

PROVISION OF HIGH-QUALITY INFORMATION IS REFLECTED IN PROFIT

Even from afar, the greenhouses in Renkovci give the impression of high-tech facilities. The work is data-driven – also by using machine learning.

At the beginning we set up a management information system to support the decision-making process and upgraded it on an ongoing basis. Since it was constructed using tools where functional or process changes caused long-term delays or data shortages, they decided to set up a higher-level functioning system. In fact, they had to program any change that was made in the reports, therefore in the event of contractors' absence due to sick or annual leave, they were often forced to prepare reports manually in the financial and accounting department. As Mr Okorn said, management requires effective tools to quickly detect if something goes wrong in the company's operations. "It is not only important that the tomatoes we grow are red, but also how this is reflected in cash flow."

Challenges

- time spent preparing reports
- programming was required for any change made to the reports
- changes made to functions and processes created long-term delays in the management system performance
- system slowdown and unreliability

"I come from the financial sector where I worked for almost 20 years. When I joined the ownership structure and management in the company Paradajz I insisted that controlling and finance should be monitored on an ongoing basis," said Aleš Okorn, Director



Lušt is considered one of the most recognisable and innovative agricultural brands in Slovenia. Lušt tomatoes are produced by the company Paradajz, d.o.o., where 50 employees working on 9ha of glazed areas with only tomatoes generate over 8 million euros of net sales revenues, with a profitability of more than 17%.

In addition to improving reliability, speed and adjustability, they wanted to save time in preparing the reports themselves. In the sales department, a person spent one third of their working time preparing weekly and monthly reports. A week was needed just to prepare a quarterly report for the bank.

A decision-making solution that supports business growth

By chance they met with the ResEvo team that conducted an analysis of the management and business information system status and considered the managers' wishes for upgrading the system. "Klemen and colleagues looked at what we currently use and what we want to achieve. They customised their product to our specificities and to enable reading of our data, and we made additional adjustments to the accounts," explained Mr Okorn. The decision-makers now obtain information on a daily basis or with a maximum 24-hour delay.

This enables them to instantly detect any anomalies at the moment they occur, rather than in the one months time, after a quarter or at the end of the financial year, when it is already too late. "Given our constant growth and change, the fact that we are adding companies and products to our portfolio and at the same time consolidate our operations, the ASK.BI system is flexible enough to effectively keep up with our development us," pointed out Mr Okorn

Automatic work

Unlike the previous business reporting support system, the new system creates reports automatically. The persons responsible in individual departments spend only an hour a week to prepare reports, as the system generates reports and sends them out automatically. They have also acquired tools to enable them to fetch different data from their databases. "We own a Mercedes and we drive it as a pick-up truck. We do not yet have a team to realise the full potential of this software, so we are currently only making use of it for what is most important," said Mr Okorn. They deal with system updates when it is not peak season. It is then we can take time to customise and design reports and to develop new ones. If individual users need a quick adjustment of a specific report, but lack qualified staff, they can export the data from the BI system to Excel and prepare the report themselves.

Interactive information for different users

By renovating the IT solution for business reporting, the company Paradajz took a big step forward. Reports for management, the sales, financial and accounting departments and other business users are created on a daily or weekly basis. In addition, they can view the data via a mobile phone. "If I go to a meeting with a trading comp any, I can use my phone to see year-to-date sales. I can see what the trends were, what was sold, and I know how much we sold by product and what the average prices were," illustrated Mr Okorn.

They do the right things

They use the new system to establish the average revenue per square metre that is achieved for each variety. "On the one hand, you find out how a certain variety is selling and, on the other hand, that its per square metre is too low. The production department may be satisfied with the production of a certain variety and its reliability. However, it yields too few kilograms per square meter for that price," pointed out Mr Okorn. Thus, the information obtained from the ASK.BI system also help them to determine whether they would increase their earnings more by introducing other varieties. Previously, this information was obtained at the level of the previous year, which turned out to be too late for planting in the next season. "We lost two years. Now we can look at this on a daily basis and see how we operate in terms of individual varieties and products if the tomatoes are packaged one way or another," said Mr Okorn.

On the other hand, they are preparing statements of costs that quickly identify whether they have exceeded their planned costs or how they are trending compared to the previous month or year. They monitor the company's profitability and profitability by customers, varieties and products. They even monitor the added value of products, containing different varieties of tomatoes. Mr Okorn pointed out: "We have limited space for planting tomatoes. We need to make most of out of this using varieties that generate sufficient returns to earn money on the market."

The right way

The information from the business intelligence system is used in the design of new greenhouses. When working on new projects they decide on the basis of their own experience, not on the basis of the experience of growers from other countries, for example, from a different geographical area. The system allows you to learn quickly on a trial by error basis. In the first years the mistakes we made were measured in hundreds of thousands of euros, and now our mistakes are totalling a few thousand euros. Faults are detected much earlier, and since after nine years we have already gone through everything imaginable, we are also taking appropriate measures," revealed Mr Okorn. The company is already introducing solutions in the field of machine learning, with which they want to gain insights into the future, in particular with a view to taking appropriate measures as regards the weather and the possible occurrence of plant diseases.

Benefits

- reduction of errors when taking operational and strategic decisions – credible information is available within 24 hours at the latest
- mobile phone reports
- constant availability of information for use in decision-making
- significant reduction in time required for the preparation of regular reports – from two hours a day to one hour a week
- easy customisation of the system to new business requirements
- fast acquisition of new features and designing of new reports
- automatic periodic reports
- self-customisation of reports and creation of reports on request