

## Beverages manufacturer establishes platform for future digital transformation

CUSTOMER  
**Frucor Suntory**

LOCATION  
**New Zealand**

INDUSTRY  
**Manufacturing**



## Challenge

- Upgrade 15-year old ECC6 ERP system to S/4HANA
- Migrate over 20 years of legacy tactical implementations to the new platform
- Identify and rectify over 100 simplification items
- Retool multiple integrations between existing satellite applications and S/4HANA



## Solution

- Develop a roadmap towards digitalisation and modernisation
- Execute technical migration from ECC6 to S/4HANA
- Operate a 'whole of business' decision-making structure, joining together business users with technology and functional specialists
- Ensure business processes were fully understood, mapped, tested and migrated smoothly



## Results

- Project delivered in nine months on time, to scope and within budget
- Platform established to accelerate modernisation projects across supply chain, sales, and finance processes into the future
- Migration delivered with no impact on day-to-day operations, and all core business activities started smoothly after cut-over



## Beverages manufacturer establishes platform for future digital transformation

Since its beginnings in the early 1960s as part of the New Zealand Apple & Pear Board, Frucor Suntory has evolved from a small local juice business to a trans-Tasman beverage leader, known for its iconic range of drinks including V Energy and Suntory BOSS Coffee. Frucor Suntory is the market leader in the energy drinks category for Australia and New Zealand and are also PepsiCo's bottling partner in New Zealand.

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— **Pieter Bakker**,  
Chief Digital and Information  
Officer, Frucor Suntory  
Oceania

Frucor Suntory manufactures, markets and distributes a range of fruit juices, fruit drinks, energy drinks, waters and soft drinks, producing more than 30 million cases of drinks a year and employing a diverse team of over 1,000 people in Australia and New Zealand.

### Business challenge

According to Pieter Bakker, Frucor Suntory Oceania's Chief Digital and Information Officer, the company's existing technology landscape was dated, its 15-year-old SAP ECC6 ERP system was creating workflow inefficiencies and making compliance with industry regulations difficult.

“We wanted to modernise our approach to documenting and understanding our business processes. We were faced with moving almost 20 years of tactical implementations, and up to that point, we didn't clearly understand what

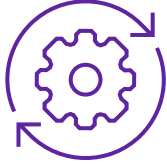
bandages had been applied over the length of the ECC6 instalment.”

In addition, with SAP due to end support for ECC6, it was vital for Frucor Suntory to decide what to do with its existing platform, says Bakker.

“There was a range of options available, including simply extending support, doing an upgrade or undertaking a full transformation program, which would have involved implementing new end-user applications and retooling key business processes.”

### Solution

Frucor Suntory used the RFP process to help define the scope, approach and deliverables and test all the prospective partner's capabilities. DXC Technology was awarded preferred partner status for the program.



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DXC assisted in extensive pre-planning. At that stage, the program was to deliver, in one phase, a migration to S/4HANA plus a transformation of the finance and procurement functions.

However, early in the process the scope changed due to concerns about the pandemic and its effect on other business activities.

“The pandemic was severely affecting Frucor Suntory’s supply chain,” says Bakker. “Building and shipping products to customers was challenging, and the retail environment was severely fractured. Sensibly, the business took a risk-averse approach.”

However, doing nothing wasn’t an option. “Kicking the can down the road and continuing to invest in an outdated platform would have only built more technical debt that would have to be dispensed with later. It became obvious that the best option was to reduce the scope to a like-for-like technical migration, with the implementation of mandatory simplification items only.”

This approach would allow Frucor Suntory to make a step change in capability but with the prime objective of having no impact on the business.

“We used the analogy of changing out the engine of a moving car without the passengers noticing or the car’s momentum being affected,” recalls Bakker. “The migration wouldn’t change how we operated in the short term, but the new platform would set the company up to deliver prioritised value-based transformation across each line of business in the future.”

To this end, the company adopted a ‘whole of business’ decision-making approach, ensuring everyone operated as one team, whether from Frucor Suntory, DXC or other partners.

Bakker says he took that directive seriously. “I made certain there were regular catch-ups with all executive leadership teams. I also had people from key departments seconded onto the project from their day jobs. Their role was to ensure their executive team member was fully briefed on how the project was proceeding.”

## Implementation

DXC’s migration factory—a sophisticated approach to data migration that uses code remediation, prepackaged workshop content for simplification items, and other toolsets—was integral to the project’s success, says Bakker. The methodology allowed the project team to examine Frucor Suntory’s current system configuration and process map and adeptly highlight what configurations, customisations and reports were essential to the new platform.

“It also assisted us in working out what items in the old configuration wouldn’t work on the new platform. DXC’s global expertise was bought to bear on this complex task. It allowed us to identify over 100 ‘simplifications’, which we then set about rectifying.”

Bakker states that the migration was challenging due to the age of the ERP system.



The business suffered no unplanned downtime, with warehouse, transport, manufacturing, sales, finance, and customer support activities all starting up smoothly immediately after the cut-over.

“When a system has been in place that long, you will always have skeletons in the closet revealed when you upgrade the system. We regularly encountered historical issues, and it is a testament to DXC’s expertise and collective IP that they were not only identified but solutions found to mitigate any negative impact. We moved through the migration in a very systematic way and dealt with issues as they arose.”

To organise the cut-over effectively, Bakker brought something unique to the table — a decision-making tool he calls a ‘go-live wheel’ with every part of the business represented.

“It is a way of ensuring we know each department’s criteria before going live. So, for example, the business’s commercial arm wanted to ensure customers were receiving stock and could do pre-invoicing successfully—those were its bottom line conditions before it would give the green light.”

As go-live approached, Bakker says the wheel was actively in play. “We knew exactly what the ‘go’ ‘no go’ calls for all our senior stakeholders consisted of. It was an element of the ‘whole of business’ approach, which proved very successful.”

Bakker ensured the project team’s testing strategies matched the criticality of each business process. “Month-end reporting, for instance, is only done once a month, but it must go smoothly; otherwise, you end up with accounting and audit problems almost immediately.”

Three migration dress rehearsals were staged to test all impacts, and Bakker says the actual go-live went exceptionally smoothly. “There was an informed debate about what date to choose for go-live, and we were guided by the wishes of the business rather than coercing a date set by us.”

## Results and benefits

The project was delivered in nine months on time, to scope and within budget.

The cut-over ran ahead of schedule and was completed in just over three days (including a Unicode conversion of the ECC6 platform). The business suffered no unplanned downtime, with warehouse, transport, manufacturing, sales, finance, and customer support activities all starting up smoothly immediately after the cut-over.

“From a supply chain management point of view, we now have much better visibility and traceability of where stock is in the system. When we look at stock in hand, we know we are looking at it in real-time.”

— **Cathy Addison,**  
Solution Delivery Manager  
for Supply Chain IT, Frucor  
Suntory Oceania

According to Cathy Addison, Solution Delivery Manager for Supply Chain IT at Frucor Suntory Oceania, one of the key benefits of the project is that the business now has all its processes documented.

“We now have a global view of our SAP environment and a better understanding of our core processes. This makes it easier to decide what enhancements should be made in the future because we can evaluate the likely impacts of the existing processes we have in place across the landscape.”

Addison says implementing S/4HANA also allowed Frucor Suntory to replace some custom transactions with more standard functionality.

“S/4HANA offers batch management and sub-contracting functionality for our co-packers as standard. Up to that point, we had customised solutions that weren’t fit for purpose in those two areas.

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Addison says the project was not just another IT upgrade but a critical enablement assignment that will allow Frucor to accelerate its ability to introduce new applications and functionality and simplify future processes.

For example, Frucor Suntory is now moving quickly to streamline business operations by installing SAP Fiori apps, helping it improve the SAP user experience.

“Enabling Fiori apps gives us much better housekeeping. Where previously we had no way of knowing where tasks were in terms of completion, with Fiori apps, we can see which tasks are open and where they have got to.”

Addison says DXC’s guidance has been an essential part to the success of the project.

“They brought their previous industry experience and provided us with insights based on an intimate knowledge of how our business operates and which use cases would work successfully. Those are the insights you want from your system integrator.”



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Pieter Bakker adds, “The key benefit of the upgrade was that it had no impact on Frucor Suntory’s day-to-day operations. The whole thesis of the project was to do a like-for-like migration that would unlock future benefits.”

Frucor Suntory intends to further simplify its supply chain, sales, and finance processes over the next three years by using SAP technology to achieve

sustainability goals and reduce manual processes. Using S/4HANA, the company plans to seamlessly integrate its New Zealand factory with its new net-zero manufacturing and distribution facility in Queensland, Australia when it opens in mid-2024.

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