

Optimizing processes and technology

Continuously improving our efficiency is a prerequisite to maintaining cost leadership. Last year, we launched program “One+”. The aim of this program is to develop a standardized methodology and related tools to increase overall operational efficiency and optimize processes.

“One+” has now been implemented in four sites and is being rolled out to three additional factories. The program helped to increase Barry Callebaut’s operational efficiency. At the four pilot sites, savings initiatives amounting to around CHF 7 million annually were implemented.

Overall manufacturing costs per tonne of activity rose by 3.4%; on a like-for-like basis, costs were reduced by 2.2% (target: -2%). Costs were higher due to higher energy prices, which offset a reduction in energy consumed, as well as due to the contingency plan drawn up in response to the de facto export ban in Côte d’Ivoire. The capacity utilization for liquid chocolate reached 84.7% and was at the upper end of the target band of 82 to 85%.

In order to prepare the production capacity basis for the company’s future growth, Barry Callebaut invested CHF 105 million¹ in the extension, maintenance and optimization of its factory base (+0.5%). A significant investment has been made in the specialized beverages production site in Kågeröd, where a third spray tower will come on stream in the first half of fiscal year 2011/12. Investments were also made for the ongoing implementation of our supply agreement with Kraft, within the specified schedule and budget. After signing a long-term outsourcing agreement with Mexican Chocolates Turín, Barry Callebaut also acquired a new chocolate production facility located in Toluca, close to Mexico City. On the other hand, Barry Callebaut sold five factories in Germany, Belgium and Switzerland as part of the divestment of its European Consumer Products business to the Belgian Baronie Group. The company now operates 40 factories worldwide.

¹ Continuing operations; excl. European Consumer Products business