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ERP TRANSFORMATION: “SURGERY ON AN OPEN HEART”

The digital transformation of ELO eG with traceNET and traceNET GO!

To keep pace with rising demands from retailers, producers, and its own growing operations, ELO eG — one of Germany's leading fresh produce wholesalers — decided it was time for a fundamental overhaul of its IT landscape.

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- One of Germany's leading fresh produce wholesalers, specialising in outdoor-grown lettuces, vegetables, berries, pome fruit, stone fruit & mushrooms
- Supplying domestic and international food retailers and wholesalers for over 70 years
- Up to 150 truck shipments per day

INDUSTRY CHALLENGES:

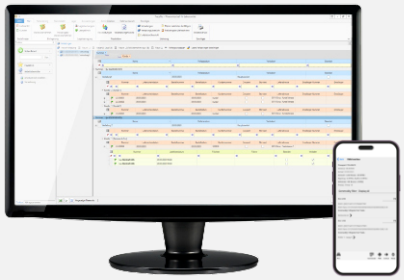
- Highly volatile market conditions in the fruit and vegetable industry (rapidly changing prices, availability, and quality)
- Last-minute orders and order changes from retail customers, with no compromise on delivery deadlines or quality
- Rising customer demands and service expectations that can only be met through considerable manual effort and extensive internal coordination

PROJECT TIMELINE:

- Project start: September 2023
- Go-live: February 2025

OBJECTIVES OF THE ERP CONVERSION:

- Move from forecast data to real-time data for more accurate, data-driven decision-making
- Visibility into inventory levels without time-consuming stocktakes
- Producer settlements that are transparent, auditable, and fully system-supported
- Time savings in day-to-day operations through instant access to real-time Information
- Reduced workload for staff in sales, dispatch, and warehousing
- Reliable, fast, and transparent service for retail customers



traceNET The ERP system for food businesses with a focus on fresh produce (fruit & vegetables)

GO!App Mobile extension for traceNET (intake, order picking, loading, stock transfers, inventory write-offs & claims)

FROM PAPER-BASED PROCESSES TO END-TO-END TRANSPARENCY

An interview with André Fortmann (Head of IT Applications & Processes) from ELO eG, and Andreas Reiterer (traceNET Head of Consulting) & Georg Josl (Key Account Manager) from activeIT

HOW DID THINGS WORK BEFORE traceNET & traceNET GO?

André Fortmann: Before the introduction of the new ERP system, many processes were still largely manual and paper-based. Orders and subsequent changes were often printed out and amended by hand, leading to frequent errors and unnecessary paper consumption. Goods movements in and out of the warehouse were handled exclusively on paper, with no system-based support. Coordination between sales, dispatch, and warehousing took place mostly by phone or email, resulting in a consistently high coordination overhead. On top of that, tracking down information — such as order status or inventory levels — required considerable time and effort, as relevant data was spread across different systems and files.

WHY DID YOU DECIDE TO OVERHAUL YOUR IT SYSTEMS?

André Fortmann: The fruit and vegetable industry moves fast. Prices, availability, and quality can change within hours; orders from retail customers often come in at very short notice and still need to be fulfilled on time and to a high standard. In recent years, rising customer demands, last-minute order changes, and growing service expectations could only be met through considerable manual effort and extensive internal coordination. Our largely paper-based processes simply couldn't keep up with what the market required, and it became clear that a system overhaul was necessary to secure our position going forward.

An ERP transformation is always like open-heart surgery for a company — the ERP system is the organisation's core, controlling everything from purchasing and warehousing through to billing. With the introduction of a modern ERP system, we set ourselves a clear goal: to create real added value across the business and break away from legacy structures. This meant specifically reducing the workload for staff in sales, dispatch, and warehousing, enabling more automated and system-driven processes, and laying the foundation to serve our retail customers reliably, quickly, and transparently as a cooperative.

WHY DID YOU CHOOSE activeIT?

André Fortmann: Choosing activeIT was a decision we made with full awareness of the risks involved — at the time, there were no major players from the fresh produce trading sector in activeIT's portfolio. We also knew that certain areas of the system didn't yet fully meet our requirements. Even so, we chose activeIT. A key factor was having inventory management and warehouse management integrated into a single solution, reducing the need for interfaces and keeping traceability — a central concern for us — within one system. activeIT has particular strengths in the production environment, which is where we see significant future potential in working more closely with our producers. We also saw an opportunity to actively shape and develop the traceNET standard according to our own requirements.

HOW DID THE PROJECT UNFOLD?

Andreas Reiterer: The first step was defining the ERP requirements — a key strategic decision in itself. We deliberately chose to restructure the warehouse operations first, with the actual ERP transformation to follow in a second phase. Replacing the existing warehouse software therefore became our first project: pallet intake, managing relocations within the warehouse, and assigning pallets to individual loading lists and customers.

The second phase then shifted focus to the ERP transformation itself, where producer settlement played a central role and was completely rebuilt from the ground up.

André Fortmann: For us at ELO, thorough preparation was essential. We defined our requirements for the ERP system in writing and through process diagrams in the form of a detailed requirements document. There are limits to how precisely this can be done upfront, as every system works differently — but it gave us a solid foundation to build on together with activeIT.

Throughout the project, implementation remained fluid and dynamic, with new insights and solution proposals discussed and integrated at short notice as they arose. The time between project start and go-live in February 2025 was used by activeIT to develop and deliver the core system tools, supported by a continuously updated project plan that kept milestones and key phases on track.

We opted for a phased rollout of traceNET to maximise the project's chances of success. The warehouse management system was already in use during the first season, giving users time to get familiar with it and allowing us to identify and resolve issues early. It also gave us the opportunity to test a new development we had requested from activeIT — one that enables inventory management using pallet IDs within the warehouse management system.

Georg Josl: ELO maintains a very high standard. The project documentation they provided followed best-practice principles and formed a solid foundation for our collaboration. Clear and comprehensive requirement lists served as firm guardrails throughout the project.

Unlike many other projects where goals and requirements shift over time, ELO came in with clear specifications and a well-defined vision from day one. Only when concrete obstacles arose did we jointly revisit and adapt that vision — until then, implementation stayed firmly aligned with ELO's expectations.

Feedback and criticism were openly shared and constructively addressed on both sides throughout, which played a big part in building a trusting and successful partnership.

HOW WOULD YOU DESCRIBE THE COLLABORATION?

André Fortmann: In the first year of the transformation, our goal was to map our entire goods flow — procurement, outbound logistics, and producer settlement — completely and seamlessly within traceNET. This included ensuring accurate settlement with our producers and suppliers, as well as correct invoicing of our customers.

That goal was essentially achieved, and we consider the transformation a success overall. Today, the core processes run reliably through the ERP system, the daily flow of goods is fully digitally supported, and a solid foundation for further optimisation has been established.

The sheer scope of the project did create significant time management challenges — many topics were only completed very late or even after go-live, leading to extended transition periods in some areas. On a positive note, activeIT has clearly learned from this experience and has noticeably improved both their communication and project organisation. Overall it was a major challenge for both sides, but one we overcame through steadily improving collaboration. Looking ahead, the groundwork has been laid to further optimise processes, expand the traceNET standard, and ultimately roll it out across our producer operations.

Andreas Reiterer: As André mentioned, ELO came to the table with exceptionally clear, structured, and detailed requirements. We received comprehensive documentation with well-developed process diagrams covering individual workflows such as the picking process.

The training approach also followed a clear and proven structure: first the IT team, then key users, and only then the wider user base. This ensured knowledge was passed on in a systematic and sustainable way. A wide range of internal documentation, process descriptions, and presentations were created to help staff work with the system as efficiently and confidently as possible, with ELO contributing significantly in this area.

During our on-site sessions, particularly in the warehouse, processes were tested in a very hands-on way: pallets were retrieved, scanned, relocated to different storage locations, and checked. We went through these workflows together step by step to make sure they worked correctly and made sense in practice. This allowed us to refine the processes iteratively and arrive at a reliable result.

Another key aspect was go-live preparation. As part of the cutover planning, we defined precisely which steps were needed and who was responsible for what when the old system was switched off and the new one went live. Again, ELO's contribution here was invaluable. The project team was deeply committed, which was crucial to the success of the transformation — and André Fortmann's comprehensive knowledge of the business and all its relevant areas was instrumental in keeping things running smoothly.

Georg Josl: One of the key challenges was coordinating feedback from four different project stakeholders, each responsible for their own areas or modules. The task was to make sense of their sometimes differing requirements, prioritise them effectively, and feed them back to the team in a structured way — with the aim of meeting everyone's expectations while keeping the overall project on track.

HOW HAVE ELO EMPLOYEES RESPONDED TO THE NEW SYSTEM?

André Fortmann: When you're about to make direct changes to the way people work — as is inevitable with any ERP transformation — the initial reaction is understandably mixed:

- Scepticism – Does the new system actually add value?
- Uncertainty – Will I be able to get to grips with it?
- Concern – What happens to the routines I know?

Fabio Stöver (ELO eG), Andreas Reiterer (activeIT), Max Kruse (ELO eG), André Fortmann (ELO eG) & Georg Josl (activeIT)

As people have settled into their new routines however, the mood has clearly shifted. Staff now notice real day-to-day benefits — clearer process steps, fewer follow-up questions, fewer manual corrections, and faster access to information. Positive feedback from across the business shows that the practical value has already been recognised in the first year, and the system is now seen as an important tool that makes everyday work more structured and transparent.

WHAT IMPROVEMENTS HAS traceNET BROUGHT?

André Fortmann: Producer settlement is now fully transparent and traceable. We are increasingly able to move from projected to real-time data and use it for meaningful analysis. Inventory levels, which previously could only be determined through time-consuming stocktakes, are now available at any time — creating real added value in day-to-day operations.

WHAT DOES THE FUTURE HOLD?

André Fortmann: We are already pushing ahead with further projects with activeIT to tailor the software more closely to our needs. One example is the LiveApp — a mobile solution could add real value in monitoring day-to-day operations.

Andreas Reiterer: traceNET is continuously developed in close collaboration with our customers. For us, AI is already part of our daily business — helping us raise the bar on quality, solutions, and response times. The foundation for this lies in structured, standardised data and end-to-end process chains, which is exactly what traceNET delivers: consistent master data, timestamps, quantities, locations, quality data, and more. This is precisely the kind of high-quality, end-to-end data that modern algorithms require.

Clean data is the prerequisite for AI-supported forecasting, data warehouse concepts, and supply chain tracking — all of which contribute to better planning, greater transparency, and faster response times.

The goal is to obtain accurate yield forecasts per field and variety, and to see at a glance which varieties are most profitable in the long term, where bottlenecks regularly occur, and how quality and waste develop over the course of the season. This enables better production and sales planning, more realistic delivery commitments, and less overproduction and food waste.

This is what the future looks like — and this is what we are working towards.