IFS Cloud enables lean transformation for growing reusable packaging manufacturer

Since July 2020, Schoeller Allibert has been working with IFS to unite 12 manufacturing sites and 20+ sales sites in multiple countries, enabling disparate localized operations and multiple databases to be replaced by standard templated global processes and a single, real-time version of the truth.

Schoeller Allibert has been inventing, developing, designing, and manufacturing Returnable Transit Packaging (RTP) for more than 60 years. As a European market leader, it supplies its bulk, handheld, stackable and nestable plastic packaging solutions globally on a rental or purchase basis. Supply chains using Schoeller Allibert RTP include agriculture, automotive, food and food processing, beverage, retail, Industrial manufacturing, chemicals, pharma and cosmetics, e-tail, and pooling operations.

Several acquisitions in recent years have seen rapid company growth and expansion across multiple territories. By 2018, Schoeller Allibert had one ERP system (iScala), but with 55 different instances and multiple versions of the truth. Marc Schmitz, Group IT Director, explains: "Our business operations had become very localized. Each country would operate their own processes such that our administration and our physical flow of goods were not in sync in real time because a lot of data processing was performed outside our ERP system that was synced with manual uploads and downloads".

Standard global processes

The company resolved to move to a uniform operating model. "We needed to reach a point where our products made in any factory in Europe could be ordered and shipped to any other country instead of local ordering for local production", says Schmitz. "Our back-office systems were too fragmented, and, as we did not have uniform visibility of orders end-to-end, it was difficult to improve customer satisfaction. So, after designing a set of new, standardized global processes from scratch, we then chose IFS software to let us apply them across the group. We felt IFS was the best choice for a company of our size within the manufacturing area."

About Schoeller Allibert

Schoeller Allibert is one of the world's largest manufacturers of returnable plastic packaging for material handling. The company's injection molded container products underpin an ambitious 'Reduce - Reuse – Recycle' sustainability agenda.

Headquartered in Hoofddorp, the Netherlands, the company has 1800 employees, operates 11 European and one US production location, and trades in 50 countries. In 2021, global group turnover was €600 million.

IFS was chosen over SAP and Infor due to its strong manufacturing solution, inter-company and supply chain capabilities, and specific experience with injection-molding manufacturing.

The company was also mindful that it wanted to run a standard implementation, with minimal customization. "We told IFS to give us whatever was standard best practice for our sector, and we would adapt to it. We first built a template together with IFS consultants that consequently would be rolled out by our in-house team. The template meant our newly appointed global process owners ultimately only needed a limited number of customizations, none of which will affect taking a future upgrade to IFS Cloud" says Schmitz.

One version of the truth

The IFS solution coupled with the company's new standard global process template meant, for the first time, the group could unite accessing one set of master data in real-time for all customers, products, and suppliers. "With our data cleanup in IFS we were able to reduce our 50+ master customer and supplier databases with 70% of the total number of records towards 1 global customer data tree and 1 global supplier data tree" says Schmitz.

The shift from a local to a global operating model quickly began to see efficiency improvements. "For example, historically one country site might see a pause in production whilst another had a surfeit of demand, forcing local outsourcing. Now excess production capacity is instantly visible and can be shared internally," says Schmitz.

In 2022 the company started to establish a Finance Shared Service Center in Poland in which all transactional finance processes were executed by a central team using IFS as its core system. The multicurrency, multi-language operation gives the group standardized processing and execution for accounts payable and receivable, with the largest countries going live by the end of 2022. Additionally, thanks to an IFS third party partner product add-on (Basware), all invoice processing will soon be fully automated from receipt and PO matching to booking.

To maximize the ability to automate processes further in the future, IFS modules and capabilities installed include, Asset Management, the Quality module, the Rental module and potentially also the HR module

The company has introduced a long-term product rental option in addition to product purchase. From an accounting and accrual perspective, rental sees products changing ownership five times before shipping, so Schoeller Allibert is piloting the IFS Rental Management module to account for, cost and charge equipment rentals automatically.

Benefits seen using IFS

- Standard, globally templated processes

- Increased Total Effective Equipment Performance, Load and Overall Equipment Effectiveness

- Full traceability of all goods in warehouses

- Multi country, multi-currency operations and visibility

- Single, real-time version of the truth

- Automated processing

- Standard build with minimal customization

- Exception-based reporting

Efficient multi-territory rollout

With a phased global software rollout, Schmitz and his team were able to keep the project within budget and on a strict timeline, rolling out in regions on a regular and predictable cadence. "Our schedule sees IFS rolled out in three months to each site–two months of preparation and one month of after care", Schmitz said. "This is typically done with a 35-person team comprising of 10 global process owners, subject matter experts and only 5 people from the IT department" he says.

"We told IFS to give us whatever was standard best practice for our sector, and we would adapt to it. The template meant we only needed a handful of customizations, none of which will affect our path to IFS Cloud in the future."

Marc Schmitz,
Group IT Director, Schoeller Allibert
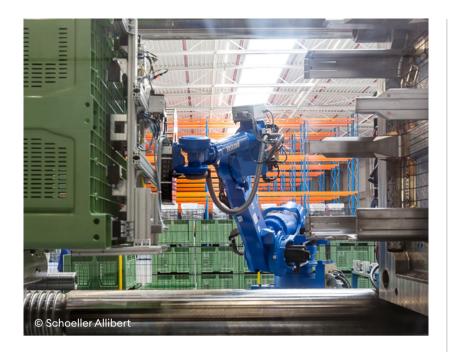
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Business transformation

One of the reasons Schoeller Allibert chose IFS was to move to an exception-based way of working using dashboards in Lobbies. "We took the time to explain to users that everything of importance they needed to know at any moment was reported clearly in one place. They didn't have to keep checking through every stage of a process as before," says Schmitz.

"Our rollout of IFS is part of a program that we call Project MOVE, a transformation to motivate the organization to virtual excellence," he explains. "Unifying our enterprise software and a database spanning all 12 factories and 200 production machines with IFS is already increasing the group's Total Effective Equipment Performance, Load and Overall Equipment Effectiveness. Other specific goals for us include removing manual and Excel-based steps; reducing the time spent on order processing (currently >2,000 hours); reducing intercompany invoicing administration (currently ~1300 hours per month); reducing invoicing administration (currently ~700 hours per month); and reducing finance and customer service team costs," he adds.

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Implementation advice

What advice would Schmitz offer to other manufacturing companies considering an IFS implementation?

"Despite COVID, the system implementation stayed on track, but the pandemic inevitably affected change management," explains Schmitz. "If I had my time again, I'd allocate 20% of my budget just to change management. Virtually every company looks first at reducing change management to cut costs. Don't make that mistake."

Moment of Service™

Schmitz can already see how IFS is positively improving the company's Moment of Service. "Our end goal is to be able to deliver 90% of our orders on time, within 6 weeks, and in full. Our solution investment ensures we are continually moving towards this goal all the time."

Find out more

For further information, contact your local IFS office or visit our web site, ifs.com

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