

SUCCESS STORY

NAMPAK LTD. DIVFOOD

DivFood, a division of Nampak, Africa's largest packaging company and one of the world's most diversified suppliers of packaging products, runs macs Controlling, "Made in the Black Forest, Germany" to support decision making to ensure growth and profitability

In a challenging economic climate, it's imperative that manufacturers maintain a price advantage by keeping their pricing competitive. This can prove to be very challenging task due to the fluctuating costs of raw materials and the dynamic nature of the industry.

With over 60 years of experience DivFood is a division of Nampak, Africa's largest packaging company and one of the world's most diversified suppliers of packaging products. With a wide range of technologies in metals, glass, paper and plastics, Nampak offers its customers a varied range of products. As one of the few metal-can manufacturers producing both tinplate and aluminium aerosols worldwide, DivFood tailor-makes aerosols to customer requirements in several sizes, shapes and shoulder profiles. Aerosol designs are also printed in high quality detail to reflect any given brand image.



Pricing and Profitability

Improved forecasting and a detailed understanding of pricing is the only way for Nampak DivFood to ensure it remains competitive and

reacts to varying costs based on individual products and customers. With a sound ERP (enterprise resource planning) system from JD Edwards in place, which manages the process of manufacture from order entry to invoicing, DivFood has added macs Controlling, and enabled management accounting functionality to its systems, which facilitates cost and profit management.



"The system allows us to use sophisticated methods to allocate costs accurately and consistently to products and

customers on a timely basis," explains Jasper van der Westhuizen, Financial Director for DivFood. "By using macs it is easy to identify underperforming categories or products. Moreover, the detailed breakdown of costs within the system allows us to analyse and benchmark specific products and their manufacturing processes, which enables us to improved efficiencies and overall profitability."

To ensure growth and profitability, Nampak DivFood required a solution that will support informed decision making in a challenging market with ever-increasing competition, Van der Westhuizen indicated: "The unique nature

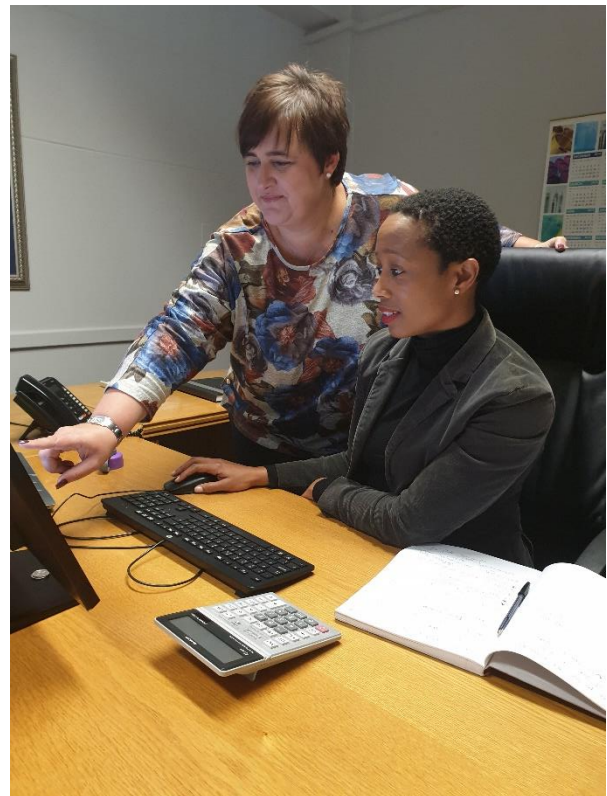
and sheer scale of our operations requires detailed pricing based on the exact specifications of our products. Accurate pricing and profit management are essential to Nampak DivFood. Macs Controlling software is essentially an add-on to Nampak DivFood's existing ERP system complementing its functionality to create a holistic picture of every area of the business.”

The macs solution facilitates proactive profit management by converting a demand plan into a profit plan by customer and product which alerts the business to market segments needing attention in terms of pricing and volumes.

The implementation of Nampak DivFood's system began with the macs Consulting team, headed up by Wolfgang Doeller, gaining a thorough understanding of the business. "Our business is very complicated, yet Wolfgang quickly grasped how it works and what we needed in place to achieve our objectives. The end result is a system that meets our requirements while being intuitive and easy to use," says Van der Westhuizen.

A combination of forecasting and pricing simulations provided by macs Controlling form the basis of strategic planning and price adjustments in Nampak DivFood.

A controlling software solution from the Black Forest in the far away Germany is running to great satisfaction in a big South African company. Daily users at DivFood are the Commercial Manager and the Management Accountants who provide info and reporting to the sales and marketing team.



Does “Controlling” exist in South Africa at all? Michael Döller, consultant of macs Software SA (pty) Ltd. in Cape Town explains: “The word controlling does not really exist in South Africa. ‘Management accounting’ is a word more commonly used.” But: the underlying methodology of “German Controlling” is convincing: “There are pockets of appreciation though.

The CEO of the RCL Foods group has said that the macs system is mission critical to their business. It meets their requirements in a complex and diverse product structure with inter-branch business.”

About the company

In collaboration with Nampak Research & Development, recognised as one of the premium packaging resource facilities in the southern hemisphere, DivFood's cans are backed by a cutting-edge food technology and microbiology laboratory. These world-class facilities play an integral role in providing microbiology and spoilage investigation, thermal process validation, shelf life evaluation, container physical testing, new materials evaluation and hygiene audits.



Across its entire range, DivFood uses the latest technology and equipment, together with exceptional print quality, to manufacture its wide range of metal packaging solutions for a wide variety of customers across multiple markets. Two modern design studios, equipped with state-of-the-art computerised design systems, complement DivFood's design

capability and provide customers with unique design options.

As a creative and innovative manufacturer, with access to the best international technology, DivFood is able to fulfil just about any requirements when it comes to quality customised metal products. DivFood currently supplies an impressive 1 billion food cans to the SA market each year making it a leading tin can supplier to the South African canned food industry. It is also a supplier of choice in 35 countries across the globe.

Contact information



Building 11A, Ground Floor, Woodlands
Office Park, Western Service Road
Woodmead, Gauteng
PO BOX 120
PO BOX 3388
Tel: +27 11 519 7900
Web: www.nampak.com

macs Software SA (pty) Ltd.
Metropolis Building, Suite 805
32 Prestwich Street
ZA-8001 Green Point, Cape Town, SA
Fon: +27 (0) 21 4184227
info@macscontrolling.com