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Connect

5 – 6 JUNE 2025

ROYAL PINES RESORT | GOLD COAST

Foodstuffs South Island Digital Transformation

Gordon McCoy
Stephen Hackett

MASTERINGSAP
An SAPinsider Company



Gordon McCoy **Foodstuffs South Island**

40 years of experience at Foodstuffs South Island.

Responsible for developing and executing the company's SAP digital strategy.

Overseeing the development and management of SAP landscape.

Started when the turnover was 350M and today 3.6B.



Stephen Hackett **The Config Team - Australia**

26 years of experience with SAP Supply Chain solutions.

Australia Practice Lead for the Config Team; but also EWM and TM design authority.

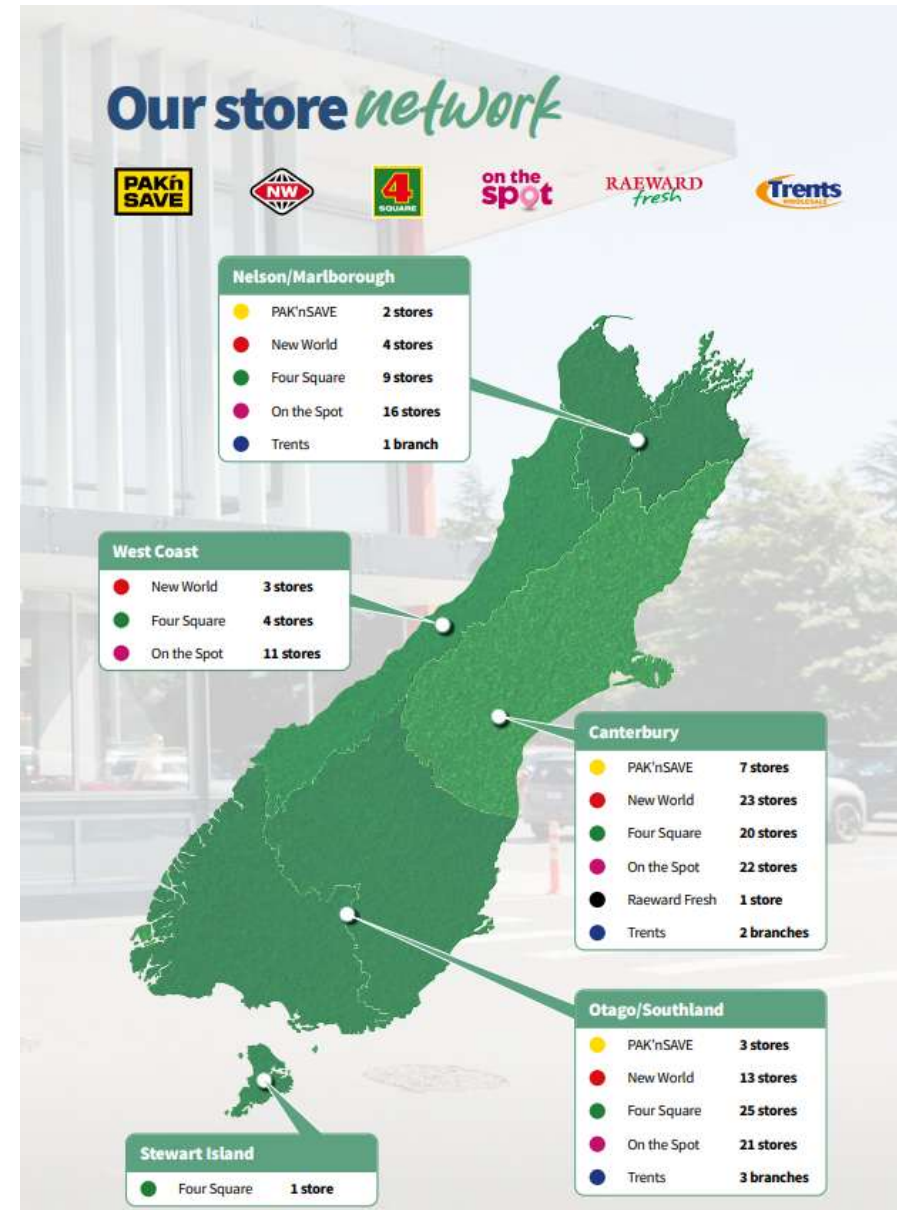
Working with Foodstuffs during pre-sales through to present day.



Today's agenda

- **Introduction**
 - Foodstuffs South Island
 - Our strategy
 - Our SAP Journey
- **Supply Chain**
 - Where are we
 - Still to do
 - Lessons learned so far

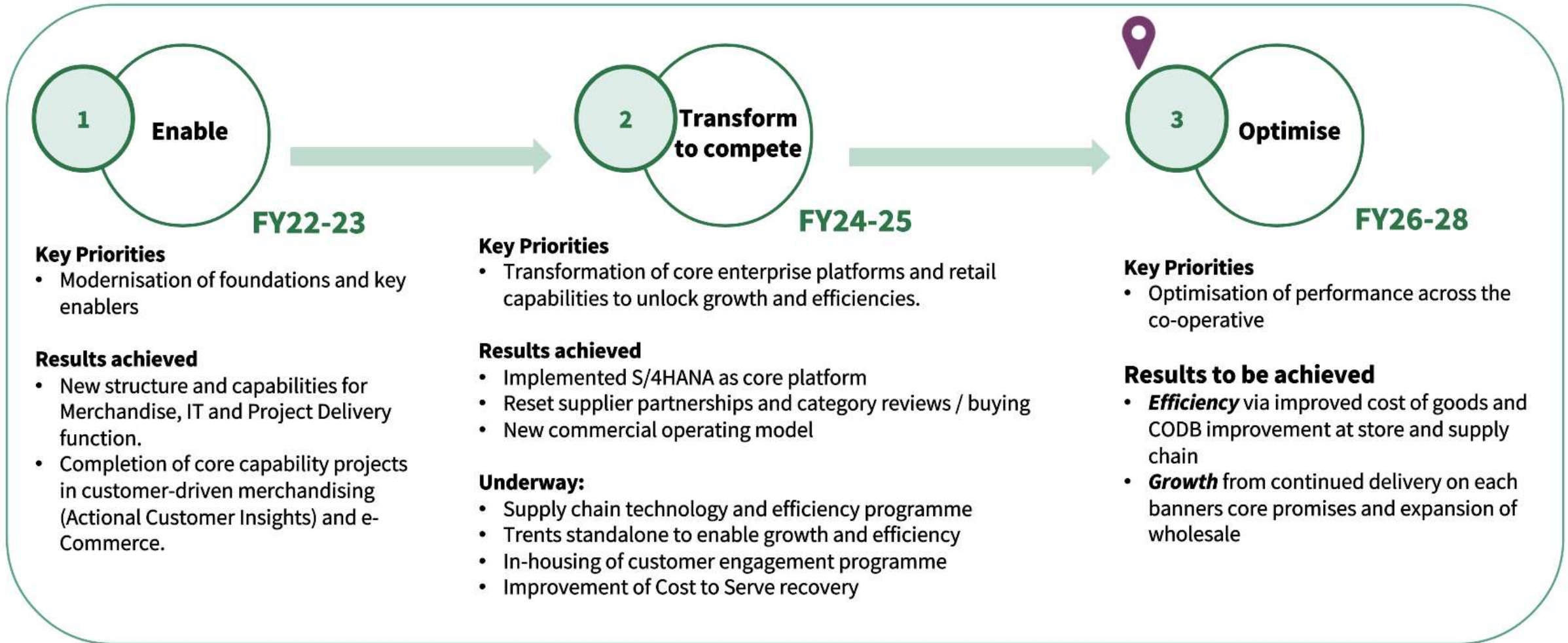




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Our Strategy



Optimise

Retail excellence

Winning customers

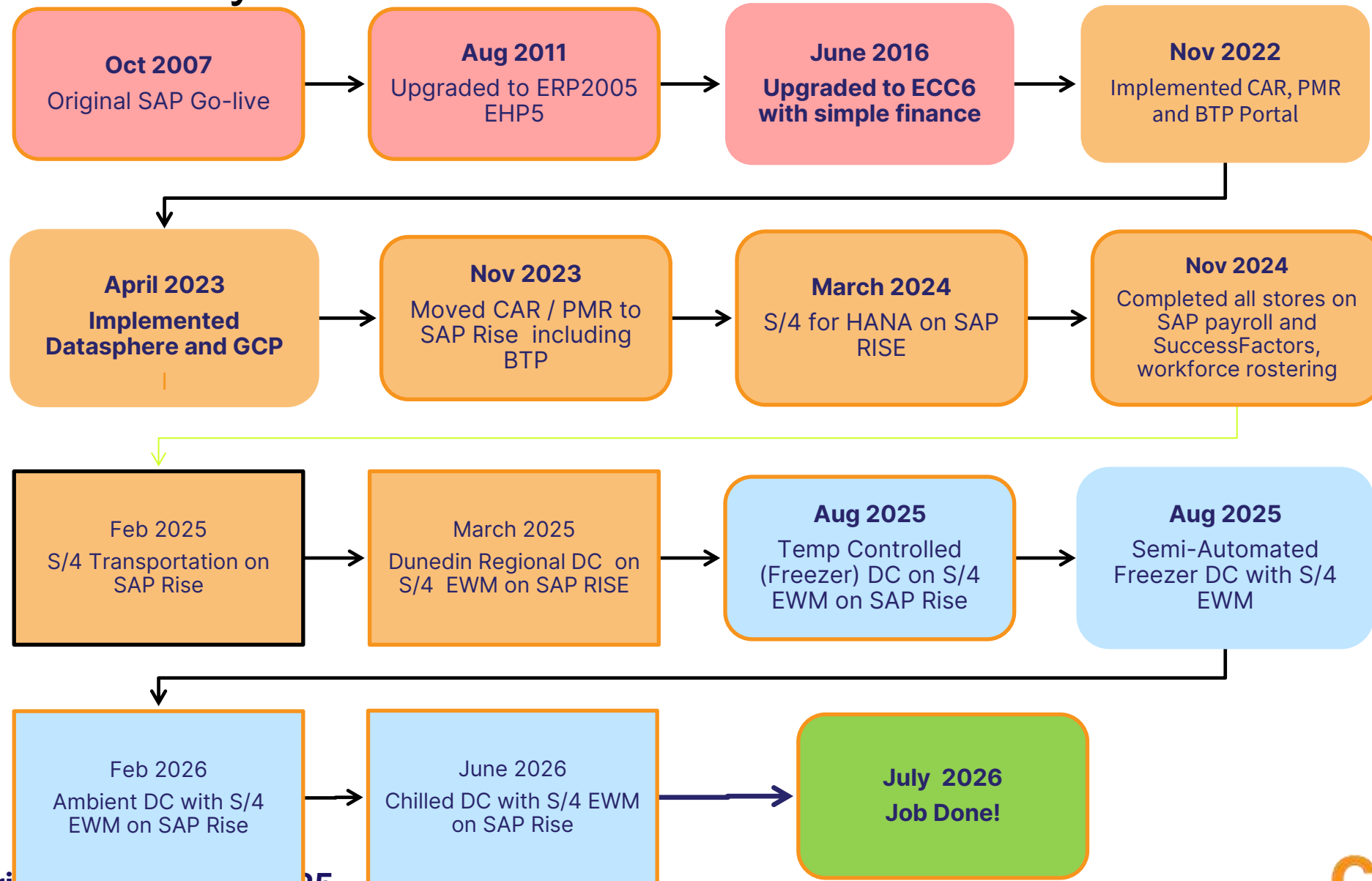
World class co-op

Leadership & results

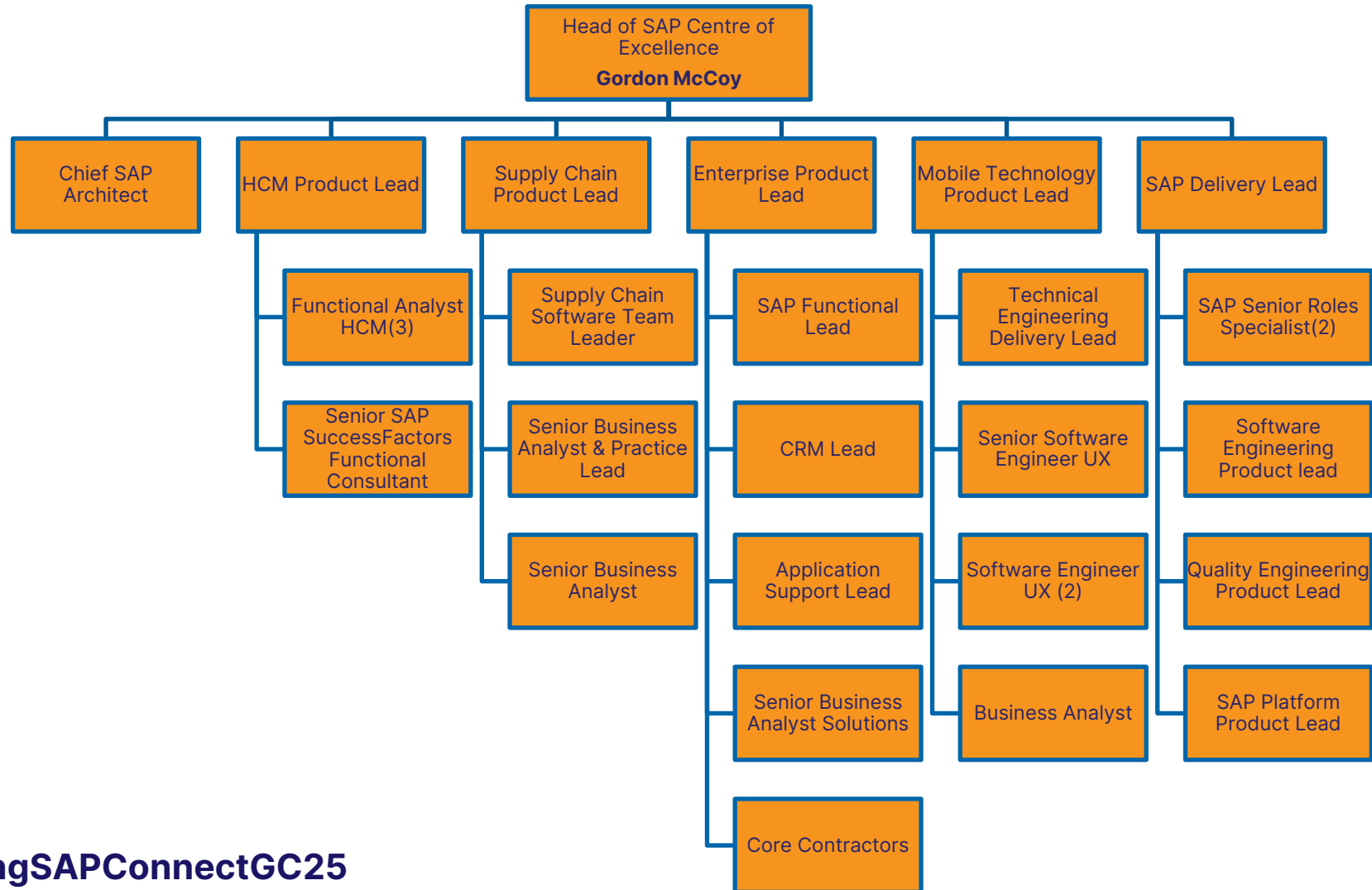
Simplify

Driving efficiencies

Our SAP Journey



SAP Centre of Excellence

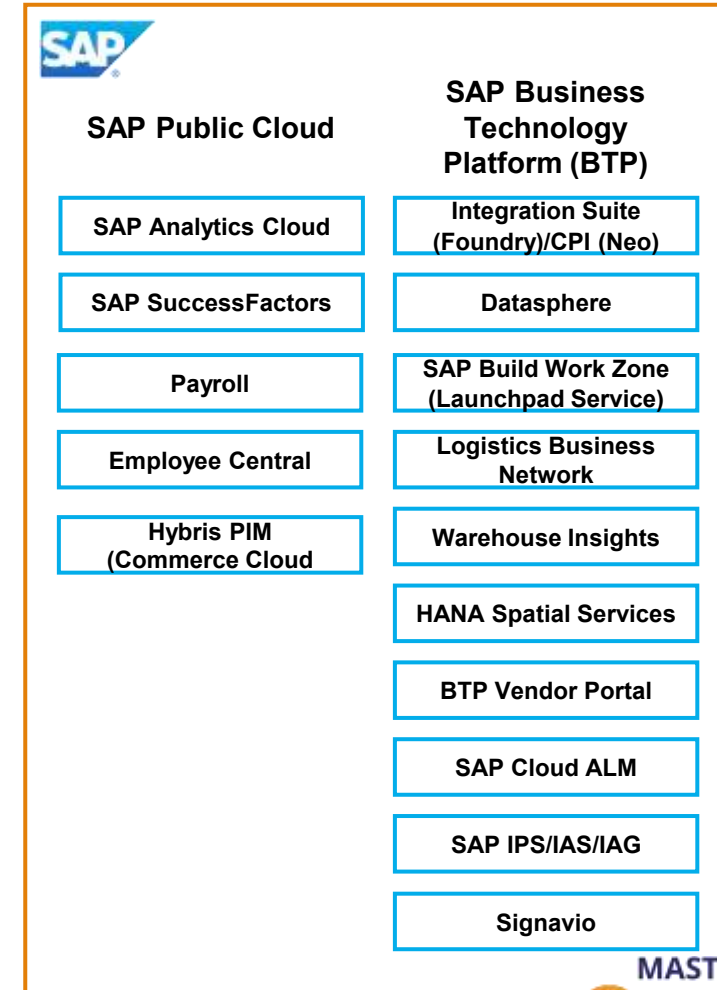
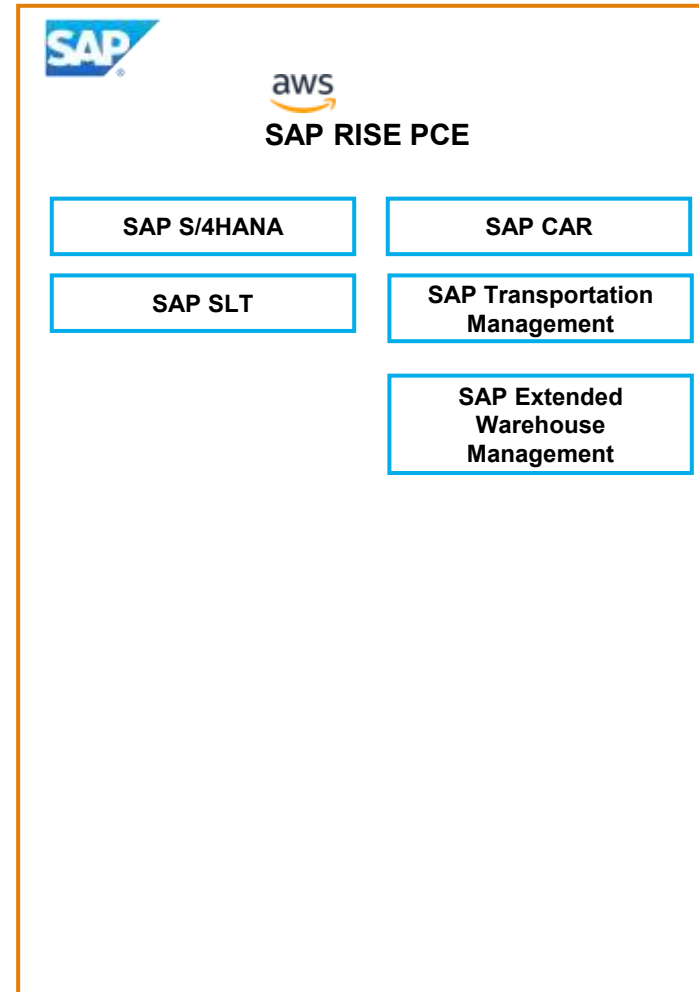
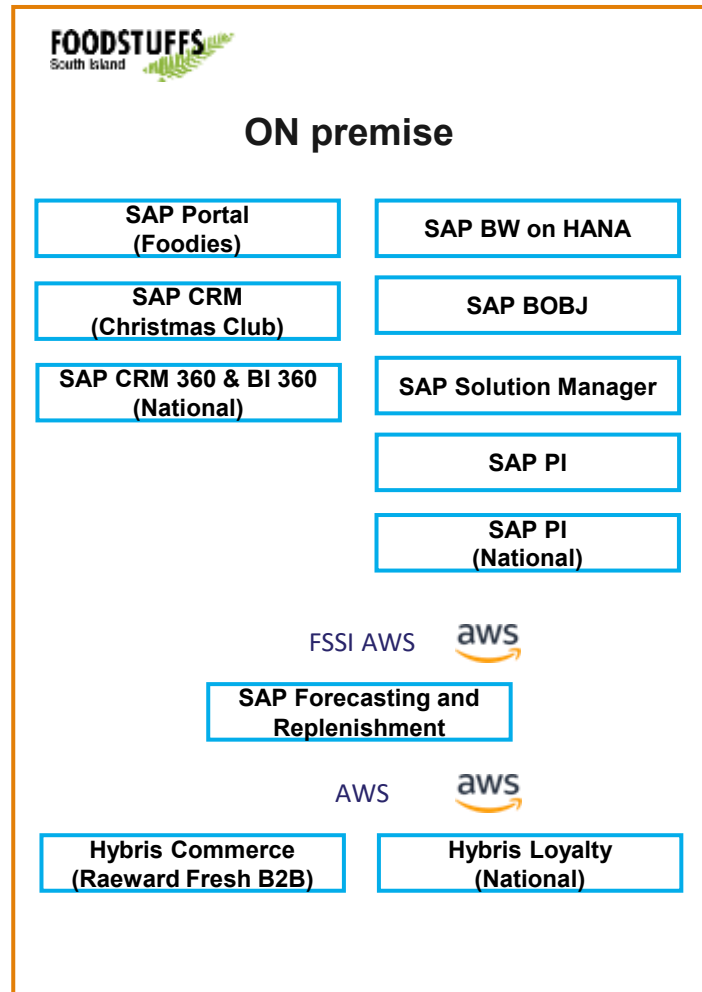


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SAP Solutions Landscape

The SAP landscape is split across a number of environments. The future state will continue to include SAP applications hosted on-premise with the addition of the SAP RISE PCE environment and a greater use of SAP Public Cloud and SAP BTP hosted applications. The ultimate goal is to have no remaining on-premise SAP applications within 3 years.



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Foodstuffs SI Supply Chain at a Glance

May 2025



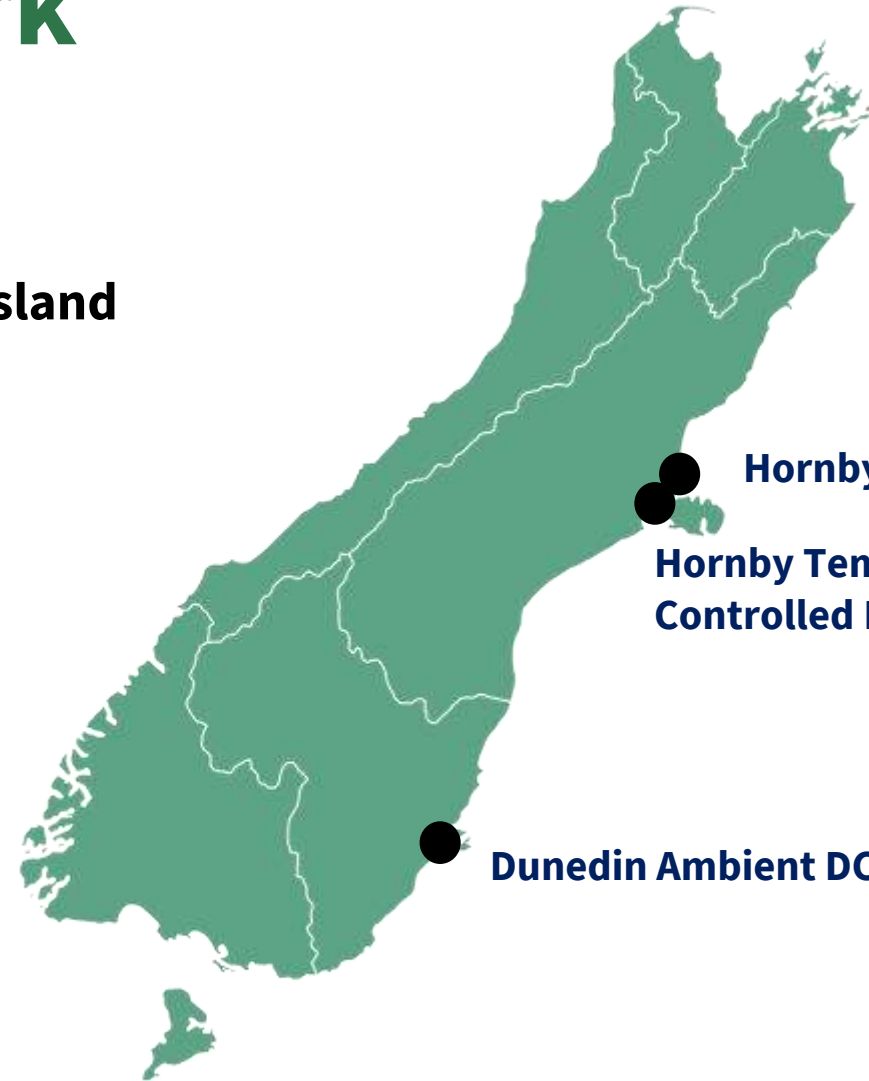
Our Distribution Network



Over 200 Member stores across the South Island



TSI Logistics



Hornby Ambient DC

Hornby Temperature
Controlled DC

Dunedin Ambient DC



Ambient DC

Freight Network:

TSI Metro, MOVE West/Northern
& Booths Southern



13,000

weekly

Forklift tasks

570 Team
Members



24/6.5

operation only
shut Saturday
evenings



Storage

capacity:

42,000 Pallets

60 Forklifts
across the DC



12,000 products
ranged

with average
despatch of 700,000
cartons/ 11,000
pallets per week



Temperature Controlled DC

Freight Network: TSI delivery totals 98% of all TCDC orders throughout the South Island

Only shut
Saturday and
Sunday
evenings



Storage capacity
of 13,500 chilled
pallets, 2,700
frozen pallets

Centralised South
Island DC for **chilled**
& **frozen product**



Range includes chilled, frozen,
meat, produce, milk & cross dock

23,000 m²
chiller

6,000 m²
freezer

2,000 chilled products &
1,200 frozen products
ranged

Average despatch
of 360,000 cartons
weekly (11,000 pallets)



Dunedin **Regional** DC

Freight Network: Booths Transport (formerly Summerland's) & TSI handle all freight

**Operates from
5am through to
12am Mon-Sun**



Emergency Response:
Incredibly key cog in our Supply Chain, especially during Emergency Response and Weather Events

Key Regional Distribution Centre for **fast moving SKUs** between Invercargill and Ashburton



17,500 m²
Ambient DC

3,000 m²
Canopy

Average despatch of 190,000 cartons/3,500 pallets per week

Key hub for **backfilling trucks** heading back north to Christchurch

Key Supply Chain Systems



Voice Picking



RF Picking

Handheld
Forklift



Truck Devices

TSI
3rd Party



Label Printing



Ancillary

Environmental Alarms
IBOD box robot
DC tablets
IOT, etc



Devices



3,850 Endpoint Devices
+ 300 Printers
+ 550 Mobile Peripherals
+ 1,600 Charging Cradles

Sites



210 Physical Sites + 275 Trucks

Retail New World PAKnSAVE Four Square

Supply Chain Ambient, TCDC, Dunedin DC,
Trents branches, TSI

Vehicles TSI, Third-Party, Trents, Retail Online Delivery

Other FSSI, Murdochs

Key external relationships – Supply Chain



DATACOM^{*}



RICOH^{*}



Supply Chain Modules

S/4 TM Transport Management

S/4 EWM Extended Warehouse Management

LBN Logistics Business Network

Warehouse Insights – De Scoped

Workforce Rostering

Microlise Sign on Glass

Reporting: SAP Analytics Cloud, Datasphere,
Google Cloud Platform



Auto Freeze



Foodstuffs South Island (FSSI) is investing in a state of the art, automated freezer on its Hornby Distribution site.



It will boost freezer capacity on a 2,587sqm site.



The building will be 17.2m high and provide an extra 6,240 pallet locations.



The new facility is being built next to existing facilities and is due for completion in August- 2025.



An Automated Storage and Retrieval System (ASRS) will provide automated crane and shuttle technology to handle storage and retrieval of frozen products more efficiently, reducing the need for manual labour, meaning no risk of injury to team members.



The building will be energy efficient with 180Kw solar panels estimated to reduce carbon emissions by ~200 tonnes over 10 years, high racking for dense storage and fewer truck movements across the supply chain network due to better onsite storage capacity.



The innovative fire safety technology includes a hypoxic fire suppression system which maintains a low oxygen environment to prevent fires, rather than using sprinklers to extinguish fires. It also reduces the risk of water damage to equipment and stock.

Auto Freeze

Our project partners



Apollo Projects are our partner on the design/build of the new facility. Apollo is a leading New Zealand design and commercial construction company with decades of experience delivering projects that support businesses and communities throughout Aotearoa.

<https://www.apolloprojects.co.nz>



PHS Innovate provide automated materials handling and warehousing solutions that are effective, space-efficient and affordable. They are providing the Automated Storage and Retrieval System (ASRS) for this project.

[Automated & robotic materials handling solutions | PHS Innovate](#)



The Config Team™
SAP Supply Chain Specialists

SAP EWM Integration Experts

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Auto Freeze



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Auto freeze Inside



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Lessons learned – So far on our Supply Chain Transformation

Solution Design

Challenges in Retail and Transport

Rollout Strategy

SAP

Foodstuffs and TCT



Key Retail and Transport Challenges

Fresh Business
and Cross
Dock

Impact of
System Issues
(Support)

Oversimplifying
Transport
Transformation

Dynamic and
Ever Evolving



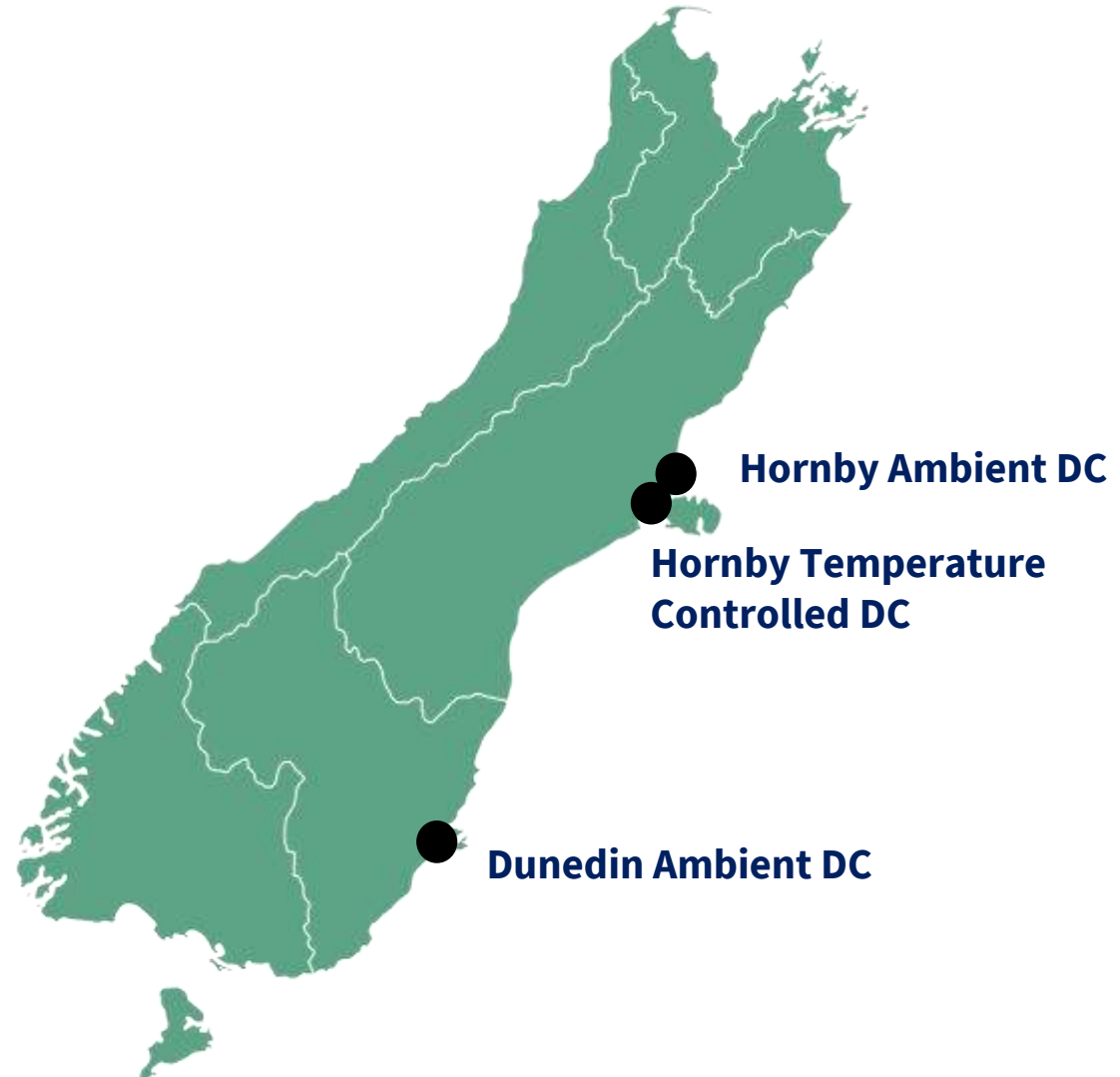
Rollout Strategy

TM Approaches

Only Dunedin + region or all South Island?

EWM Approaches

Dunedin first or Hornby?



Relationship



- **Benefit** of a single team for both EWM and TM
 - **Single Design Authority**
 - Reduce potential politics when hitting design issues during build and testing.

On/near-shore resourcing a necessity for complex supply chain projects.

- **Foodstuffs**
 - **Pragmatic** approach to problem solving.
 - **Highly skilled** and agile IT (Digital Services) department.
 - High level of **trust**.





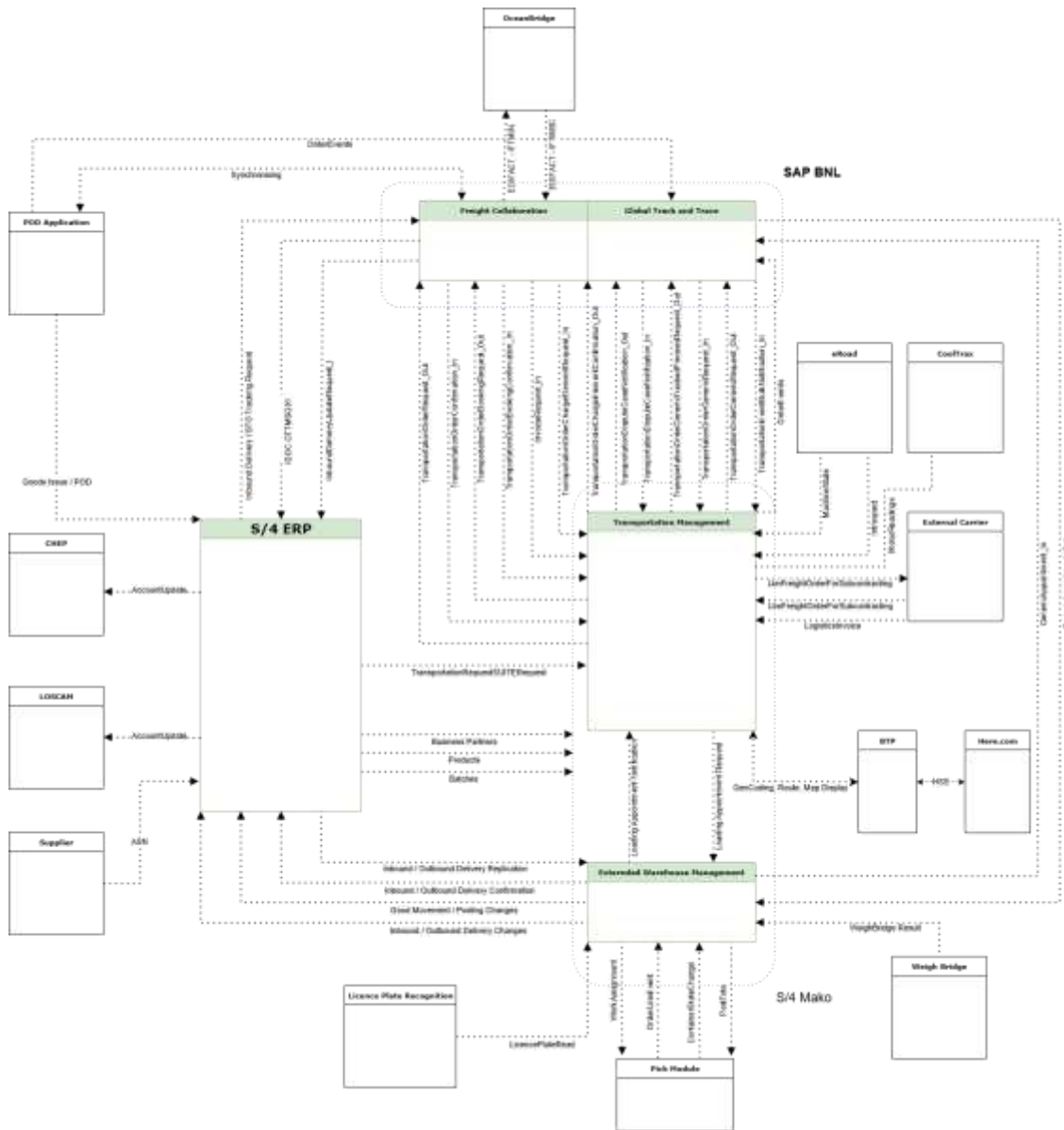
Guidance and Support

Support

- **Appreciate** group structure across multiple SAP solutions (different regions, escalation levels, individual requirements).
- **Engage** through Customer Success a support escalation manager early.

Software

- Understand versioning and support pack levels before build, plan where upgrades will take place.
- RISE vs. Public Cloud, downtime impacts and response times (e.g. VSR optimiser patching, BNL-DAS patching).
- Go-live and hyper-care planning with Public Cloud.

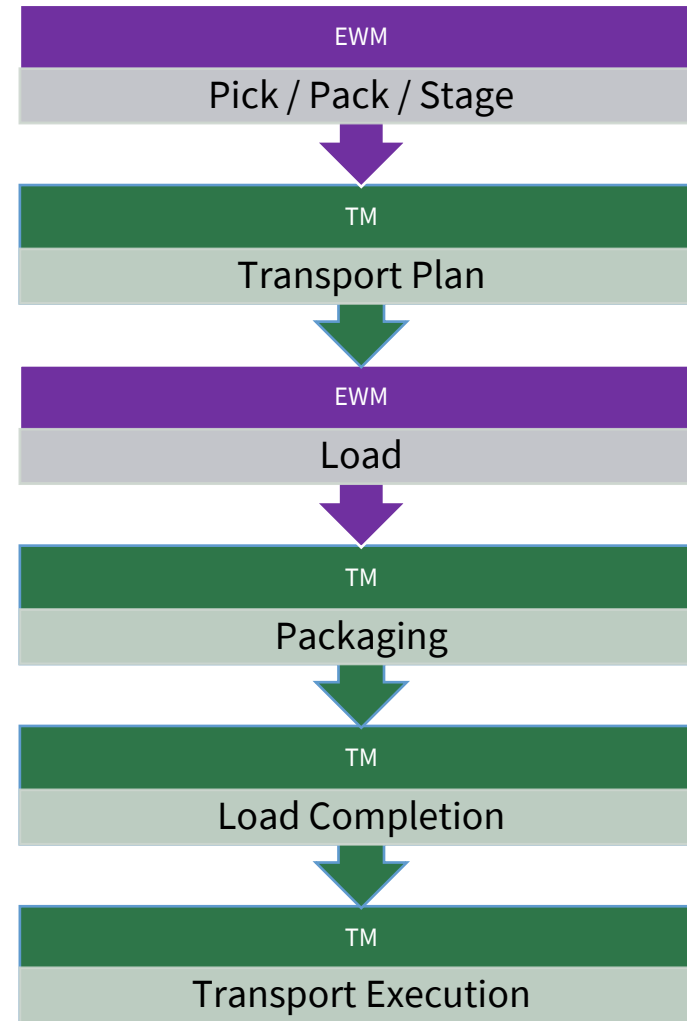
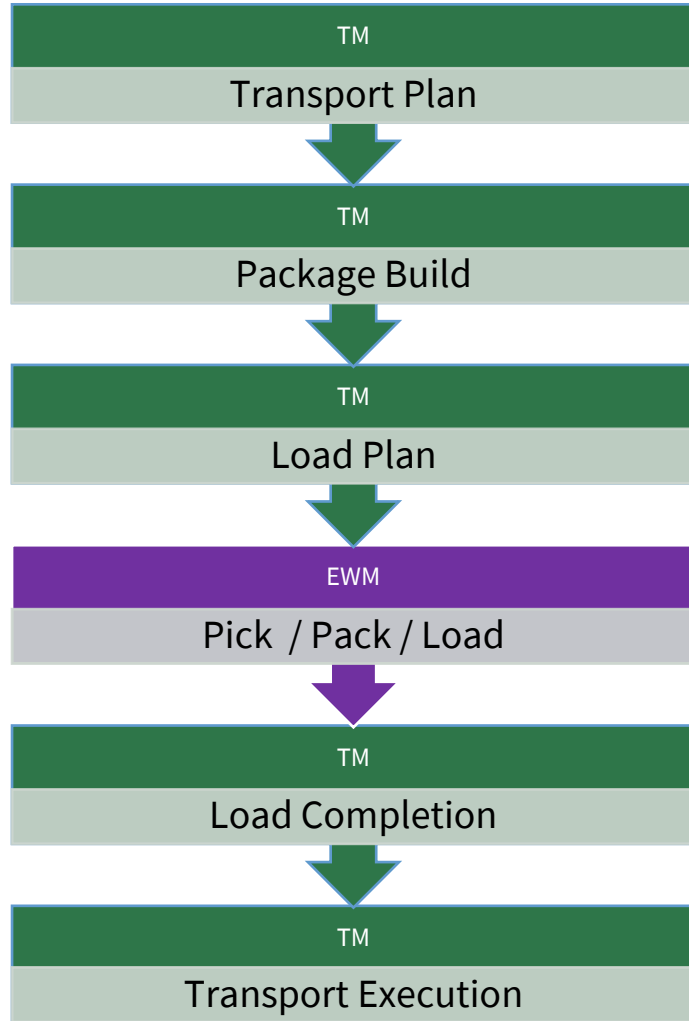


Integration Challenges at a Glance

- Make sure you have a good technical understanding of the solutions, especially with integration.
- Varying technology stacks including WS/RM, CPI, BTP, qRFC, ALE/Idoc.

TM – EWM Integration Approach

EWM or TM lead process.



Why not Advance Shipping
& Receiving?

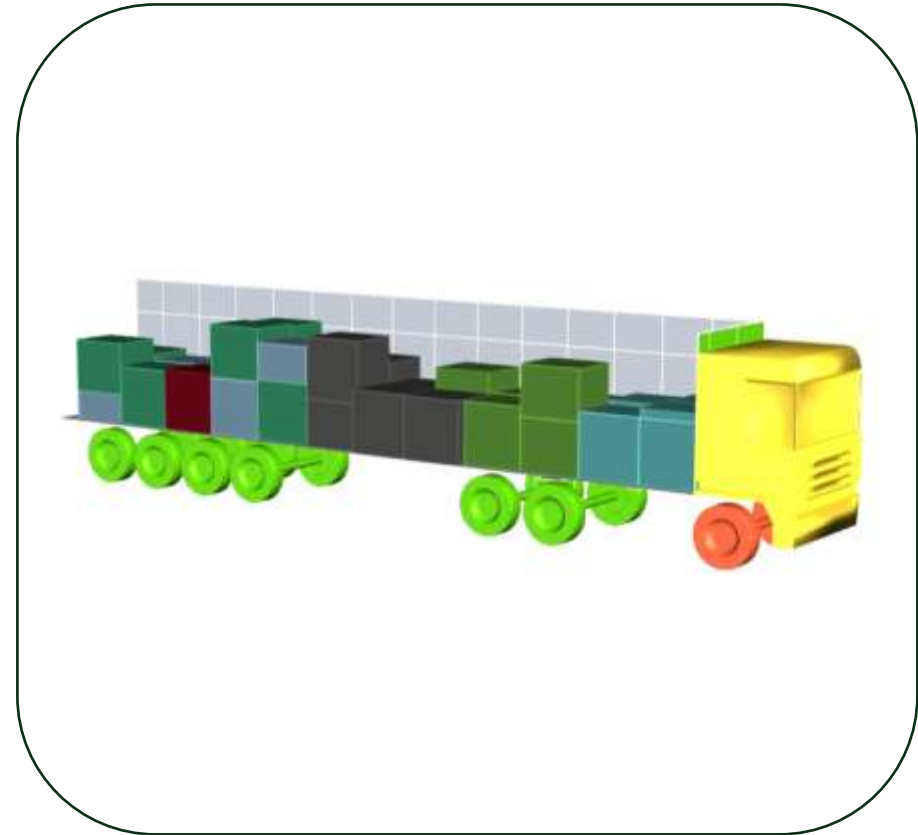
Transportation Management

- Group Logistics (Transport South Island TSI).
- Cost distribution with DTR and FWO based Freight Units (not supported in standard).
- Compartment planning conflict with load planning.
- Load planning limitations over multiple stages.
- Integration with EWM, FU Building rule limitations.
- **Legacy WMS** integration with TM processes aligned with EWM.

Package Building in Retail with EWM

Package Building

- We utilised TM **volume based** package building.
 - **Detailed package** building (planning the individual position of each carton was considered overkill) - **also doesn't allow for EWM pick path sequencing to be adhered to.**
- Package building itself worked well, but it operates in **MM3**, this causes problems with utilisation/rounding calculations if your ERP UoM for volume differs from this (i.e. **M3**).
- There are differences in terminology between TM and Package Building (outer weight, inner weight, cargo weight).
 - Whilst normally not something to contend with, at our detailed level of integration we did hit a number of challenges.



LBN BNL BN4L

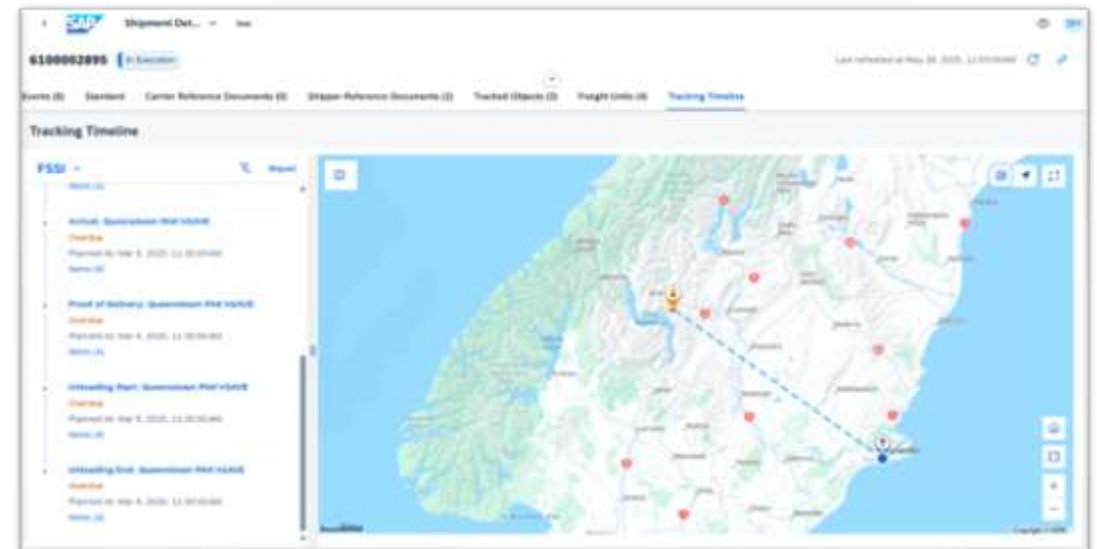
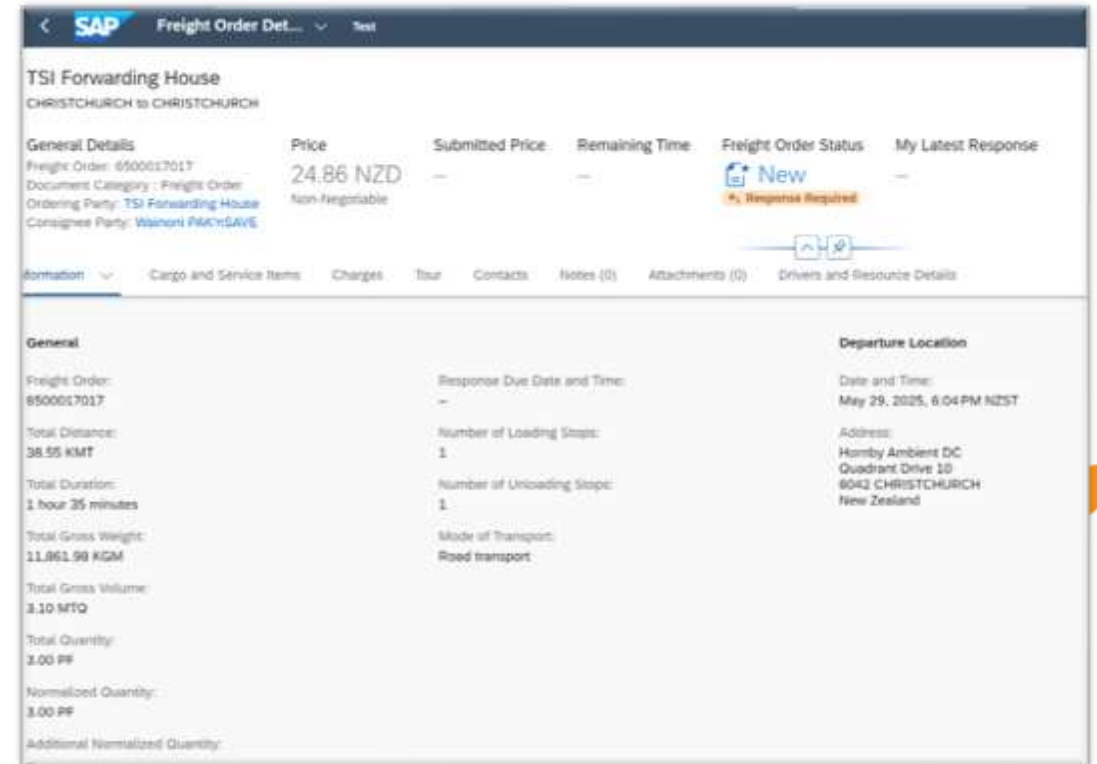
Business Networks for Logistics.

- We're using two applications in BN4L:
- **Freight Collaboration** - carrier notification, invoicing, dispute management, Dock Appointment Scheduling (DAS)
- **Global Track and Trace**. - transport execution tracking. Integrating with Microlise for real-time positioning and event updating.
- They don't talk with each other (e.g. event propagation). E.g. Arrival at site from GTT > TM > FC.

Challenges

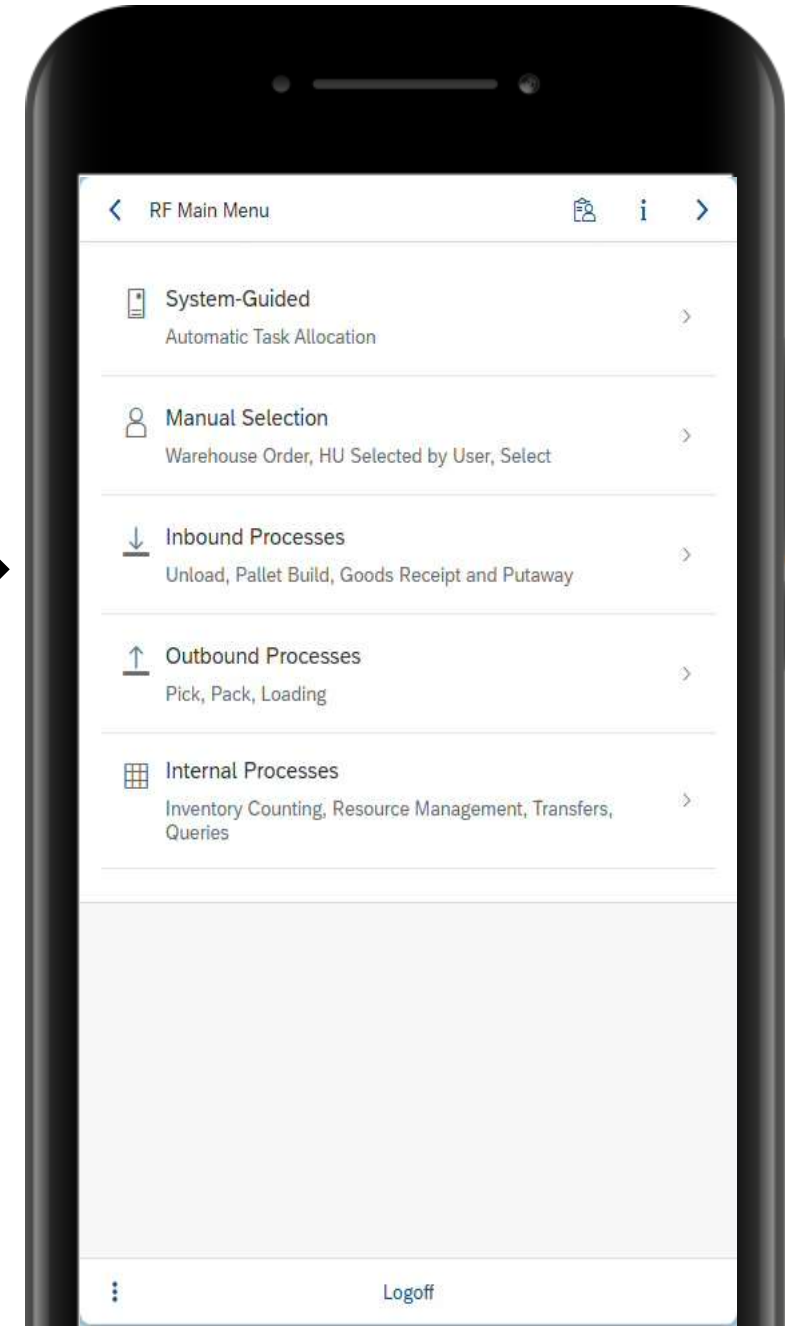
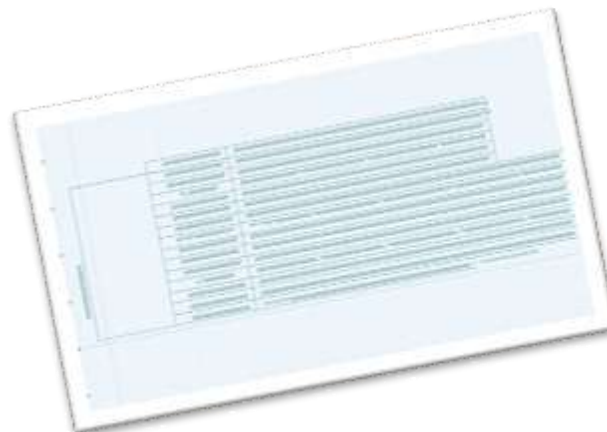
- **Carrier Onboarding (+35 carriers) – SAP support this.**
- Tenants Dev / QA vs. Production
- Source of truth for **master** data.
- Limitations on number of items was originally 700. Might seem high; but without development the integration from TM will send ALL FU items.
- **Understand** full integration options available with **DAS**. **Differences** in functionality from EWM/YL DAS option.
- **API** integration is not trivial.

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Extended Warehouse Management EWM

- **Returnable packaging** (stock on hand for CHEP/Loscam).
- Exposed a number of limitations on in standard receiving
 - Ability to **determine** during **unloading** the ultimate **destination** in order to drive stock placement.
 - Extend standard to support catch-weight.
- Replenishment
 - Can pull a full pallet (independent of requirement), execute a **putaway tour** (can increase/decrease), and then put residual into the racking.
 - Can **replenish multiple pick faces**, with mixed batch pallets, and catch weight.
 - Dunedin replenishment **efficiency has improved**, OOS when picking has reduced.
- Travel Distance Calculation (Network).



Extended Warehouse Management



Warehouse Billing

Key measurements:

- Unloads, de-vanning.
- Storage.
- Supplier returns.
- Cross-dock.

Consolidation

Picking with suggested consolidation before staging (TM directed).

Unknown HU

Remember this doesn't support (in standard) batch managed stock - the batch must be known. We built a solution to solve this.

All of this is tracked through **Labour Management**.
Actual times are currently being evaluated. Intention was to push this to WFS.

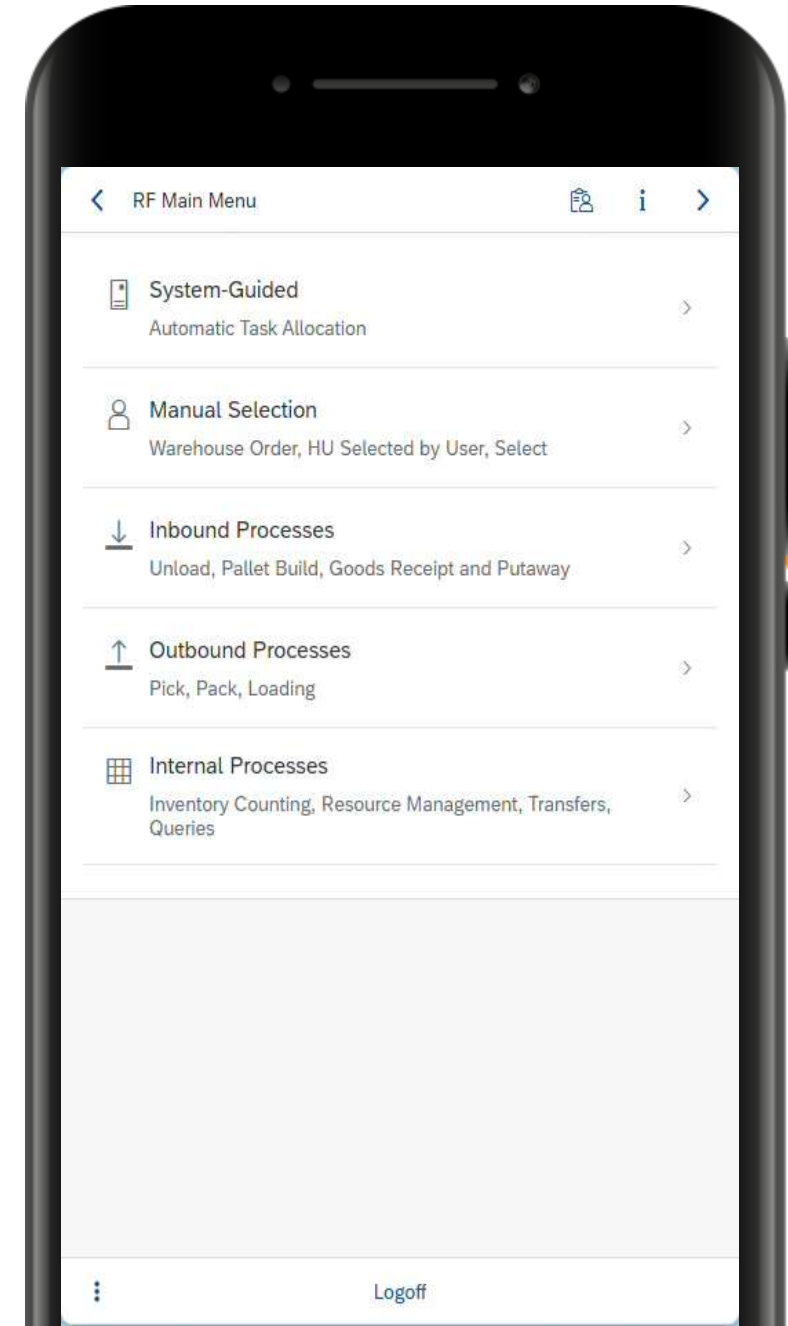
Lessons learned – Mobile Execution

RFUI

- PreBilt™ for EWM.
- Improve adoption and lower training in warehouses.

Voice

- Voice supported in RF PreBilt™.
- Voice is driven through EWM directly to device.
- At the moment we're **running** with Voice Direct (**VDerp**), but we will migrate to **GWS**; both supported by **PreBilt™**.



How to Connect with Us

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