



FreshERP SEEKS TO DOMINATE RIPE MARKET BY MODERNIZING ITS APPLICATION AND MOVING TO THE CLOUD WITH PROGRESS® PACIFIC™

When you pick up an apple at the supermarket, you probably aren't thinking about the complex logistics it took to get that apple to the store. But that apple's journey is quite remarkable. It had to be picked, transported – possibly between countries, cleared through customs, delivered to a warehouse, put into inventory, pulled for a shipment, and then transported again to its final destination – possibly a different country. The logistics involved are quite complex and to compound that complexity the product is perishable, which means all of these logistics have to take place quickly while complying with strict quality control regulations. No one wants a spoiled apple.

It is hard to fathom, but many companies are still managing this complex logistics process manually –with spreadsheets and paper. But FreshERP B.V. is playing an important role in modernizing the way the fruit and vegetable distribution industry operates. A Progress application partner, FreshERP's Fresh4Fruit ERP system manages all primary and operational processes within fruit and vegetable distribution-related organizations, including purchasing, sales, warehouse management, logistics, customer service and communications. With more than 300 users, FreshERP's customers include worldwide operating companies across all levels of the fresh produce market, including growers, cold-stores, shipping companies (stevedores), importers, exporters, wholesalers and supermarkets.

Wilco van Vliet, co-owner of FreshERP, equates his customers' dynamic and massive operations to a financial center, like the New York Stock Exchange. "Their distribution centers are massive, anywhere from two to five football fields long and they are in constant motion, taking and filling orders all day across multiple countries on millions of pieces of produce."

"For example, one of FreshERP's largest customers, manages a few hundred trucks across Europe and transports millions of bananas and pineapples a week to France alone--the biggest consumer of pineapples in the world," explains van Vliet. "The company's distribution is done through a third-party -- one of the largest supermarket chains in France. Another FreshERP customer, exports fruit from South America to countries across Europe and all the way to Russia. This company has multiple sales reps that spend their entire day taking and filling orders. These companies are responsible



CHALLENGE

Quickly move into new markets and expand its business internationally

SOLUTION

Leverage Progress Pacific Platform to modernize it's existing Fresh4Fruit ERP system, move the application to the Cloud, and add additional capabilities including mobility, business process management [BPM] and business rules management [BRMS]

BENEFITS

Rapid time to market – migrated two million lines of code in nine months versus years with IBM and at 10x reduced cost; expects to double its ROI within one year; will dominate the Dutch SMB market with new Cloud-based solution and no direct competitors

for stocking and emptying their massive warehouses every single day. There is very little room for inefficiency or error. So our automated system gives them the ability to manage their entire business in real time, increasing efficiency and productivity, streamlining their operations and optimizing communications.”

Originally developed in 1991 and co-owned by Magic Software, the company recently changed ownership. Van Vliet and his partner Paul Lange, co-owner and CEO of FreshERP, saw tremendous potential in both the application and the fresh produce market. “In total, our customers manage close to a half a billion euros in revenue a year through our system. But that’s just a small piece of the market,” explains van Vliet. “Fruit distribution is the largest industry in Holland. Each month, more than one billion euros in revenue flow through the Netherlands’ fresh produced industry. So the business opportunity for us to expand is tremendous.”

In particular, FreshERP sees great potential in the small to medium [SMB] market. “There are over 750 SMBs in the Netherlands and thousands in Europe that simply cannot afford the time, expense and maintenance of a larger, on-premise ERP implementation,” says van Vliet. “For them, the solution is the Cloud. But there is no Cloud-based solution on the market. We plan to change that.”

With ambitions to move to the Cloud, dominate the SMB market, attract new enterprise-level customers with exciting new features like mobility and business process management [BPM], and eventually expand internationally, FreshERP needed to make some significant changes to its application. But with the inflexible underlying legacy Magic platform, it would be too costly, cumbersome and time consuming to modernize Fresh4Fruit. So the company began an in-depth search for a new business application development platform.

PROGRESS PACIFIC A ONE-STOP-SHOP

After a thorough evaluation of the market, FreshERP narrowed its search down to Magic Software, Microsoft, IBM and Progress. But after careful consideration, the company chose Progress Pacific to power its application. Van Vliet says Progress rose to the top for a number of reasons.

“Progress Pacific offers the most complete platform for the development and management of process-driven applications. With Pacific, we can deploy Fresh4Fruit to any platform, mobile device and Cloud,” explains van Vliet. “Progress is a one-stop-shop with a clear Cloud focus, offering an entire solution stack, including BPM and business rules management, that we can leverage to continue to innovate our application and drive a competitive edge. Each time we want to do something new, we will have the technology at our fingertips versus having to wait for a new PO to be approved or launch an extensive search for a new solution. For us Progress Pacific is like a vast ocean – wherever we want to go, Progress Pacific will take us there.”

Van Vliet says FreshERP’s mobility strategy was also a perfect fit with Progress Pacific. And they appreciated that Progress offers the lowest total cost of ownership [TCO] in the industry.

But the decision to choose Progress went beyond the technology. The value of the partnership also played a significant factor in FreshERP’s decision to choose Progress Pacific. Van Vliet and Lange actually worked at Progress years ago, so they knew first-hand the value of the Progress partner program and its extensive ecosystem. “Progress is truly a partner-driven company. And as an ISV, I now have an even better perspective,” says van Vliet. “When we were dealing with IBM, we had to work with a different person for each technology we were interested in – the database, BPM, business rules, etc. At one point I was juggling seven different people and phone

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numbers across different countries. But with Progress, we deal with just one person. Progress has also helped integrate us into the broader Partner ecosystem. The guidance and best practices we have gained from talking with other partners have been invaluable.”

DRIVING A COMPETITIVE EDGE WITH THE CLOUD, MOBILITY, BPM AND BRMS

FreshERP has an aggressive modernization roadmap for its Fresh4Fruit application. Within the next few months the company plans to complete its rebuilt of its application from Magic to Progress Pacific. Its goal is to maintain 100% customer satisfaction across its existing base during this transition. The migration will have to be aggressive and flawless – conducted over a weekend so its customers can get back to business first thing Monday morning. “Our customers manage a massive amount of product through our systems each week. They can’t afford to be down for even a minute. So when we perform the migration it has to be perfect – zero latency. And we are confident that with the high-performance and reliable underlying Progress Pacific platform, we can meet this aggressive schedule and need for 100% uptime.”

Once complete, FreshERP plans to incorporate Progress® Corticon® for business rules management and Progress BPM for business process management. “Each company using our application is unique,” explains van Vliet. “Progress Corticon and Progress BPM will enable us to quickly and easily tailor our application to suit their individual needs. This kind of intelligence-driven architecture will be a significant competitive advantage for both us and for our customers.”

In parallel to these projects, FreshERP will also work on deploying its ERP system to the Cloud. Eventually, the company expects the majority of its new customers will run on the Cloud version of Fresh4Fruit. “Our biggest competitors just don’t have the agility to move into the SMB market with their large, complex and costly architectures. But with more than one thousand customers wanting this type of application, we know the market is ripe. Once we have our Cloud-based application available, we won’t have any competition in this segment. That’s exciting.”

Another goal for FreshERP is to provide a mobile option of its application. “Our customers are managing huge, dynamic warehouses – often in multiple locations. Orders are constantly coming in, inventory is always changing, trucks are coming and going, and everything is perishable – so there is very little room for error,” explains van Vliet. “Mobility will revolutionize the way these companies can operate, affecting everything from sales and Q&A to inventory management and distribution. These companies will have greater visibility into their operations; they will be able to better manage their costs; and their productivity and efficiency levels will greatly improve.”

For example, customers will be able to perform Q&A as soon as they receive the product from customs. If the fruit is overripe or damaged, they can reject the shipment on the spot and send it back immediately. Through simple touch screen devices, drivers will be able to notify a warehouse of their estimated time of arrival so the facility is staffed and ready for the shipment. Also, managers and executives that may not be on premise can also keep tabs on operations in real time. “This is a 24x7 industry. Any delay, any problem translates into lost revenue. That is why the reliability and scalability of Progress Pacific will be so vital to the success of our solution and to our customers’ business.”

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FASTER TIME TO MARKET AND RAPID ROI

Progress is already delivering a number of benefits to FreshERP, and the company anticipates a significant competitive edge for both its business and for its customers.

“Our time to market has been much faster and less costly with Progress than it would have been with another solution,” says van Vliet. “Fresh4Fruit has more than 30-man years of development behind it and more than two million lines of code. We were able to completely rebuild this application using Progress Pacific within just nine months. With IBM, this same project would have take us years to complete and cost ten times more.” Because Progress Pacific is so flexible, it can run on any system. “If we chose Microsoft, all of the servers, the OS, everything would have to change. The costs to our customers would have been significant and unreasonable.”

By the beginning of 2015 the company expects to realize a significant ROI. “I anticipate that we will double our revenue in less than one year because of Progress technology,” predicts van Vliet. A significant factor will be its ability to capture the SMB market. With its Cloud-based solution, FreshERP will be able to offer those customers access to modules to manage specific operations, like accounting or inventory. “Customers will only have to pay for what they use versus investing more time and money in an on-premise application. In a seasonal-driven industry where needs and demand vary greatly based on the time of year that is a powerful value proposition. And with the Cloud, they can be up and running immediately. So now these smaller players will have quick access to the same state-of-the-art capabilities as their larger competitors at a vastly reduced cost.”

FreshERP has already put out the word that it will soon be offering its Cloud-based application, and both prospects and competitors are reacting. “We have had prospective customers already tell us that as soon as our Cloud application is ready they will sign on the dotted line. There is tremendous excitement. On the flip side, our larger competitors – one with 60-70% of the Dutch market – are voicing concern that our new solution will hurt their business. Our message with Progress Pacific is powerful: we will be able to move into new markets quickly and offer customers exactly what they want at a competitive price within a matter of days. That will truly set us apart from the competition.”

ABOUT FreshERP B.V.

FreshERP is a Dutch business software supplier in the Fruit and Vegetable distribution industry with more than 300 FreshERP users. The company provides solutions for customers within the global fresh produce market. FreshERP is specialized in developing and offering software based on lots control for the fruit and vegetable market. Its customers include worldwide operating companies within all levels of fresh produce market such as growers, cold-stores, shipping companies (stevedores), importers, exporters, wholesalers and supermarkets. www.fresherp.nl

PROGRESS SOFTWARE

Progress Software Corporation [NASDAQ: PRGS] is a global software company that simplifies the development, deployment and management of business applications on-premise or in the cloud, on any platform or device, to any data source, with enhanced performance, minimal IT complexity and low total cost of ownership.

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Rev. 02/14 | 140209-0007