

CASE STUDY



Ballance has a long history in New Zealand and prides itself on the delivery of technically superior agri-nutrient advice with a focus on sustainable farm management.

THE CUSTOMER

Ballance Agri-Nutrients is one of New Zealand's leading fertiliser manufacturers.

100% farmer-owned co-operative, Ballance was formed by the amalgamation of the Bay of Plenty Fertiliser Co-operative, the Southland Co-operative Fertiliser Company, Petrochem, the Whangarei-based Farmers Fertiliser and Kiwi Fertiliser.

Although the major co-operatives that comprise the company were formed in 1955, Ballance itself was launched in 2001.

The company has a nationwide manufacturing and distribution structure, and sells a wide range of products, from locally manufactured superphosphate (superten) to imported high analysis fertilisers.

The company has some 18,000 shareholders, and in 2007 sold 1.38 million tonnes of product, representing a turnover of \$505 million. Most products purchased by shareholders attract a rebate, which is paid once a year.

When Ballance was launched it was determined that the company would have a strong focus on using research and development to maximise returns for its shareholders.



BUSINESS CHALLENGES

- Continually provide a value added technology driven farm management solutions.
- Provide reliable supply of product to valued shareholders.
- Ability to respond to seasonal peak flows.
- Ability to maximise shareholder value through price control and customer rebates.
- Better use of existing technology and systems.
- Provide a high level of customer service whilst maintaining appropriate inventory levels.
- Managing a geographically disperse supply chain infrastructure.
- Managing complexities relating to short term demand variations.

XELOCITY SOLUTION

- Delivery of a 17-week SCOR Supply Chain Excellence review using the SCOR framework and supported by the ProcessWizard™ toolset;
- Implementation of 20 improvement projects in six key areas:
 1. Supply Chain Planning
 2. Order Entry and Sales Process Management
 3. Distribution Network Optimisation
 4. Forecasting
 5. Performance Reporting
 6. Inventory Management

ROI / BENEFITS

- Definition of 20 improvement projects to be implemented over 3 years.
- Identified significant profit improvement opportunities



xeLOCITY
Powerful Business Results



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PROJECT SUMMARY

When Ballance was launched in 2001 it was determined to have a strong focus on using research and development to maximise returns for its shareholders. In addition to that sustainability of the company, its farmer-shareholders and the environment is a cornerstone of the Ballance philosophy. These beliefs are reflected in the company's mission, vision and values statements.

Ballance is a strong performer in a competitive and demanding market. The Ballance supply chain requires a high level of flexibility as seasonal demands, weather fluctuations, raw material supply, new product innovations, government regulation, and environmental considerations are all constantly changing and fluctuating. This constant change requires total control over product placement around the distribution network, with the requirement to increase or decrease supply at short notice.

XELOCITY'S ENGAGEMENT

Ballance engaged Xelocity to facilitate a 17-week Supply Chain Excellence (SCE) project reviewing opportunities to increase supply chain flexibility and reliability whilst maintaining appropriate inventory levels. Benefits were identified across all functional areas of the business estimated to yield significant cost savings and revenue growth.

The SCE project approach is based on a book by Supply Chain expert Peter Bolstorff, which is a best practice implementation of the SCOR methodology from the supply chain council. The SCE process focuses on breaking down complex supply chains into a number of individual and manageable supply chains. ProcessWizard™ was used to assist with the detailed analysis of these supply chains performed by the project team.

A group of key Ballance people were involved in a series of regular sessions throughout the project. The working group reported regularly to an executive committee with the CEO, Larry Bilodeau, as Executive Sponsor. There were also a number of structured workshops involving a wider number of Ballance staff.

Ballance worked with the Xelocity team focusing on business performance measurement, best practise review, material and workflow mapping, disconnect analysis and development of future business process. Performance improvement is at the core of Ballance's business philosophies and the SCE methodology provided the guidance and framework to support continuous improvements.

"The One Day Supply Chain Excellence Workshop enabled me to have a much clearer understanding of our supply chain especially after listening to the input of other participants and the highlighting of some of the potential improvements."

Ray Scott, Planning Manager - Ballance Agri-Nutrients

SUPPLY CHAIN PERFORMANCE

The project team identified key opportunities to improve Balance's supply chain performance especially in the area of order management and sales and operational planning processes. Ballance has now created a project management office, to be responsible for assisting the business deliver the identified project benefits.

CONTACTS

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