

MEDIA RELEASE

AFGRI and Deloitte collaboration on a new SAP solution and shared services is one of the best in the world

Johannesburg, 14 November 2011 - When agricultural services group AFGRI needed to find an IT solution to enable its new strategy and shared services, the company turned to enterprise applications world leader SAP, and selected Deloitte as principle implementation partner. Together they undertook a shared services and SAP implementation for the group. So successful was this implementation that it has won the Gold Award in the 2011 SAP Quality Awards for Africa, as well as the Gold Award in the 2011 SAP Quality Awards for EMEA (Europe, the Middle East and Africa) out of 184 submissions. SAP Quality Awards celebrate customers whose implementations exceed the organisation's business process requirements and deliver significant business value.

AFGRI is a unique business servicing the full agricultural value chain, from the sale of inputs (from seed and fertilizer to combine harvesters), through storage and supply management, the production of animal feeds and poultry, to the manufacturing of edible oils and soya proteins and facilitating financial services to the farming industry.

As a company which has grown as much by acquisition as organically since its origins in 1923, AFGRI had inherited numerous IT systems across the headquarters and various subsidiaries, including 10 different ERP instances. A decision was taken to standardise business processes and implement a shared services across the various business units using SAP as the enabling platform, which would lead to greater transparency, efficiency and cost savings.

The AFGRI project required a unique blend of SAP solutions for the different entities within the company, such as the loans, back office, retail and manufacturing divisions. "While this particular combination of scope had never been attempted using SAP before, we took steps to ensure that the final system would work effectively once built," noted Richard McWilliams, the implementation Director at Deloitte. "It was essential to build trust and respect with the executives of AFGRI and to approach the project with the aim of forming a true partnership with the company by deeply integrating the team into the DNA of AFGRI. We selected the AFGRI and Deloitte teams with extreme care and had some hard discussions upfront, but these ensured a world class business solution," noted Rodger George, AFGRI lead client service Director at Deloitte.

By integrating the internal and external management information across the entire organisation in a streamlined and unified IT architecture, AFGRI is now beginning to realise

significant benefits from considerable cost savings through centralised procurement to real-time transparency and financial information of the full value chain.

Chris Venter, CEO of AFGRI, indicated that, “implementation of such a system was a natural progression as AFGRI structured the business for growth. A platform for improved service delivery, locally and in the rest of the continent was created and most importantly, we have a foundation which supports, captures and disseminates much needed information in areas where additional costs can be saved.”

“Not only does this assist AFGRI to deliver better customer service, lower costs and improve HR management,” comments Jan van der Schyff, FD of AFGRI, “it has substantially raised our ability to manage our risks including IT risk. Given that IT risk is deemed by King III to be so important that a chapter is devoted to it, this is an important achievement for us in our governance and sustainability quest.”

The system has been built with the strategic ability to rapidly establish operations in new markets and simplify the integration of acquisitions within the group. It gives the business the ability to make rapid real-time decisions – to enable a successful strategy – and allows AFGRI to play out its business plan into the future.

“The days of surplus profits are over,” elaborates George. “A company needs to be the leanest, smartest, fit-for-purpose business that it can be. An organisation should be managed with the expectation that the recession is never going to end. There is no space for idle or inefficiently utilised resources and we work closely with our clients to ensure that the solutions that we propose enable them to execute a differentiating strategy that sets them apart from their competitors. AFGRI have strongly positioned themselves in this category.”

Completed ahead of time and below the original budget, the implementation of the SAP solution and shared services across the group was a great achievement.

Choosing the correct partner made a considerable difference to the success of the project.

“One of the key success factors was our selection of Deloitte as an implementation partner,” explains Graeme Bredell, CIO of AFGRI. “As a reputable organisation with considerable implementation experience, Deloitte was able to find the right solution for each of our needs and implement it swiftly and smoothly, putting us first and bringing a unique business proposition to the table.”

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<http://www.sap.com/corporate-en/our-company/qualityawards/2011/index.epx>
