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CASE STUDY

Kiviks Musteri puts cloud at the core of digital transformation with Infor

Located in the south of Sweden, just off the chalk-white beaches of Hanöbukten Bay, Sweden's first commercial fruit farm, Kiviks Musteri (Kiviks) saw its first apple trees planted back in 1888. Now managed by the fourth generation of the Åkesson family, Kiviks' ethos is focused on respecting traditions and authenticity of the past, while embracing modern practices and new opportunities. Following a significant increase in demand in 2020 as the pandemic took hold, Kiviks reported a record turnover of 74 million euros in its latest figures. This level of expansion has introduced greater complexity, and in 2016, the company underwent a review of its working practices, processes, and IT infrastructure to ensure it was delivering the necessary agility to capitalize on future potential.

Headquarters
Kivik, Sweden

Industry
Food & Beverage

Infor product
CloudSuite Food & Beverage

Website
kiviksmusteri.se

❝ **Ultimately we have trust in the system and crucially, we feel safe to have Infor as our cloud host.**"

NINA HJALMARSSON
Supply Chain Director/CIO, Kiviks Musteri

Harvesting growth

Producing an increasingly diverse range of fruit and berry-based foods including cider, juices, sauces, and cakes, both for retail and OEM, Kiviks' orchards are home to more than 70 different varieties of apple. Fuelled by a great love of apples, food, and drink, the company hosts a farm shop, restaurant, museum, and tree nursery, and welcomes over 200,000 visitors every year.

As a small but fast-growing company, the biggest challenge for Kiviks Musteri was to retain the authenticity, family-run values, and environment which are intrinsic to its success, while having the ability and agility to compete with larger counterparts. Over the past ten years, Kiviks has more than doubled in size, both in revenue terms and in staff numbers, while its product range has increased by around 15%, expanding the number of SKUs in operation.

As Supply Chain Director/CIO Nina Hjalmarsson puts it: "Given the scale of our business, it is impossible to have the resources and IT infrastructure that our larger counterparts might, so we have to work smarter, be more agile, and ensure optimum levels of efficiency."

Putting cloud at the core

Kiviks had a very clear vision for a change management program to capitalize on growth and provide a foundation for its future, with cloud firmly at its core. Recognizing limitations in its ability to physically expand the business in its unique orchard-rich location, Kiviks commissioned a third-party warehouse to support expansion and its need for increased capacity. In parallel, new technical infrastructure was required, as Kiviks wanted to outsource its IT and focus on its core competencies. The company had outgrown the legacy Movex/Infor M3™ system it had run for more than 20 years, and as an on-premises platform, that system didn't fit with its cloud vision.

In response to this requirement, Kiviks and Infor® worked collaboratively to scope out a project focused on migrating Kiviks from its existing solution, to a single-tenant cloud model in 2017, to a wholesale shift to a full multi-tenant cloud platform—Infor CloudSuite™ Food & Beverage.

In addition to its familiarity with the roots of the system, which is based on Infor OS and Infor M3, Kiviks selected Infor CloudSuite Food & Beverage based on its industry-specific capabilities, predefined best practices, and knowledge from larger companies. The solution supports ever increasing transparency, traceability, food safety and waste reduction requirements.

For Kiviks, this was paramount in managing increasing stock turns and best-before dates, as well as more strict demands when it comes to traceability throughout the full supply chain. Infor Factory Track® also formed part of the platform, helping to boost efficiency in outbound logistics.

Across its third-party systems, Kiviks worked with hosting specialist Elastic Move and M3 specialists and Infor partner Texus, to adjust integrations and build APIs in order to facilitate with Infor CloudSuite Food & Beverage and to set up a private cloud environment facilitated by AWS to host several systems.

Digital differentiation

Now live, Infor CloudSuite Food & Beverage underpins a smarter way of working for Kiviks, helping the company to achieve its goals and compete on a level playing field with much larger competitors. The solution gives Kiviks the ability to stay on track with its overall strategic while creating day-to-day improvements.

"We see the value of the new system every day through small improvements in many areas, easier ways of working, greater visibility to intervene or seek out opportunities, or review better ways of working," Hjalmarsson says. "We can stay ahead of our competitors through being more agile in responding to new trends, collaborating on a new idea and launching these on the shop floor quickly because our processes are being more efficient today."

The benefits are far-reaching, with the potential to extend even further into Kiviks' business over time. CloudSuite Food & Beverage handles all aspects of logistics, providing visibility into costs at every stage, instilling greater control and trust in the figures to calculate profitability and manage growth in a refined and measured way. Kiviks is now adjusting its processes to ensure profitable growth based on facts and figures from the cloud solution.

Gone are the days of just a few people holding a majority of knowledge, and as a result, "fake truths" presenting potential challenges. The cloud architecture facilitates standardized processes which work in a standardized way to represent an efficient way of working. As well as greater data security, 24/7 access to support, and lower TCO, training requirements are minimized, and adoption expedited.

Timing and traceability are everything

The new features and functions within Infor CloudSuite Food & Beverage are helping Kiviks improve the timing of harvesting, traceability of its raw materials, and the ability to meet tight production and supply chain schedules.

Kiviks operates 24/7 production, with three shifts running at any given time, to maximize the utilization of the factory, where they face limitations in inbound and outbound logistics due to its remote location. Because stock moves rapidly through the production process and supply chain, it's imperative that Kiviks stays in full control of the distribution chain between the plant and the third-party warehouse located 1.5 hours north of the plant. Late re-scheduling is a huge challenge for the logistics department, as there is storage space for approximately 6 hours' production at inbound and 2 hours' production at outbound. There is also a great need to have the ability to track and support traceability to the individual batch, something that wasn't straightforward previously.

Blending the old with the new

In developing new flavors, Kiviks' product range has increased by around 15% and as such, the product lifecycle has had to become faster. Controlling the supply chain while minimizing waste is a huge challenge, but Kiviks' change management program, supported by Infor CloudSuite Food & Beverage, has helped to optimize the processes.

Curating a safer strategy

"Our cloud journey with Infor has ensured that our food chain is more efficient, safer and profitable," Hjalmarsson says. It has also reduced Kiviks' total cost of ownership (TCO), as well as decreasing its reliance on support, while expanding the company's knowledge of business processes. Because it is user friendly, it is easier for the younger generation of the workforce to use, and allows staff to focus on their roles rather than formal or informal training.

Its ability to integrate with other key systems maximizes the value of Kiviks' cloud program, ensuring that all insights are available to support the best decision-making and planning.

Giving back to the future

As Kiviks moves forward, the company is looking to delve deeper into the profitability of its product mix, reviewing margins and profitability, and looking at where strategies can be refined. The company views its move to multi-tenant cloud as a springboard to initiatives such as Industry 4.0, which Kiviks is keen to adopt to enhance its environmental credentials and work to achieve long-term sustainability goals.

For example, the production planning data from CloudSuite Food & Beverage can ensure that Kiviks only uses the minimum amount of water, and that any waste water is re-used sensibly and sustainably. The company's goals to reduce electricity consumption, carbon footprint, and water use are of equal importance to its commercial agenda, and CloudSuite Food & Beverage is viewed as a key component of that strategy.

"In our project with Infor we have a huge amount of confidence that we have achieved our change management goal, and have at our helm a platform from which to embrace our future journey as a company," Hjalmarsson says.

By moving to a multi-tenant cloud deployment, Kiviks now has faster access to new innovations and a more future-proof business: "Not only do we get new capabilities in the regular monthly cloud updates, we are already seeing the benefits of the much shorter time from raising a new idea with the Infor Product Manager to the time it becomes available to us in the system. With all Infor CloudSuite Food & Beverage customers running many of the same processes we believe this will result in a much stronger ecosystem with common future requirements."

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