currently in the process of building an interface. Today everything is still exchanged with Excel – in the future it will be digital," says Pfrunder.

PROCESS RELIABILITY: "IT'S IMPORTANT TO KNOW HOW MUCH GOODS ARE HERE."

Even though system conversions always involve a certain challenge for the company and your employees, the gamble was worth it, as the Migros Luzern project manager emphasizes:

"In the beginning, there were rumblings here and there, but that's normal with changeovers. In the meantime, our employees see the advantages we all have through FIPS. Before, for example, it was much more difficult to know which quantities of which item would be ripe on which day – or when which green bananas would arrive. Through FIPS, we have much greater transparency across the board. Our employees have now seen this benefit as well. Everyone has access to everything and can get the information when they need it."

According to Pfrunder, the process of receiving goods has also been enormously simplified by the mobile solution FIPS GO!: *"Each item is already clearly identified upon arrival. In the past, the ripener had to drive to the receiving department if there was any doubt. This kind of back and forth no longer happens thanks to FIPS GO!"*

The cooperative sees the major advantage of FIPS primarily in the transparency across all positions. The uniform and centralized data management with regard to traceability of the supply chain and certain label requirements, such as organic certifications, are important factors.

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Another important aspect for Pfrunder is the unified system that FIPS provides. *"When we were planning with Excel, everyone had their own way of working. One recorded certain things, the other didn't. The fact that several people now work the same way with the same system is crucial for process reliability. We have definitely achieved this goal!"*

Thanks to Fabian Pfrunder and the Migros Luzern cooperative for their trust in FIPS and the constructive feedback!

This is how we ripe too!

MORE INFORMATION

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