

**How a digital journey
makes the difference in the
Fresh Produce industry**

A journey that has started, but you're not exactly sure where it's going to end. Exciting and maybe scary, but a fantastic challenge nonetheless. In order to grow with the customer's demand and translate this back to the chain, it's crucial for fresh produce company Levarht to organize and automate the company differently. Collaboration, services and the provision of information within the chain will be central from now on, and for this transparency and communication are essential.

The Fresh Produce industry is known for matching supply and demand, continuously weighing up the price peaks and troughs against each other. Dimitri Mayer, CIO at Levarht: "The magic of having the lowest price is less important than it was before, which is why we should distinguish ourselves differently, for example with services and information provision. That's where we see a role for us as a fresh produce company: Making sure the product is on time and with the expected quality, but how can we make this transparent? In order to do that, you have to orchestrate the chain and become a platform organization, in which data is key. That's when we can add real value."

More grip on the chain

At the moment, Levarht has a data science team to predict customer demand, since it is quite predictable. How many cucumbers or tomatoes are sold? What's the retailer's buying behavior like? And can we find an explanation for this? "Thanks to a model based on Artificial Intelligence and Machine Learning, we can very accurately calculate what and when we have to deliver to our customers from which type and size of the product. We have to know what the customer wants, to make sure our growers can always be in control of the product quality that will be in stores. Essentially, we're getting much more insights and grip on the buying behavior of our customers. Ad hoc orders are replaced by predictive orders, which we can then translate to the supply side.

This is very interesting for growers since they'll pretty much know what their sales will be. Consequently, this means that we can make very different agreements about prices with our customers and suppliers. We can now see fluctuations coming and make timely adjustments. You need data for this: this leads to more transparency and the right prices for everyone in the chain", Dimitri says.

In need of strategic partnership

In order to make this a successful journey, Levarht was looking for a partnership that matched with their company mission "Bringing the best together". "No suppliers, but a partner to have discussions with about the goal and the journey, who agrees on the starting point, and the not knowing where it's going to end". A partner with insights in the Fresh produce industry, who understands the technical side and can brainstorm about the business, facilitated by IT. Where we can continuously come to solutions together to make more steps forwards. It's all about being open and honest with each other, because this leads to different conversations. Thankfully, Schouw Informatisering is very open, which fits the Fresh Produce industry very well", says Dimitri. "That journey starts with having a good ERP system as a base, but eventually it's about so much more than that. It's an organizational change. It's about change, adoption, working process-oriented; a complete digital transformation."

One data platform for communication

To be honest, Levarht isn't interested in ERP, but in an information platform, where it's more about data and the processing of data. Serge Breugelmans, COO at Schouw Informatisering, explains: "We deliver a platform, which starts with having good architecture, to make sure that integration and communication will get easier. Communication with the outside world, but just as much internally with the own systems. We look at the process flow, to lay down a solid foundation for a successful digital transformation. This also means that responsibilities must be assigned differently, and the platform mindset should be there with the customers. Once we've built the foundation through a solid integration platform, you can work towards a system of differentiation and a system of innovation. To be able to make these steps, we merge the internal expertise of the customer with our knowledge of data and innovative technologies. We go on the journey together."

Dimitri adds: "The ERP just has to work. Schouw, as an expert in the field, can tell us exactly how we should work with the basis, we're not any different from other Fresh Produce companies there. What makes us different is that we're a supply chain orchestrator, how we deal with our customers and suppliers. But to be able to do this, we need a platform. ERP must be the standard but stable foundation as part of one integrated data platform, in order to be able to make use of innovative technologies. Simply said, this way we only have to think about the adoption of new technologies and a new way of working."

Collaboration with partner Schouw

As a result, Levarht has found a partner in Schouw as well. Serge: "I agree, it's not just about building a system, but just as much about adopting the system. However, this requires a shift in mindset from both sides. How will we make sure that Levarht's growers will in fact use it? We need to guide this process together. We have to challenge each other, and openly speak about what we think in order to get joint results and make the organization Levarht more predictable. Making Levarht into more of a service



organization, also towards the work floor. By creating a solid data basis, the island culture disappears and this makes for plenty of room for good communication. This will also help when the rest of the organization has to adapt."

Start-up within Levarht started

You obviously don't just start a journey like this when you have a successful company with 265 employees and the day-to-day business simply has to continue. Levarht has put some good though into this, and started up a start-up as a result of this: one part of the company is fully focused on building a new organization: Levarht 2.0. Serge: "It's very powerful to start small, and lean on the best practices later on. This project, for which we have a joint responsibility, will soon be proof of Levarht's new way of working." Dimitri adds: "It has to function, we have to be able to work with it, and most of all, it needs to have potential to become even better. Learning quickly is important for us, after previous implementation projects that have gotten stuck. Within 7 months, we went live with a new way of working, a new process, and a new organization. Based on that, we're going take it step by step for the rest of the organization."

How do you guide this whole process?

In order to make the whole ecosystem work, Levarht has put down an agile collaboration structure. A core team has been set up, with different expertise, consisting of employees from both Schouw and Levarht, who are responsible for delivery. During the process, they make decisions themselves, obviously within the set framework, and evaluate weekly. The team is facilitated by program managers, both in terms of content and process. This is how program

managers help the core team members to think end-to-end, take ownership, and stop thinking in boxes. Around this, the steering committee acts with growing trust that the people are able to do this, based on results, the quality of the delivery and the aspect collaboration. ""We're very confident. We have a clear ambition, the direction has been determined, but without time zones. During the year we focus on what works and what doesn't. The closer we get, the more it starts to take shape," says Dimitri, who is also one of the steering committee members.

Foodware 365 and Microsoft

With the choice for Schouw and Foodware 365, Levarht automatically chooses Microsoft. "That consideration was very straightforward. Microsoft offers an integrated data platform with all kinds of applications to work with data. It's also very recognizable and user-friendly, which makes it very accessible for our users in the office and the warehouse. Which is both very important for the digital adoption of this project in our organization. That obviously helps with the acceptance of it", according to Dimitri.

Where do you add value?

It's obvious that organizational change is central throughout this whole journey. Levarht is changing from a knowledge-based organization to a data-driven organization because there you can add value to the supply chain. By using a new mindset at both Schouw and Levarht there will be an incredible joint result. That's where we can make a difference. When the dot on the horizon will be reached we don't know yet, but that it's going to happen and it's going to be successful, is something we're certain about.



About Levarht

Levarht is a Fresh Produce company that's situated in the Netherlands. With 265 employees they take care of marketing 70,000 kg of fresh fruits and vegetables to 60 countries all around the world. A full-service partner with a focus on 6 different product groups, who are very direct and open to their direct worldwide network. That's where they make a clear difference.

About Schouw Informatisering

Schouw Informatisering is an IT partner, specifically for companies in the food industry. With over 145 employees in the Netherlands, Schouw is part of IT-supplier Aptean. Schouw advises and automates food companies worldwide with its food-specific, innovative software solution Foodware 365. A platform solution that's based on Microsoft Dynamics 365 for Finance & Operations and Microsoft Dynamics 365 Business Central. With the acquisition of Schouw Informatisering and LinkFresh, Aptean is the worldwide market leader in the Fresh Produce industry.

