

Transforming Data into Information Using Business Intelligence

It was born in the mid-twentieth century, but its origins date back to the 1600s. Illva Saronno comprises numerous companies and boasts an international market. To manage its growing complexity, it has chosen Sinfo One as a partner

Interview with Antonio Pisano, Head of Information Systems at Illva Saronno Holding

by Dario Colombo, in Saronno (VA)

ILLVA SARONNO

Headquarters

Saronno (VA)

Turnover

€ 400 million

Business

Production and distribution of alcoholic drinks, semi-processed products for ice-cream, oven products and optical lenses

Staff

Approximately 1,000

Ownership

Family

Legend has it that the origins of Disaronno date all the way back to the Renaissance. It was 1525 when the painter Bernardo Luini was served a tankard full of a fragrant, delicate amber liqueur. The artist, a pupil of Leonardo da Vinci, had been tasked with decorating the Sanctuary of the Blessed Virgin of Miracles in Saronno.

For his depiction of the Madonna, he chose a local serving girl as his model, who gave him the drink in return.

At that time, many families in the Varese region were producing liqueurs, digestifs and mixtures with curative properties.

These included the Reina family: it was Giovanni who, in 1600, rediscovered the ancient recipe of the liqueur that had been served to Bernardo Luini. That recipe was then passed down - 'secretly' - from one generation to the next until the start of the twentieth century, when another Reina, Domenico, opened a shop-laboratory in the centre of Saronno. People could come to this store, named Domenico Reina Colonia-li, to taste and buy the drink for themselves. On a wave of artisanal activity, 1947 saw

the birth of Illva – an acronym of the Italian for Lombardy Industry of Liqueurs, Wines and Related Products – transforming Disaronno into a symbol of the Italian food and drink industry. Starting in the 1960s, it was exported first to the rest of Europe, and later to the USA (Washington is its largest market).

From artisanal laboratory to holding company

Today, the shop-laboratory has changed beyond recognition, given that the Reina family – the current Chief Executive Officer is Augusto Reina – now controls Illva Saronno Holding S.p.A., the group to which Illva Saronno belongs, together with other companies whose businesses include alcoholic drinks, semi-processed products for ice-cream, oven products and optical lenses. The group has grown exponentially over the years by opening new branches around the world and purchasing companies or brands, which today make up the ecosystem controlled by the holding company: 15 companies representing numerous countries and

ANTONIO PISANO



Antonio Pisano has been Head of Information Systems at Illva Saronno Holding since 2013. Prior to that, he gained experience in consultancy, working for leading Italian companies in the Manufacturing and Food & Beverage sectors. During his time at Illva Saronno he has implemented some major projects within the group's various operating companies and overseas branches, such as updating and converging the ERP systems into a single Oracle JDE platform, creating mobile Sales Force Automation (SFA) and Customer Relationship Management (CRM) solutions for the sales force in Italy and abroad, and implementing an integrated Business Intelligence (BI) system to cover the main corporate processes.

prestigious, world-renowned brands such as Disaronno, Duca di Salaparuta, Tia Maria and Florio.

The Spirits & Wine sector is not the group's only area of activity: it is also involved in the production and sale of semi-processed products for ice-cream, the sale of machinery, spare parts and furnishings for ice-cream parlours, and the production and sale of polarised lenses for glasses via Barberini, one of the main suppliers of eyewear group Luxottica.

The holding company's total turnover amounts to around €400 million, with the parent company being responsible for coordinating the different financial, operational, human resources, legal affairs and IT departments.

Managing complex operations with ERP

Disaronno is now distributed in around 160 countries, but is produced entirely in Italy. In Saronno, there are two lines dedicated to the production of the liqueur and one for Tia Maria, while others are reserved for different spirits. Also in the province of Varese, the group's Real Aromi company produces flavourings; in Sicily, wines are produced and bottled in Aspra and Casteldaccia (Palermo) and Marsala (Trapani); in Altavilla Vicentina (Vicenza), the group's Prodotti Stella firm produces semi-processed products for ice-cream, while in Chignolo Po (Pavia) its Montebianco subsidiary makes semi-processed products; and lastly, there is Barberini, which manufactures its lenses in Silvi (Teramo).

When *Sistemi&Impresa* visits the group's headquarters in the province of Saronno – where the factory is also based – a project is under way to update the production lines with a view to compatibility with Industry 4.0, with the introduction of the Manufacturing Execution System (MES), which is intended to act as a link between the management system and the production lines. To give an idea of the figures involved, this extra digitisation and automation should enable the group to boost its production yield from around 6-7 thousand to 12 thousand bottles an hour.

"The Reina family is extremely passionate about the world of Spirits & Wine, and has invested in production and equipment", says **Antonio Pisano, Head of Information Systems at Illva Saronno Holding**. It is no coincidence that when the group had the chance to acquire Duca di Salaparuta



One of Florio's wineries controlled by Gruppo Illva Saronno Holding Spa

S.p.A. in the early 2000s it grasped the opportunity, and today controls 99.5% of the company. It was the Reinas who restored the Florio wineries to their former glory, so much as that they welcome around 50 thousand visitors each year.

Though spirits and wine at first appear very similar, they are actually completely different, as Pisano points out.

"Spirits are more industrial, with a focus on the recipe, whereas wine producers have to consider everything to do with cultivation and harvesting". Semi-processed products for ice-cream and pastries are different again, with "numerous product types": "In this case, the Research & Development sector offers considerable support in offering increasingly innovative products that meet the market's needs and trends, such as organic and gluten free". The many companies that make up the Illva Group are supported by the Innovation Center, which was opened in April 2014. The Center is a self-contained entity that works independently of the rest of the group, working to solve problems in a practical way with an efficient use of costs, resources and time. It is tasked with coordinating and managing group-wide research through innovative approaches and ideas, with the aim of implementing new markets and products by making the most of the synergies across the various organisations. Managing such a complex ecosystem means having to rely on ERP software that can offer considerable added value. Essentially, a "homemade solution was no longer good enough", because the group needed "a platform to provide real-time information" and that could manage "vast amounts

of data". Illva opted to use Oracle's JD Edwards ERP software, which, via the holding company, manages all the group's operating companies and respective overseas branches in the Spirits, Wine, Ice and Bakery segments; the Business Intelligence and Data Warehouse systems, on the other hand, have been implemented in all group companies, with the exception of Yantai Changyu Group, Modi Group and Barberini.

Business Intelligence software that provides information in real time

"We worked with Sinfo One on ERP implementation between 2013 and 2016 to make everything converge around a single platform, because each company had its own system", explains Pisano. Once the process was complete, however, a dialogue began aimed at understanding how to best tap into the ERP system's potential.

"We needed to create a BI solution that could consistently provide the information we required". Once again, the Parma-based software firm was selected for this task. It responded by offering its Oracle BI solution, which could "gather definitive day-by-day data from the ERP system" and store it in a data warehouse to be used "according to business needs". "The next step was to create common approaches, despite starting from different business needs", says Pisano. With the BI project, the group departed from the world of sales. "It was a case of focusing on the department that had the most urgent need to be modernised and updated." The BI "collects the group's data and creates a dashboard for the management, which can be used online". The software was issued to all users, with some differences: "The various group companies can access only their data, whereas the parent company has an overall view of the group's information", says Pisano. "Having sales data means being able to integrate information about direct sales, but also about the sales of our distributors; the BI system is useful for both

B2B and B2C (abroad), because the latter is the real bellwether for the efficiency of our operations". Once the sales project had been completed, the company shifted its attention to "purchases and storage". "We carried out a project aimed at centralising the purchase function in order to have common approaches so that we could conduct analyses at aggregate level", continues the Information Systems manager.

How did the process work before the BI system was adopted? "To give you an example, the facility in Saronno and those in Sicily acted as two separate entities; today, however, the aggregated data gives us greater negotiating power". On the warehouse front, the organisation wanted to "carry out a targeted analysis in order to identify stock and products in real time". The purpose: "to optimise the level of stocks and raw materials".

"Sinfo One certainly played a key role, because the project was born out of one of their data warehouse models, which was subsequently adapted to suit our situation. In particular, this involved reviewing the procedure for integration with the ERP platform and the data feed interface", recalls Pisano. He adds that having the initial model was key, because "a software vendor would have made us start from scratch", whereas bringing in Sinfo One enabled the company to "smooth the project's launch": "Thanks to its expertise, the system integrator already has models conceived for the Food & Beverage industry that have been tested in other businesses and then tailored to the various companies' needs, whilst maintaining the same functional logics".

The next challenge concerned the creation of a consolidation platform. The solution chosen in this case was Oracle Hyperion, again with support from Sinfo One. "We have a strategic partnership in place with Sinfo One", says Pisano.

The latest issue in terms of software solutions concerns Enterprise Performance Management (EPM), which essentially means linking the BI and Finance platforms in order to generate comprehensive accounts. This involves, on the one hand, using the definitive data collected, and on the other, comparing the budgeted figures to the actual ones. "The result is a dashboard that is managed by one user for each company of the function 'Some of the products of Illva Saronno Holding S.p.A. - monitoring and management'."



Some products of Gruppo Illva Saronno Holding Spa