

## Staying Competitive

By SUBASHINI SELVARATNAM

**To remain competitive in the food and beverage industry, New Zealand Milk (M) Sdn Bhd needed to address several issues such as poor quality of information and getting timely, accurate and proactive information.**

According to its information systems manager Ritchie Lim Yat Kam, the company also faced other issues like delayed information due to a new requirement (for analysis purposes), the availability of accessing information from different sources of a system, and “heavy” usage of spreadsheets. Lim said one of the key requirements to achieve the company’s target was to implement a self-management system that allows key managers and the commercial team to access information easily and quickly to react to market needs.

“Traditionally, sales performance was focused on selling to distributors and not to retailers. New Zealand Milk does not have a system that can track both distributor and retailer sales in the same format for its sales and brand performance comparison,” he said.

New Zealand Milk identified the need for improved information to support the commercial team, thus helping them to manage and achieve the company’s sales and profit objectives. The company then decided to implement [Salient’s] situational intelligence system [Margin Minder Max] for its commercial team. With this solution, the commercial team could analyze data efficiently and effectively. For example, with the new product development and promotions, this system provides the company with the tool to monitor the progress and sales performance of the products.

In addition, the company required visualizing promotions, revenue and margin contribution to ensure it focuses on profitable products and channels. In this case, the company required a system to identify the products in the niche market and provide the necessary information for any sales opportunities. The [Margin Minder] system also assisted management to evaluate opportunities and manage profitability as well as make sound business decisions, from day-to-day tactics to long-term projections.

“If we were to compare this to static reports, this is not only a profit management system but also a multi-dimensional database technology that is capable of virtually focusing on profits and achieve our growth objectives,” he added.

One of the reasons the [Margin Minder] system was implemented was because it is easy to use.

This system “marries” all the information into one reporting system as opposed to static reports, which are done individually. As for features, this system offers features such as SKU rationalization, which allows the company to decide on the type of products that should be retired or introduced to the market.

Moreover, [Margin Minder] provides drill-down capabilities to multiple dimensions. For example, it has the capability to interactively track sales, revenue and margin productivity in high volume distribution of food and milk. Lim implemented and trained the system himself. The technology is from US-based Salient [Corporation] while the consultants are from Far East Business Technology Sdn Bhd. Training for marketing, finance and management were conducted off-site. The company’s general manager Gustavo Gomez and finance director Kevin Wong were responsible for defining key informational requirements. These include ensuring informational contents address brand and profitability objectives. Brand managers, marketing managers and the trade marketing team stated their requirements on their reports and analysis.

The [Margin Minder] system went live within four weeks, and users started using the system immediately after their training. Information was easily accessed and all users have a single source of “truth” to deliver.

The company is focused next on “Customer Comes First” policy. In this project, it aims to improve customer services and the supply chain.

Company name:  
New Zealand Milk (M) Sdn  
Bhd

Year established: 1975

Nature of business:  
Manufacturing and trading

Location:  
Shah Alam, Selangor  
[Malaysia]