SALOV:
digital transformation and integrated Supply Chain as an answer to changes in demand

SALOV deploys a digital transformation project in order to ensure greater flexibility and sustainability of the company's activities linked to monitoring and production analysis which, together with the human element, are at the core of the business process. Investments of approximately €5 million per year in new technologies and €1.5 million per year in digital transformation.

Massarosa, April 2022 - **Innovation**, together with **sustainability**, is one of the core values that drives **SALOV SpA**. The corporate group, which is one of the main players in the global olive oil industry with its Filippo Berio and Sagra brands, has launched a series of projects for the **digital transformation of the business and the group** which in recent years have led to investments of approximately **€5 million per year in new technologies and €1.5 million per year in digital transformation.**

In recent years we have witnessed an environment shaped by highly unstable demand caused by many factors, such as globalisation, the shifting and growing needs of the final consumer, intensive promotional activities as well as the ongoing tension of the raw materials market. This situation inevitably influences the **Supply Chain** which is becoming increasingly difficult to manage, forcing companies to progressively integrate the processes belonging to it, with the aim of making them more sustainable over time.

Since the beginning of this situation in June 2020, the company has launched various initiatives aimed at reviewing the processes in the **Supply Chain**, from demand to production: **long-term** investments working towards the **adoption of sophisticated application systems and advanced technological infrastructure** with the aim of increasing the company's flexibility and maximising productivity, creating a culture based on the analysis of system data rather than established practices.

For SALOV, the implementation of an Integrated Supply Chain was made possible by **aligning the production systems with demand, adopting integrated and sustainable operating models, the traceability of the Supply Chain and the implementation and complete adoption of digital system processes.**
The scope of the project included the digitalisation of everything relating to the analysis of demand, the planning, manufacturing execution system (MES), quality control of production lines, line monitoring, the maintenance and analysis of requirements through the adoption of suitable application systems.

"For SALOV, the integrated supply chain, the use of technology, the human element, project governance and the 'IT Driven' shift represent factors that enabled the success of the transition to Industry 4.0. *By concentrating on the aspects most linked to production, the digital transformation has contributed to bringing greater sustainability to the activities linked to monitoring and the productivity analysis of our lines. In particular, by creating the Digital Twin, we now have the ability to monitor the performance and the causes of downtimes with a speed and accuracy that was previously unthinkable,"* **explained Luca Greco, SALOV's CIO**, *"The automatic reporting and the real-time line monitoring therefore allow us to react earlier and better in order to limit the downtime and reduce the risk of production inefficiency."*

Furthermore, the integration of the line quality system into the MES allows us to better adapt and monitor the inspection activities during production that enable the bottles to land on the consumer's table with the high levels of quality that set SALOV apart.
Lastly, the **digital transformation** created a new and improved organisation of work which is more aligned to

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the new generation. All of which constitutes an attractive incentive, guaranteeing sustainability and being of benefit to maintaining and growing company know-how and, therefore, the quality levels of the product: decisive factors for competing in an increasingly complex market.

A business model which puts people and sustainability at its core.

In 2019, the Group launched a three-year **€15 million** investment plan to upgrade the production site with the aim of both increasing bottling capacity by **up to 20 million extra bottles** and a gain in terms of greater flexibility by completely overhauling the logistics system and increasing warehouse capacity, all of which was managed according to **Industry 4.0 architecture.**
Moreover, beginning in 2019 as part of the group's digital agenda, **SAP** (Systems, Applications, Products in Data Processing) was integrated in all locations with the aim of improving operating models and preparing for the transition to an Integrated Supply Chain. This process, which was guided by Information Systems, on one side involved senior staff with experience in the company, and on the other side featured younger, recently hire staff who were full of enthusiasm and more oriented towards the new technologies.

"Technology is a functional element for the well-being of the people that work in the company and it helps to build a work model that contributes to creating the sustainability of tomorrow," **explained Fabio Maccari, SALOV's CEO**. *"Without doubt, tackling this journey has been very challenging for the staff who have gradually changed their opinion and understood the value that this evolution will have on their work and the business."*

It was crucial for SALOV that the planning of the **journey** was logical, with the digitalisation and integration of the various business components proceeding in stages so that each step enabled and triggered the subsequent one. This digital transformation, which has involved every department and all workflows, will continue systematically over the coming years.

SALOV SpA was founded in **1919** by Giovanni Silvestrini, a long-time business partner of brand founder Filippo Berio, and a group of entrepreneurs from Lucca. The company quickly became a standard bearer for Lucca around the world. SALOV **is based in Massarosa**, in the province of Lucca, and is **one of the largest companies in the olive oil sector,** with a consolidated net turnover of approximately €335 million and 120 million litres sold in 2020. It has been part of the Bright Food International Group since 2015.
The SALOV Group has always been on the Italian market with the historic **Sagra** brand and, at the end of 2019, for the first time in Italy, it launched the **Filippo Berio** brand, a brand with over 150 years of history worldwide and in a leading position in the USA, UK and Russia, as well as in Belgium, Switzerland and Hong Kong.
Filippo Berio is present in Italy with a dedicated range capable of meeting the needs of an increasingly discerning consumer in terms of **quality** and, above all, **traceability and sustainability**. In fact, thanks to the **Berio Method,** each part of the production process is traceable and certified, starting from the field and the application of sustainable integrated production techniques.

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