# KINNERTON

## Kinnerton Confectionery Transforms Product Creation Process with Aras

> "Flexibility is hugely important for us. It means we can keep reinventing the way we do things and maintain our entrepreneurial spirit of innovation. Aras stands alone in terms of solution flexibility to suit our changing needs."
>
> Mathew Davies
> Head of IT,
> Kinnerton

**When it needed to optimize new product development, Kinnerton turned to Aras.**

Kinnerton is the UK's largest independent manufacturer of chocolate and novelty confectionery. The company has approximately 800 employees across three manufacturing sites in the UK and it prides itself on its flexibility and ability to innovate quickly and stay ahead of rapidly evolving customer demands.

Kinnerton makes chocolate bars, lollies, advent calendars, biscuits and Easter eggs, to name but a few of its products and it produces private label and bespoke confectionery for some of the UK's largest retailers including some very well-known UK brands.

Kinnerton also specializes in character licensing, which means creating a new product around perhaps a popular movie or cartoon character. Kinnerton even has a special factory that is dedicated to producing chocolate products for people with nut allergies.

## Business Benefits

- ▸ Streamlined new product development
- ▸ Enabled teams to think strategically
- ▸ Able to meet critical product deadlines
- ▸ Established formal product processes

**Kinnerton Confectionery Facts and Figures:**

- Kinnerton made over 10 million Advents last year and over 20 million Easter Eggs in the current year.

- Kinnerton has used over 200 licensed characters throughout the last 30 years and it develops more than 400 new products a year

- Around 50% of Kinnerton's product line is seasonal. This means producing Easter eggs for Easter and advent calendars for Christmas. They can't be late for obvious reasons.

- Based on the seasonality of their business, Kinnerton's sales and profitability rely heavily on the company's ability to get new products to market very quickly and efficiently.

## The PLM Challenge at Kinnerton

Following waves of growth and expansion, the company was starting to become a victim of its own success. With an ever-expanding product portfolio, Kinnerton's process for new product development and introduction (NPDI) had grown overly complex and unpredictable.

Employees from various different departments lacked visibility into the overall process and struggled to manage the huge volumes of documents associated with such a wide range of products.

This tended to extend the early phase of production and forced product teams to continuously make up for lost time by compressing the later stages of the NPDI process.

The situation was becoming untenable and began to create some big financial risks. "We need to deliver seasonal products on time at the beginning of each season," said Matthew Davies, Head of IT for Kinnerton. "If we miss a date, millions of pieces go unsold."

Kinnerton needed to find a way to get its product information and NPDI process under better control. This would enable the company to get new products into production faster and get products developed in the same amount of time. It would also help cut out the 'firefighting' late in the process. Thus, combining mass production with high rates of innovation would then provide an edge over the competition and ultimately help the company make more money.

After evaluating several PLM systems, Davies and his team chose Aras Innovator for its flexibility and ease of deployment.

Aras uniquely makes PLM flexible and allows process modifications that are quickly and easily configured. "Flexibility is hugely important for us," said Davies. "It means we can keep evolving the way we do things and maintain our entrepreneurial spirit of innovation." Moreover, because of Aras Innovator's open, web-based platform, Kinnerton could continuously incorporate new processes and capabilities over time. Davies explained further, "This all adds up to innovation at the lowest possible cost. Aras definitely stands alone in terms of solution flexibility to suit our changing needs."

Kinnerton decided to work with Aras certified partner AESSiS to help deliver the new approach. According to Davies, "We were impressed by AESSiS's ability to provide open, honest and objective input. They really understood the PLM in general and Aras solution in particular, and were also able to deliver a very flexible

and proactive approach, at a very competitive price. Together, we were able to form an effective team really quickly, and were able to bring our detailed knowledge about our processes and our vision to the table where AESSiS married this very effectively with the capabilities of the Aras technology".

## Building the Solution

Kinnerton's PLM initiative began with workshops and whiteboard discussions to establish consensus and a clear vision of how the company's future processes should work in the context of Aras.

AESSiS and Kinnerton then worked together to map the company's requirements onto the Aras technology. The great thing about Aras, says Davies, "is that you can build exactly the data model and process you want in Aras. You don't have to compromise. But you also want to take advantage of standard Aras tools and features where it makes sense. We wanted to get the balance right and AESSiS was able to help us to do that".

> "
>
> *"People now see the strategic value of their contributions, which makes everyone push harder to bring 'his or her' product to market on time. It's been a remarkable transformation and a quantum leap forward for us in terms of accountability and knowledge sharing."*
>
> Mathew Davies
> Head of IT,
> Kinnerton

## Building the Kinnerton Data Model in Aras

The Aras deployment began with a pilot focused on the basic product development process. A bespoke data model was created to capture and manage Kinnerton's new products.

These products were organized into ranges and the ranges collected by season. This aligned very well with Kinnerton's seasonal approach. Users were allowed to interact with the pilot system and enter those products that were under consideration for future development, organizing them into seasons and building their product hierarchies.

Feedback was gathered on a regular basis and the data model began to evolve to match the needs of the user community. This approach of continuous adaptation to the user is quite unique to Aras and is a testament to the technology's unrivalled flexibility. And what happened next is quite interesting. What had been intended to be purely a pilot environment began to be used in earnest. In a sense the user experience was leading the evolution of the data model to the point where Aras gradually slipped into production. The main challenge was that the infrastructure and database had to be improved to keep up with the growing demand.

## Building The Stage Gate Process

The next step for Kinnerton was building the electronic workflows that would underpin the product development process. This represented a major step forward for the business. Prior to this, the company had remarkably few formal processes and information flows varied greatly depending on who was involved with a particular product.

"Frankly, product versioning and workflow tracking had been out of control," said Davies. "Aras became the driver of process standardization in the business; it made us build consensus around consistent workflows and document management practices. It wasn't always easy to achieve that consensus but the process we ended up with was far superior to our previous ad hoc system of managing information via Excel and emails."

"Now, instead of information being spread across hundreds of spreadsheets and Word documents, we all have access to one accurate and consistent set of Product information within Aras and we know exactly where each piece of information fits into the product lifecycle. We can quickly identify where we need the contributions of particular individuals to keep projects and products on track, we also have full transparency into where the product is in the overall workflow and we have complete visibility and traceability into the decision making process. "

## Looking To The Future

Today, more than 1,200 Kinnerton products across 36 ranges are managed in Aras. But there is plenty of scope to automate and improve more business processes with Aras.

Kinnerton has started to use Aras in its quality department to track material failures in deliveries from suppliers. The ability to closely monitor materials failures, react appropriately and transfer accurate costs back to the supplier has tremendous benefits to the Kinnerton business.

## Royalty Management

The Kinnerton & AESSiS teams are also working on a royalty management solution in Aras.

Organizations such as Disney license their brands to Kinnerton but of course a royalty must be paid based on a percentage of revenue earned on a product.

Licensing well known characters for use in the branding of Kinnerton products is tremendously important to the business and represents a large portion of earnings. This makes royalty and license management critical to the company's long-term success.

But pallets of products shipped to a supermarket will contain a mix of products each attracting a different license cost and different country territories will attract different license costs for the same brand. Furthermore, some customers will have already paid for the brand rights therefore, for the same product; no license fee will be due.

The new Aras based solution will enable Kinnerton to be able to produce fast and accurate royalty calculations for all of their products. This will eliminate the risk of paying too much royalty or paying too little royalty and breaching sought after license agreements. It will also help to management to determine the optimal product mix based upon licensing costs.

## Changing The Culture

Another interesting aspect of the Aras implementation at Kinnerton is the impact it has on organizational culture.

"Seeing the full picture changes people's view of their own role," said Davies. "They now see the strategic value of their contributions, which makes everyone push harder to bring 'his or her' product to market on time."

"It's a remarkable transformation and a quantum leap forward for us in terms of accountability and knowledge sharing. We're all on the same page and know what must be done at all times" said Davies.

Ultimately, the continued success of the Aras implementation at Kinnerton will be measured by its continued ability to deliver further improvements in the way Kinnerton brings new innovative products to market and keep it ahead of the competition. But certainly Matthew Davies could not be happier with the success Kinnerton has had with PLM: "Aras has changed our way of thinking. When we talk about Aras, we're talking about how everything connects — roles, functions, departments, and the entire process. Not only does change our view from a project level to a process level, it changes the meaning of innovation for everyone."

The key to its success so far has been a great team effort between Kinnerton & AESSiS teams combined with a great piece of technology from Aras. And with this team in place, Aras will continue to deliver the value that the Kinnerton business needs long into the future.

## About Aras

Innovation is moving faster than ever, driving unprecedented complexity in both products and processes. For global enterprises innovating the products and systems of tomorrow, we offer the next generation of PLM.

Our modern, advanced PLM platform technology makes Aras more scalable, flexible and secure for the world's largest organizations, and a full set of applications provides complete functionality for companies of all sizes.

We invite you to learn more and find out why global leaders including GE, GETRAG, Hitachi, Honda, Motorola, TEVA Pharmaceuticals, Textron and XEROX trust Aras.

**aras A corp**®