Business Challenge

Hungry for growth, I-D Foods set out to gain competitive advantage by accelerating fulfilment of customer orders. To meet its aim, the company craved rich, real-time insight into operations.

Transformation

To transform its operational insight, I-D Foods is replacing its ageing, custom-built applications with a state-of-the-art SAP S/4HANA® solution running on IBM® Power Systems™ and IBM Storwize® storage.

Business benefits:

6x faster
transfer of customer orders to I-D Foods expected via new mobile app

Days saved
on warehouse processes will drive faster fulfilment of customer orders

87.5%
smaller physical footprint will result in lower hosting fees

I-D Foods

Plucks ripe, real-time insight to deliver faster order fulfilment and drive growth

I-D Foods is one of Canada's largest imported specialty and natural food companies, with offices and warehouses throughout the country and a national trucking network. The company serves around 10,000 trade customers, including restaurants, hotels and grocery stores.

"SAP S/4HANA running on IBM Power Systems and IBM Storwize paves the way for future growth and for us to take our company in any new direction we choose."

Michael Issenman, CTO, I-D Foods

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Appetite for growth

I-D Foods specializes in bringing delicious foods from across the world onto customers' plates. Having opened its doors in 1948, this family-owned company has grown into a thriving business, serving more than 10,000 customers, including grocery stores, restaurants and hotels. Passionate about service excellence, the company is eager to bring its business to the next level, exploring possibilities to serve new types of customers and launch new product lines.

In the food service industry, being able to fulfil orders at short notice can be a winning advantage – and knowing the exact current customer order, logistics and stock positions are critical to meeting those demands. The company recognized that although its home-grown ERP system was stable and reliable, it could not deliver the detailed analytics and real-time operational insight required for faster order fulfilment. Particularly as the company gained customers and expanded its product lines, the in-house solution was unable to keep pace with the workload.

Michael Issenman, CTO at I-D Foods, comments: "We are always looking to improve our business and win more customers. An important part of that is making sure that we deliver great customer service. We knew that to achieve our future ambitions, we needed to adopt a platform that could offer deeper operational insight, greater agility and superb scalability."

Choosing from the menu

I-D Foods gathered requirements from each business division, and evaluated vendor proposals to find the best fit. As a company with big ambitions, I-D Foods wanted an ERP platform that was truly enterprise-class, with a clear, long-term strategy.

Michael Issenman remarks: "We found that SAP S/4HANA was an excellent match for I-D Foods, offering the kind of cutting-edge process automation that would help us to increase volume and boost operational productivity."

To support the SAP S/4HANA implementation, I-D Foods chose to deploy two IBM Power Systems S822 servers, which are virtualized using IBM PowerVM®. In separate logical partitions (LPARs), the servers run the SUSE Linux Enterprise Server for SAP Applications operating system to support SAP S/4HANA, plus the IBM AIX® operating system to support other SAP® applications such as SAP Solution Manager and SAP BusinessObjects Business Intelligence.

"There are so many advantages to selecting IBM Power Systems to run SAP S/4HANA," recalls Michael Issenman. "As we grow, we can add CPUs, memory and extra physical servers without missing a beat, and IBM provides outstanding local support.

"We feel confident that the IBM and SAP solutions will give us a real competitive advantage by helping us to offer better customer service at lower cost."

Michael Issenman

CTO

I-D Foods

"We were already running our previous business applications on IBM Power Systems, and we knew from experience that the platform is extremely reliable. With our new Power Systems implementation for SAP S/4HANA, we haven't had a single issue or had to open any support tickets.

"From my perspective, the greatest advantage of IBM Power Systems is the superb virtualization from IBM PowerVM, which enables us to run multiple operating systems on the same physical machine without using a third-party hypervisor. Once you set up an LPAR, it is like having an entirely new physical server – there's no security issues from having data leak between the different partitions like on some platforms. Thanks to IBM PowerVM, we can run fewer physical servers and achieve excellent utilization. For example, for our SAP S/4HANA application one vendor proposed 16 x86-based blades, yet we can achieve the same

performance with just two Power Systems servers – an 87.5% smaller footprint. Because we run fewer servers, we pay reduced infrastructure hosting fees."

SAP S/4HANA will capture considerably more transaction detail than the former ERP solution, and that data will then be used to generate the much-anticipated operational insight. To store the data and ensure rapid access for analysis, I-D Foods selected an IBM Storwize V5030 disk array.

"IBM Storwize was a natural choice to complement our IBM Power Systems servers. Storwize requires little maintenance and offers excellent performance at a great price. When we want to boost capacity, it's easy to add new disks or shelves."

Additionally, I-D Foods engaged IBM Global Financing to fund its investment in new IT infrastructure through an attractive 36-month leasing solution. Michael Issenman adds: "IBM Global Financing was very easy and wonderful to work with – we exchanged around five emails and then we were all set."

NOVIPRO, an IBM Business Partner, hosts the new IBM Power Systems servers. Michael Issenman reports: "We have an excellent relationship with NOVIPRO, and they have stepped up to the table to provide everything we need as we embark on this exciting new chapter of our business.

"For the interim period while we implement SAP S/4HANA, NOVIPRO is helping us move our previous business applications to IBM POWER8® so that we can retire the older IBM Power Systems servers."

Devouring rich insight

Once SAP S/4HANA is fully deployed, I-D Foods will be able to examine core business processes – such as logistics, finance, sales and stock-picking – in immense detail and in real time.

The first step is to modernize and accelerate the order process via a new SAP Fiori® app, helping customers order six times faster than before. As new orders come in, they will be transmitted to I-D Foods' warehouses automatically in real time.

In its warehouses, I-D Foods plans to replace manual processes and integrate SAP S/4HANA with its existing barcodes and readers, as operational improvements here could significantly improve fulfilment times. Based on real-time order status, I-D Foods plans to switch from next-day to hourly picking. At the same time, data

analysis will help the teams to optimize the placement of items in warehouses based on how often they need to be picked. By reducing footwork, I-D Foods aims to enable stock pickers to work more efficiently and increase the number of picks per employee from four to six. Combined with related improvements in packing lists, transport allocations and logistics, all of which will be based on data-driven insights, I-D Foods aims to significantly accelerate order fulfilment.

"We look forward to a huge range of benefits from SAP S/4HANA," comments Michael Issenman. "Our old ERP applications were not keeping pace with our evolving requirements, whereas SAP S/4HANA gives us a massive range of tools to help streamline and optimize our business processes. Ultimately, SAP S/4HANA will help us process and fulfil customer orders in a highly efficient, largely automated manner."

Key components

Applications: SAP® BusinessObjects Business Intelligence, SAP Fiori®, SAP S/4HANA®, SAP Solution Manager

Software: IBM® AIX®, IBM PowerVM®, SUSE Linux Enterprise Server for SAP Applications
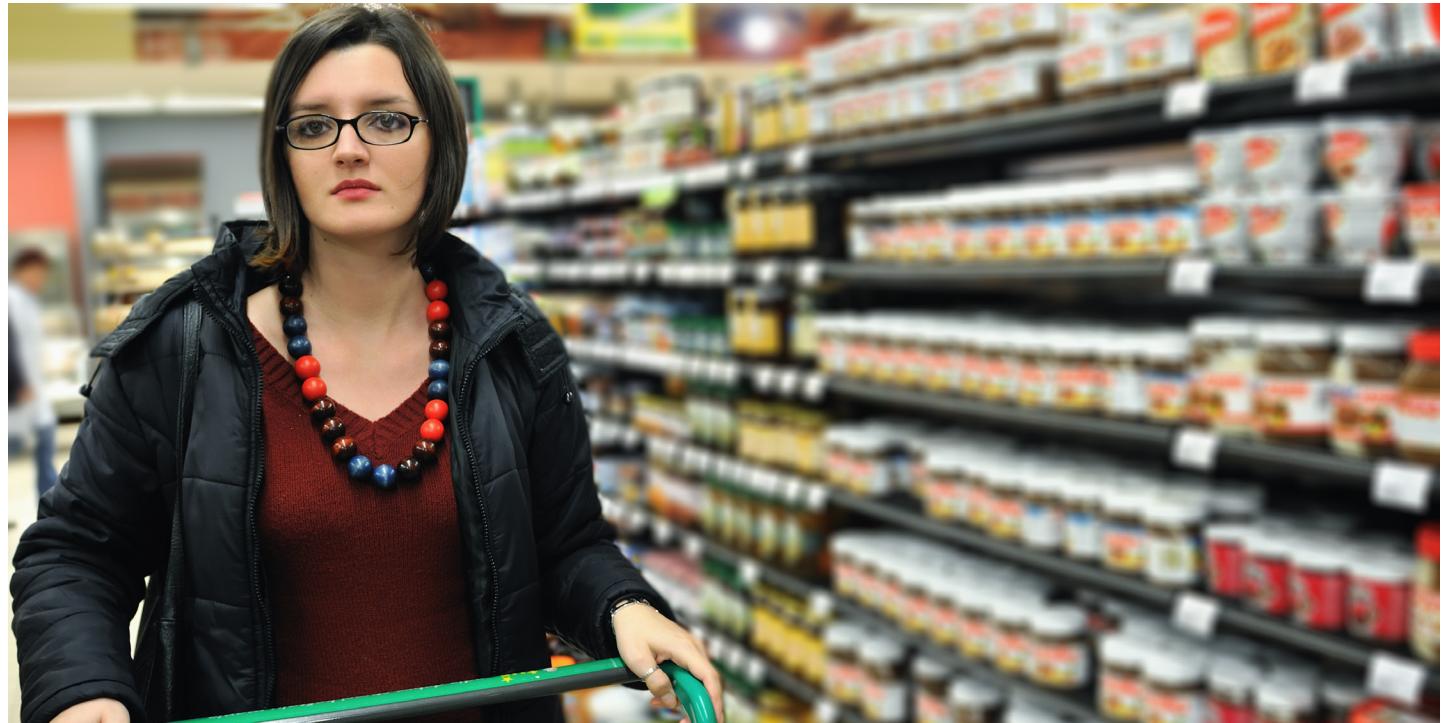
Hardware: IBM Power Systems™ S822, IBM Storwize® V5030

Services: IBM Global Financing, IBM Business Partner NOVIPRO

Michael Issenman continues: "On top of process optimization, we expect SAP S/4HANA to dramatically sharpen our analytics capabilities. At the moment, many of our analyses use data that is one or two weeks old. Also, we had limited capabilities to forecast things like sales of a particular product.

"SAP S/4HANA will give us real-time insight, so we will be in a stronger position to identify and act upon new trends as they unfold. For example, if unusually warm weather sparks a higher demand for frozen drinks, we will be better-equipped to take advantage of the increased sales opportunities.

"We are looking forward to gaining richer insight into our business, such as studying demand and profitability per product over time in much finer detail than before. By optimizing the stock we hold according to forecasted demand, we hope to reduce inventory levels, cut storage costs and save space in our warehouses. Also, we can accelerate turnaround so that goods spend less time in our warehouses before they are picked and sent to customers."

By accelerating business processes with SAP S/4HANA running on IBM Power Systems and IBM Storwize, I-D Foods will open doors to potential new areas of growth.

For example, faster turnaround times give the company the option of expanding its range of perishable foods. In addition, I-D Foods will strengthen its ability to sell to major grocery chains by offering integration with those clients' SAP solutions, enabling automatic, real-time transfer of orders.

Michael Issenman concludes: "SAP S/4HANA running on IBM Power Systems and IBM Storwize paves the way for future growth and for us to take our company in any new direction we choose. Profit margins in the food and beverage industry are notoriously thin, and we feel confident that the IBM and SAP solutions will give us a real competitive advantage by helping us to offer better customer service at lower cost."

Learn more, connect with IBM 🐦 ▶️ **and SAP** 🐦 ▶️