

SunOpta increases margins and reduces inventory exposure with QlikView

“ QlikView has made a direct impact on companywide performance through improved visibility of inventory and customer margin. Our finance and executive teams can quickly monitor financial performance by market and by customer and make necessary adjustments to inventory, costing, production and pricing. ”

Gerry Watts, President, SunOpta Fruit Group, SunOpta

SunOpta Inc. is a leader in the natural and organic foods and natural health products markets. The Company has three business units: the SunOpta Food Group, which specializes in sourcing, processing and distribution of natural and organic food products Opta Minerals Inc. (TSX:OPM) (66.4% owned by SunOpta Inc.), a producer, distributor,

sourcing, processing and distributing food products. As each acquired company was assimilated into one of the company's divisions, the already difficult process of reporting and data analysis became even more challenging.

Not only was SunOpta lacking overall visibility into companywide sales, finance and operations, but the company also could not quickly integrate data from newly acquired – or even existing – business units with differing enterprise software systems for shareholder reporting and strategic planning purposes.

SunOpta discovered QlikView after its acquisition of Tradin Organic Agriculture B.V., which was successfully using QlikView for visibility and analysis of all enterprise data stored in Microsoft Axapta. SunOpta's IT and executive teams were immediately impressed by QlikView's ability to quickly consolidate data from multiple sources for easy-to-use visual analysis. SunOpta enlisted the help of QlikTech partner Allegro BI and set forth to solve its reporting challenges with QlikView.

Real-time sales visibility in one week
Working closely with Allegro BI, SunOpta developed its first QlikView application – sales analysis – in only one week. Beginning with basic analysis of

and recycler of environmentally friendly industrial materials; and SunOpta BioProcess Inc., which engineers and markets proprietary steam explosion technology systems for the bio-fuel, pulp and food processing industries.

Hungry for consolidated reporting across divisions

Through a combination of internal growth and acquisitions, SunOpta quickly grew to become a leader in



Solution Overview

SunOpta

Leading processor and distributor of natural and organic food products

Industry

Consumer Products

Function

Executive, Sales, Operations, Supply Chain, Finance, Quality Management

Geography

Canada, Netherlands, United States

Challenges

- Upgrade existing disparate BI and reporting solutions, including Oracle BIEE
- Maximize profitability with a daily view of gross profit performance
- Reduce inventory exposure and related costs

Solution

SunOpta deployed its initial QlikView application – division sales analysis – in only one week. With QlikView, 120 SunOpta employees can now analyze customer profitability, inventory exposure and manufacturing costs, for the answers they need to drive corporate profitability. SunOpta immediately leveraged the invaluable data that was locked in Oracle and five other enterprise systems.

Benefits

- Gained ability to identify low margin customers and respond with price increases or product line discontinuation
- Reduced inventory exposure through better visibility into inventory levels and age
- Garnered up to 85% in employee time and cost savings

Data Source Systems

Application: Oracle, Retailix Grocery, Minotaur ERP, AgVantage, AM Access, MS Axapta

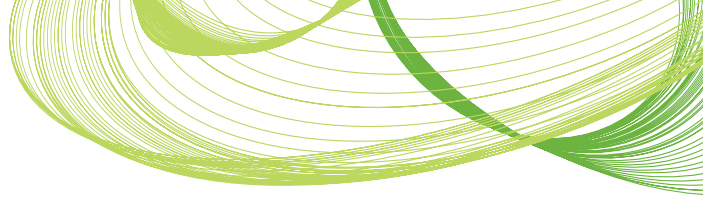
DW/BI: Oracle BIEE

Hardware: IBM AS/400

QlikTech Partner

Allegro BI





sales by division, SunOpta continued to expand the application to include in-depth sales and revenue analysis, including actual-to-budget, year-over-year, month-to-month, and top 25 customers by product and item.

“Before QlikView, it would have taken us two to three weeks to generate reports at this level of detail,” said Mitch Jensen, SunOpta, Vice President of IT. “We had to consolidate details from Oracle and our other systems and create Excel reports. Now, we have immediate access to the data and can run reports anytime.”

SunOpta division managers use QlikView on a daily basis for instant visibility of overall sales and contribution margins, as well as contribution margin by customer. Upon identifying low margin customers or products, SunOpta is able to conduct deeper market analysis to guide executive decisions regarding price increases, product line discontinuation, and inventory and production adjustments. Once pricing and product changes have been made, SunOpta executives can use QlikView to evaluate the immediate impact.

As SunOpta continues to analyze monthly and yearly trends and expands the use of QlikView, the company will continue to drive significant benefits and margin.

Reducing inventory exposure in the supply chain

By using QlikView to analyze inventory aging and usage, pinpoint lots due to expire, and calculate customer demand, shipment and delivery, SunOpta is now able to better assess inventory risk to minimize exposure to product expiration.

“QlikView inventory analysis has provided visibility of both dollars and

quantities, in essence allowing SunOpta to better manage raw materials and finished goods,” said Watts. “We have not even realized the full potential of the system yet, but QlikView has already greatly reduced the man-hours spent producing and monitoring inventories.”

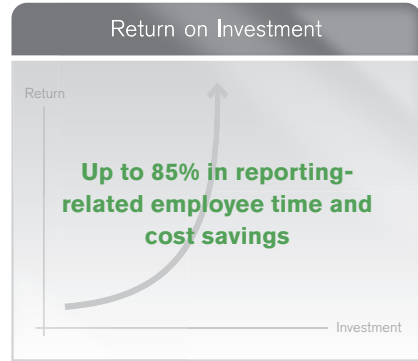
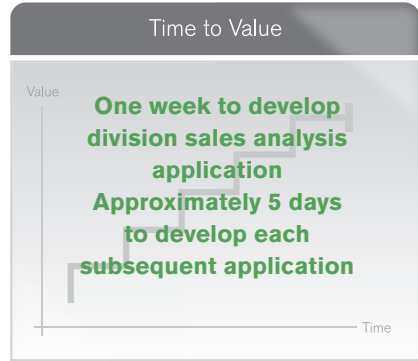
Immediate visibility into current inventory and forecasts enables faster, improved responses to inventory issues, delivery delays and shifts in customer demand. With tighter inventory control throughout the supply chain, SunOpta management continues to identify challenges and opportunities where they can drive inventory reductions to impact profitability.

QlikView: Users get faster answers with less reliance on IT

In addition to sales, profit and inventory analysis, SunOpta has developed several other QlikView applications, including: analysis of production costing at its food manufacturing plants, monthly production and manufacturing variance analysis, supplier analysis, and an executive dashboard with Key Performance Indicators segmented by market, product line, margin, revenue and inventory. The team is also working on a new application for quality reporting and analysis, which will allow users to streamline product testing and ensure quality specifications.

With a single interface to access data from Oracle and its five other enterprise systems, over 120 QlikView users can now easily analyze trends and measure performance for improved decision making, faster manufacturing cycle times and more profitable sales strategies.

“QlikView is awesome,” said Matthew James, SVP & General Manager,



Purity Life. “It has liberated a number of people who were reliant on just a few individuals who could access data and reports. Queries that once took 30 minutes to refresh and hours to format are now available almost instantly, so we can make better sales decisions and analyze the success of our programs.”

IT has also been able to decrease time spent on data management and report development for employees throughout the company. “The whole process is so much easier and more intuitive,” said Jensen. “In terms of access to data, QlikView offers the visibility that I’ve been chasing for a long time. And the speed at which we were able to accomplish so much is remarkable compared to traditional BI solutions.”

“ QlikView provides the level of immediate, intuitive visibility that we have been trying to achieve for years with other tools. ”

Mitch Jensen, SunOpta, Vice President of IT, SunOpta