



IT NEWS

The magazine of the CSB Group of Companies. | www.csb.com | www.csb-automation.com

How much does
your software know
about meat?

Ours knows a good deal.

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The best picking
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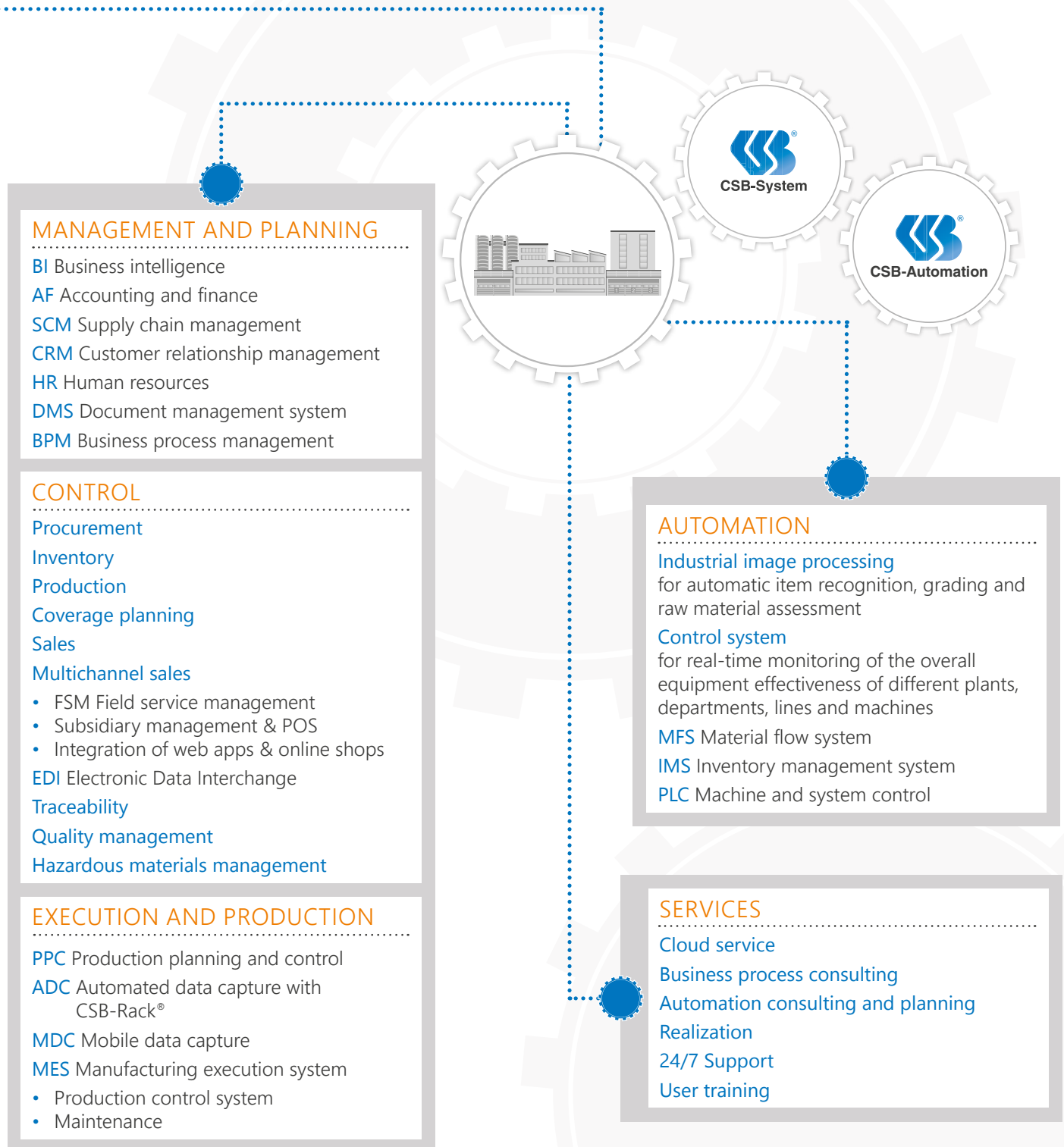
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CSB Factory ERP®

Service portfolio of the CSB group of companies





Dear readers,

Today, the meat processing industry is more challenging than ever before. The good news: Using best practices and cutting-edge technologies offers great improvement potential in meat processing. More transparency, more efficiency through automation and digitization, full traceability, control of complexity and higher speed and thus freshness - the opportunities are obvious. And: the solutions are no theoretical concepts, but successfully being used in the field today.

Together with our customers from the meat industry, we from CSB have implemented many projects over the past years. We have worked out a set of best practices and again and again, we have developed innovative solutions that achieve measurable success in practice - for small and for large-scale meat businesses.

Be it a comprehensive enterprise software or a factory ERP system for meat processing factories - what matters is that the business software is geared to the specific needs of the meat industry. The software enables full replication of optimized business processes, connection of hardware like scales, scanners and machines and thus integrated planning and control from top floor to shop floor. As a software vendor, we see major opportunities in using state-of-the-art technologies.

In this IT-News and in our new white paper, we have compiled for you the most important approaches for cost cutting from our point of view. They are based on concrete projects in the meat industry which we have successfully implemented during the past months. We would be happy to inform you in more detail about the opportunities at your company.

We look forward to meeting you!

Ed Wood



Why digitalization is worthwhile today

"Industry 4.0" is one of the key topics in the future of the food industry. How digitalization creates new opportunities with regard to optimizing processes and increasing efficiency.

Once the finished flour at GoodMills in Schwechat embarks on its journey to the customer, it has already passed through various stations beforehand - fully automated. How is this possible? By connecting and automating production, logistics and business partners, says managing Director, Gregor Trieb. This however requires the deployment of suitable business software: "We manage our resources, logistical processes and the service areas, such as accounting, with the CSB-System. We do not have any stand-alone solutions, and all employees work with the same software. By now the integration has reached a degree so we can even control our machines and equipment with the software" says Trieb.

30 Pallets per hour

"In comparison to before, the throughput in the entire technical order handling process from filling to the entry of our products into storage has increased considerably. We can now handle up to 30 pallets per hour," says Trieb.

This level of productivity can only be achieved as machines, systems and robot units exchange data with the ERP software in real time by means of MES applications. For example, palletizer and wrapper choose the appropriate programs for every product group based on the item master data from the CSB-System. The labeling units, too, are connected to the software system. They receive any relevant data automatically, for instance,

item number, ordered units, batch number, production date and sell-by date as well the Serial Shipping Container Code for unambiguous tracing of the products.

Higher flexibility for the customer

Moreover, the business has become more flexible with regard to customer needs. For example, retailers order so-called "Düsseldorf pallets." These are half pallets that can be used for displaying the products. First, the pallets are stretch wrapped and labeled one by one. After that, they are entered in pairs and moved to the wrapper again so they can be wrapped together, and a common pallet label is attached. "Today we are even more flexible in meeting the requirements of the market and of our customers, as we can process many different types of pallets in an efficient and economical manner," says Trieb.

Mobile terminal devices ensure more efficiency in storage

At the warehouse, the flour specialist profits from the efficiency gains. Here, the pallets are no longer entered manually, but with hand-held radio devices that communicate with the CSB-System. The software then assigns the right storage position for each pallet based on defined stock putaway rules and the data of CSB-Inventory Management. Once the pallet has reached its destination, all that remains to be done is to scan the barcode at the bin location. In the background, the software

automatically completes all other processes, such as updating the stock on hand.

Minimum scheduling work

GoodMills has also digitized its processes in route scheduling. Today, carrier information is no longer exchanged on the phone, but via a specifically designed web portal. Carriers log on to a web portal, distribute the assigned orders to their vehicles and choose a free time slot for loading. Order picking is completed shortly before the trucks arrive and the ordered products are placed at the ramp. The driver receives the loading list for the route and the corresponding loading gate opens. As the roller tracks installed on the ground can be locked and unlocked by means of the IT system to prevent carriers from loading wrong items. Then, the delivery documents are printed and the delivery quantities are booked - done. "The work involved in communicating with our carriers is now reduced to a minimum. There are no more inconsistencies in the timing for loading the trucks at our premises, and the carriers do not have to put up with long wait times anymore. We know exactly which carrier is coming when, and which goods have to be supplied to the ramp and at what time."

It therefore comes as no surprise that Gregor Trieb is fully convinced of the benefits that digitalization provides for the logistics center. The manager is already planning further steps toward reaching the smart food factory.





The best picking methods for producers and retailers

Picking is the central function in inventory logistics and is associated with high costs. In many companies, around 50 percent of the overall inventory costs can be attributed to picking. There is plenty of savings potential here, which can be fully exploited with the use of modern technologies.

Picking has a significant influence on customer satisfaction. Fundamentally however, it is very simple: The lower the error rate, the more satisfied the customer is. It is definitely worth one's while to rethink existing processes and realign them where necessary, especially if you are still using paper documents and picking notes. Paperless communication processes help reduce the error rate and thus the costs for complaints, post-picking, partial deliveries and cancellations. In our article, we will introduce the processes that are best suitable for food producers and retailers.

Pick by scan

Pick by scan is a commonly used picking procedure. The order data from the ERP system are transmitted to mobile data entry devices with scan function. The employees scan the items to be picked, take out the quantities indicated on the mobile device, and acknowledge the process with a keystroke. The direct connection between the MDC

devices and the ERP system eliminates any disruptions.

Benefits:

- Fast and faultless information processing
- Manual rework of the data is not required
- Given the connection to the inventory management system, the current picking status can be permanently monitored
- Systematic guidance in picking and optimized processing sequences

Pick by light

With pick by light, flashing lights indicate where the employees can find the items to be picked in the warehouse or at the picking station. Via an acknowledgment key directly at the tray or by means of an entry at the mobile device, the operator confirms the removal which is fed back to the software.

Benefits:

- High pick performance through reduced search times
- Inventory stock changes are immediately returned to the inventory management system
- Wrong picks or missed items are virtually ruled out

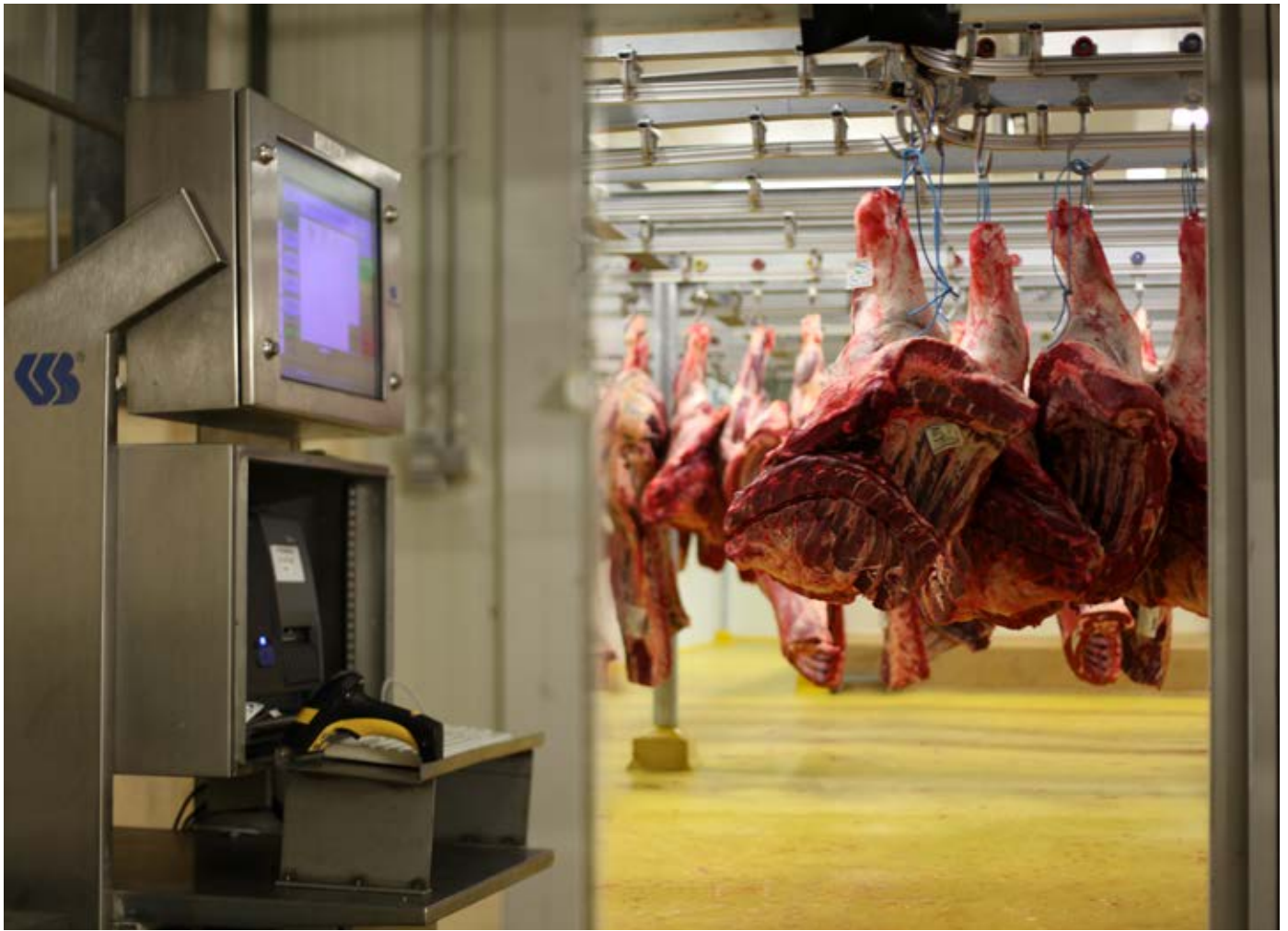
A close-up of a worker's hands using a handheld mobile device to scan a barcode on a box in a warehouse. The device has a screen and a keypad.

FIND OUT MORE ABOUT
The best picking methods for producers and retailers

FOOD
Business Insights

Blog for the smart food production

food-blog.csb.com



Analyzing in real-time and making decisions on the basis of facts

Vertical integration provides high quality conditions to ensure top standards at all levels of productions, food safety and traceability

Veviba controls all processes with one software product – from its own cattle breeding business with some 10,000 animals on 19 farms, via slaughter, cutting, production, packaging, weigh labeling, the fully automatic high bay storage facility, dispatch and traceability as well as management and administration.

"This helps us efficiently design our processes from rearing to delivery and to also reduce costs in this manner. Moreover, we can quickly access the latest operating data by means of integrated online analysis of

our production. This enables us to make our decisions on the basis of facts. You can see at a glance all data concerning production quantities, machine utilization and availability of the required raw materials. Data on order quantities and deadlines, machine allocations, raw material and manpower requirements are available throughout the entire coverage planning system and are taken into account in all other planning environments. Even current business data, such as inventory consumption, is available at all times in the ERP system. This data is entered online and realtime at

special industrial PCs throughout the entire material and information flow.

50,000 self-service packages daily

50,000 self-service packages containing beef leave Veviba premises every day. Orders come in until 11 am, and no more than four hours later the first trucks arrive to pick up the ordered goods. "The production is a big ship from slaughtering to labelling," says Kevin Ternest, head of the IT department. "There are changes to orders every day, with promotions such as BBQ season. For example, next week

if we know we have a promotion in BBQ but then it rains, the number of animals we need to slaughter will not be the same. Our sales department then needs details about orders, quantities and stock. And as we work with short lead times, all departments have to work closely together. The ERP system contributes by providing any data anywhere. In the past, we had to gather data manually - today, this is not necessary anymore."

Veviba deals well with the growing amount of daily orders, especially for sliced products, not least because of an increasing level of automation. Over the last few years, manual tasks were reduced step by step. Today, conveyors are installed nearly everywhere in the entire factory, for example to forward finished products to the high bay storage, which is controlled by the inventory management computer. The software administers the storage locations, controls all processes for stock entry and removal, the shelf loading devices as well as the conveyor technology. Plus it provides prepacked products to two state-of-the-art sorting systems, which label and pick the products in one workstep. At the CSB-Racks, the staff can easily see which order is currently being processed, which products and quantities belong to which order, and which label needs to be attached. After installation of the sorters, productivity has increased while the number of errors in weighing labeling could be reduced as the labeling units receive all labelling instructions from the ERP software, together with the price, ingredient information, nutritional values etc. "In this way, we not only eliminate incorrect labeling of products. Today, it is also much easier for us to find staff for doing the easy work at the conveyor belt," says Ternest.

Traceable from package to pasture

By means of the ERP system, Veviba can fully trace back all of its products – from meat portions in the self-service shelves of food retailers back to the live animal at the pasture. Numerous CSB stations installed at the factory facilitate close-knit data collection from slaughter via cutting, production, inventory and picking up to shipping. They ensure transparent control, documentation and monitoring of all relevant process steps. As the traceability data is passed on at every process step, the beef specialist is able to document seamlessly the goods flow of each



At the CSB-Racks, the pickers can easily see which order is currently being processed, which products and quantities belong to which order, and which label needs to be attached

and every final product. The system exactly documents which batch went to which customer. "Our vertical structure allows us to use the IT system for monitoring the origin as well as the entire production chain so we can assure the quality of the products from the farm up to the package."

Erwin Kooke of CSB-System adds: "Another advantage of the seamless traceability is that the factory as a whole becomes more transparent. Enterprises with clearly structured processes and corresponding information flows benefit in several ways. Optimized purchasing, up-to-date stock on hand information at any time, reliable planning bases, meaningful reports and statistics - the more data and information you have, the more in-depth knowledge is available for successfully managing your business."

CSB rearing management contributes to even more transparency: All processes and costs incurred during rearing and fattening of the slaughter animals are documented, visualized and evaluated. These include for example stabling, maintenance of traceability

data (birth, fattening, death), re-stabling, veterinary measures, feeding, weight control, cost settlement, sale, and yield calculation. In addition, rearing management automatically provides verifiable documentation of all inspections that were carried out.

Associated companies connected

The full integration of all business divisions at Veviba secures a consistent data basis without interfaces, a high level of automation and a constant quality of raw materials and final products. The two associated companies Giber d'Ardenne and Pouler d'Ardenne are connected to the CSB-System so the entire group works with one central business IT solution.

For IT manager Kevin Ternest it is very important that everyone makes use of the same software: "Everyone wants to work at their own little island but if everybody has an own calculation spreadsheet, others cannot access that data basis. However, if all are using the same system, we can work smoothly together and no information will be lost."

More Competitive With Document Management

Freshway Foods specializes in processing and packaging for the North American Food Service and Retail industries. They have been utilizing the CSB System for more than 15 years. In November of 2014 Freshway was operating on an external archiving system to store proof of delivery information.

This system was incomplete, inefficient and prone to data entry errors. Freshway started asking themselves the following pertinent questions every food processor should know pertaining to document management solutions.

- How much time do you spend searching for copies of documents?
- How much time do you spend on document retrieval and closing?
- How much time do you spend sharing these documents?
- How much space do these documents occupy?

In November of 2014 Freshway decided to replace their archiving solution with an integrated solution from CSB-System due to these answers.

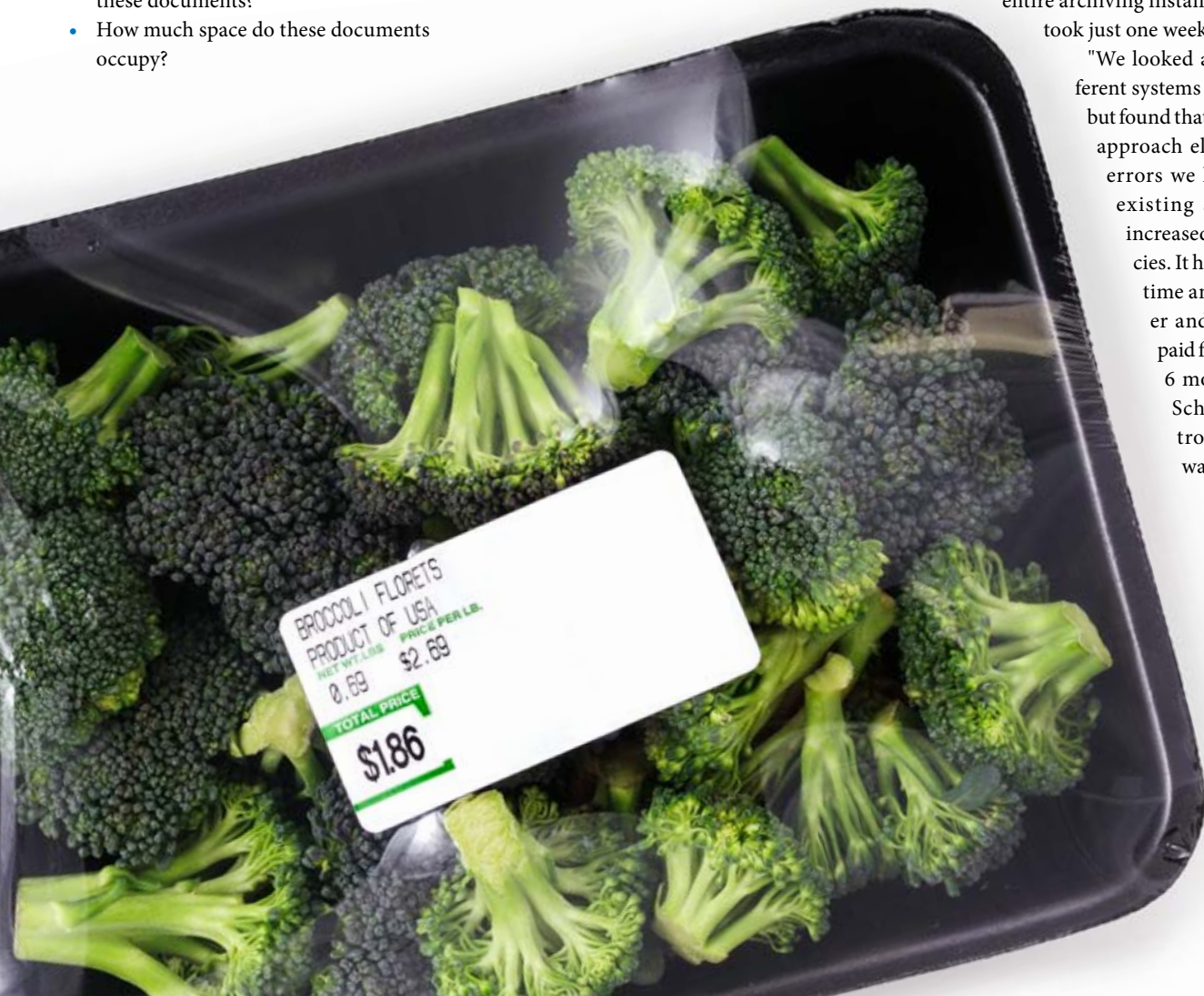
The International Data Corporation has estimated that the typical enterprise, with 1000 knowledge workers, wastes \$2.5 Million to \$3.5 Million dollars per year searching for documents that are non-existent, failing to find existing information or recreating information that cannot be found.

Document management systems should be integrated with the system which creates the largest transaction volume of business documents. The key to accurate document archiving and retrieval is the meta-data, which describe the content of the digital documents. The Meta data can then be used to find and retrieve the original documents.

"With the CSB-System, we are able to print on our original documents the POD's unique bar-code. All index fields are stored when the document is printed and can be used for later retrieval. Once the customer signs the papers and the truck returns, we just scan the documents and the CSB-System automatically assigns the images with the signed proof-of-deliveries. We were able to reduce our document processing time from four hours to one on our busiest days."-Janice Schneider, Controller at Freshway Foods.

The archiving system does not stop there. All documents from claim forms, AP invoices, receiving documentation and even the external logistics software from McCloud has been completely integrated. The installation process was seamless and simple since Freshway Foods already had the CSB-System in place, the entire archiving installation solution took just one week.

"We looked at several different systems for archiving, but found that CSB-Systems approach eliminated the errors we had with our existing solution and increased our efficiencies. It has been a huge time and money saver and the solution paid for itself within 6 months."-Janice Schneider, Controller at Freshway Foods.



Quality food and quality service with ERP

Northern Pride, Inc is a grower owned turkey processing facility located in Thief River Falls, Minnesota. The cooperative was formed in 1989 by independent turkey growers throughout Northern Minnesota and North Dakota. With more than 200 employees, Northern Pride processes approximately 40 million live pounds of turkey annually. In an average processing day, Northern Pride will process around 20,000 turkeys per day.

Combining Tradition with Technology

Northern Pride realized that it was critical to upgrade its legacy software system in order to ensure the continued success of the operation. Northern Pride chose to partner with CSB-System International, Inc. in order to be able to take advantage of more than 39 years of experience and a proven track record of successful software implementations in the protein industry.

Detailed Warehouse Management

The CSB Warehouse Management System provides Northern Pride with bin location management across the warehouse locations. Through the utilization of Hand Held Radio Frequency scanners running the CSB-System application, operators are able to assign product to available bin locations. The system perpetually tracks all locations which now provides Northern Pride with accurate inventory balances.

"Northern Pride has seen a significant reduction in administration time with the CSB-System automating a number of previously manual tasks such as managing commissions and sales rebates." commented Russ Christianson, Northern Pride General Manager



How much does your software know about poultry?

Ours knows a good deal.

Industry-specific processes, integration of machines and systems, monitoring and reporting, traceability, recipe optimization, quality management and much more.

The CSB-System is the business software for the meat industry. The end-to-end solution encompasses ERP, FACTORY ERP® and MES. And best-practice standards come as part of the package.

Would you like to know exactly why industry leaders count on CSB?

www.csb.com



Colruyt builds on CSB Factory ERP®

In January 2017, the new meat processing facility of "Colruyt Group Fine Food Meat", a subsidiary of the Belgian Colruyt group, has been officially opened. A major project with an investment of about 90 million euro. On the software side, Colruyt takes advantage of the FACTORY-ERP® solution by CSB-System AG – and becomes one of Belgium's leading high-performance meat facilities.

"Until a few years ago, we developed our entire IT in-house. There were a few exceptions, for instance, traceability. We were aware that several legal changes were pending in the long term and we would not have been able to implement those in our own solution," reports Jan Dewitte, head of Logistics & Transformation at Colruyt Group Fine Food Meat.

Changing to a new software was thus a done deal. "We also reviewed our internal processes and software solutions, for example the management of our cutting plans, recipes and ready-made meals," says Dewitte. The existing planning functionalities as well as raw material, procurement and inventory management had reached their limits too.

CSB FACTORY ERP® to supplement the Group ERP

The Factory-ERP® solution by CSB has offered all required functionalities for the processes at the meat processing plant, and connecting to the central ERP system (SAP)

was remarkably easy. With the concept of the FACTORY ERP®, CSB bridges the gap between Group ERP and MES for the food industry. CSB FACTORY ERP® encompasses

- all ERP key processes for the factory
- the MES functionalities including the interfaces to all machines and systems
- the interfaces to the Group ERP.

The result is a more homogeneous and easy-to-manage IT landscape where stand-alone solutions are eliminated and the number of interfaces is minimized. Overall, CSB FACTORY ERP® enables company groups to manage their various factories in a decentralized manner without having to make complex and expensive adaptations in their Group ERP. Erwin Kooke, head of the CSB-Benelux subsidiary: "FACTORY ERP® is of great interest for conglomerates and company groups with international activities. It makes the management of the different factories more efficient, flexible and transparent. CSB FACTORY

ERP® as combined ERP and MES system comprises all key requirements of a facility and guarantees a standardized connection to the overall ERP system of the group."

colruyt

Facts

- Colruyt Group Fine Food Meat
- Product range: beef, veal, pork and poultry items, salads, convenience foods, meatless products (e. g. schnitzels and burgers)
- Processing of 1,300 pigs and 270 cattle per day
- 842 employees
- Turnover: over 300 million euro (2015)
- www.colruyt.be

How FACTORY ERP® meets your requirements



Requirement :
More stability and security for the IT landscape

FACTORY ERP®:
Homogeneous IT landscape to ensure stability and security at all factories worldwide



Requirement :
More transparency and low costs

FACTORY ERP®:
Homogeneous processes to create transparency and reduce costs



Requirement :
High-level process optimization and ideal control of the factories

FACTORY ERP®:
Industry-specific processes and best practices to enable successful factory management and to optimize processes

Process chain fully integrated

Now the cutting-edge facility has reached its full performance, not least owing to the optimal planning functionalities of the ERP system. Moreover, the organization of the facility is extremely efficient also with regard to the operational implementation. In total, 75 software-aided control points have been installed for coordinating and controlling purchasing, cutting, batch management, production, nutritional value management, quality management and traceability.

Throughout the operation, as for instance in receiving, in cutting, at the production exit, in the warehouse, in picking and during stocktaking, data is captured by means of hand-held devices. This ensures error-free processing of the information. Apart from

that, data no longer need to be entered separately in the ERP system, which means a significant reduction of required resources. And by using Electronic Data Interchange, Colruyt has automated the data exchange with the logistics center.

Seamless traceability

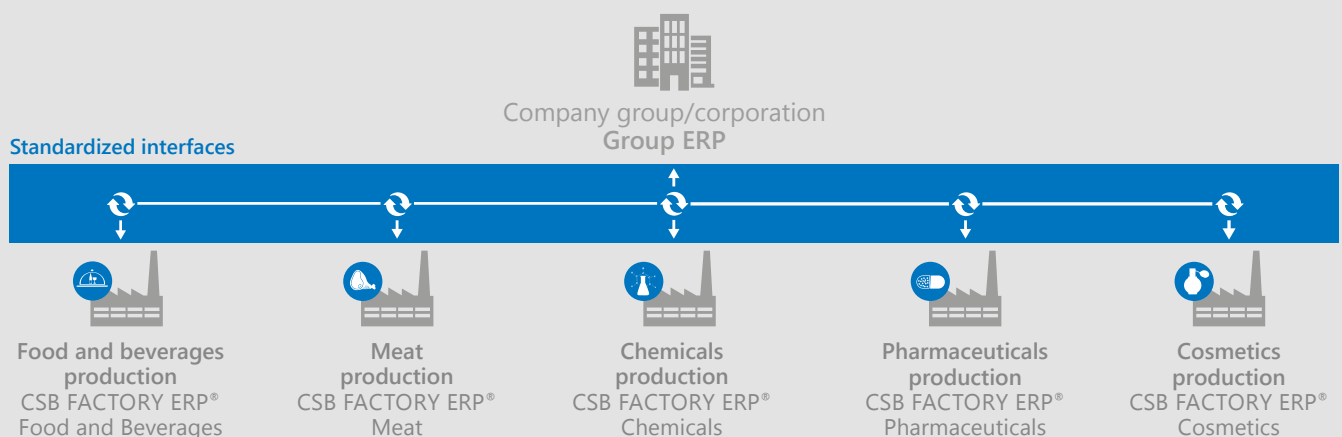
Traceability is possible at the push of a button, both upstream and downstream. Computer racks installed throughout the factory enable close-knit entry of relevant data and facilitate transparent control and documentation of all processing steps. This puts the meat processor in a position to comply easily with all statutory regulations. In the event of product recalls, the company is on the safe side too: With the integrated CSB

Traceability solution, batches can be identified quickly and products can be removed from the supply chain if needed.

Future-proof platform

For Jan Dewitte, the CSB-System is the central tool for process optimization. After intensive cooperation with CSB's experts, the Colruyt staff can manage, adjust and optimize the IT infrastructure themselves to a great extent. "We keep the system under direct control. And we now have a future-proof platform that we can build on," says the head of Logistics & Transformation. In the next step, the software will be implemented at Colruyt's cheese, wine and coffee factories.

Enhanced control, more transparency and homogeneous IT landscape with CSB FACTORY ERP®



CSB offers FACTORY ERP® for many industries and subsectors, for instance dairy products and bread & bakery products.



CSB-System

CSB-System International, Inc.
Atlanta, Georgia, USA | Tel.: +1.800.852.9977
Toronto, Ontario, Canada | Tel.: +1.519.579.7272

contactus@csb.com | www.csb.com

CSB-System is represented in more than 40 countries worldwide.