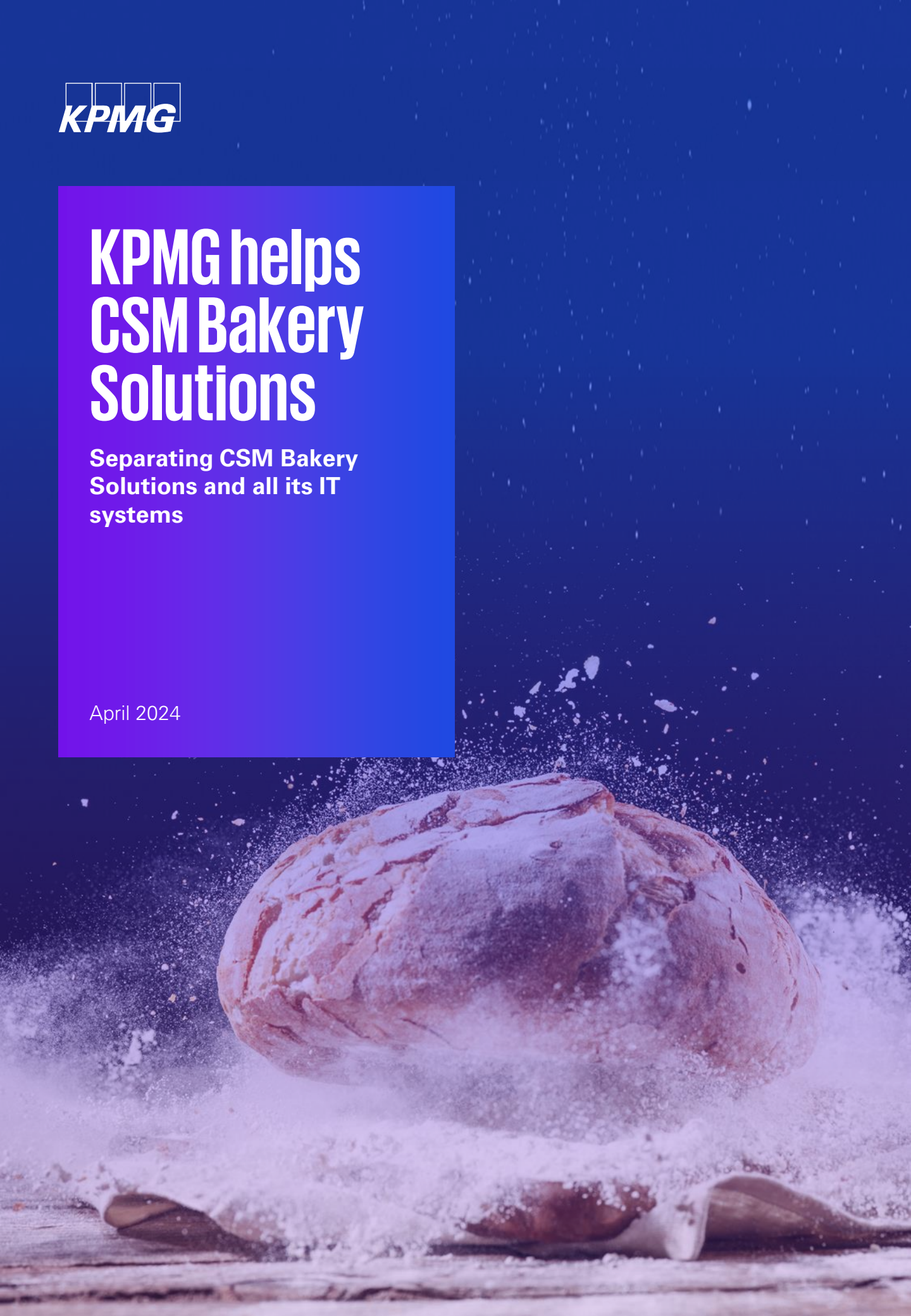




# KPMG helps CSM Bakery Solutions

Separating CSM Bakery  
Solutions and all its IT  
systems

April 2024



# The question

## Successful SAP separation within seven months

CSM Bakery Solutions was a major supplier of bakery ingredients (e.g. bakery fats, bread ingredients, fillings, icings, toppings, etc.) and bakery products (e.g. brownies, cookies, cupcakes, muffins, donuts, etc.). CSM Bakery Solutions took the decision to sell its European Ingredients business to private equity firm Investindustrial, effectively splitting the company in half.

For CSM's IT department under CIO Stephan Mahler, this promised to be a very complex operation. The local SAP systems in the various European countries were not centralised, and from an IT point of view, there was no real distinction between the ingredients' and products' activities.

How then would it be possible to disentangle these activities in the IT landscape within only seven months? How could Mr. Mahler make sure that both new entities-to-be – CSM Ingredients and BAKER & BAKER – would have fully operational IT systems in place from the day after the actual cut-off? One of the parties Mr. Mahler turned to for support was KPMG.

## About CSM Bakery Solutions

Prior to the separation described in this paper, CSM Bakery Solutions was a global leader in bakery ingredients, products and services for retail and food service industries as well as artisan and industrial bakeries. Through the dedicated efforts of more than 7,000 employees, CSM served customers in more than 100 countries, providing specialised ingredients (dry mixes, fillings, icings, glazes, mélange, toppings, batter, frozen dough and more) and finished products (cakes, donuts, muffins, brownies, cookies, specialty bread, pastries and more). CSM's mosaic of heritage bakery brands included some of the industry's most trusted names: Brill, MeisterMarken and Waldkorn, to name but a few. Currently, the European ingredients business operates under the company name CSM Ingredients, whereas the Products business continued as BAKER & BAKER.



# The challenge

**Stephan Mahler remembers exactly when it all started for him. During a board meeting, CSM's CIO was taken aside by the CFO who informed him that an investor was seriously interested in buying the Ingredients activities in every European country, or about half of CSM's business on the continent.**

"Honestly, at first I thought that this approach was a joke", recalls Mr. Mahler. The carve-out of such a big part of the company along product lines that, from an IT perspective, were purely artificial, was the most complex way he could think of to divide the business. "'How on earth can we possibly split up the company like that?', I asked. The reply I got was, 'Well, Stephan, that's up to you.'"

It took Mr. Mahler some time to get across, both internally and to the external consultants involved, how complex an operation this would be for his IT department. "From 30,000 feet, it looks like a piece of cake. Simply duplicate every system and all the data we had so that after the cut-off, both new entities have their own copy and can proceed as before. But when you start looking at a more detailed level, complexity just pops up everywhere." This was mainly because the Products and Ingredients businesses that were to be separated were fully integrated in terms of organisation, suppliers, customers and, crucially, also from an IT point of view. Moreover, CSM's growth over the years had been on a country-by-country basis, and it had never gotten to the point where all local SAP systems were brought under one umbrella. The IT landscape had 14 SAP streets, including 6 Enterprise Central Component (ECC) systems, 2 Customer Relationship Management (CRM) systems, 1 Supplier Relationship Management (SRM) system,

1 Master Data Management (MDM) system, 2 Business Warehouse (BW) systems and shared EDI connections.

So, the challenge was clear. Carve out a 600-million-dollar business in only seven months and fulfil the exit criteria as set by quite a demanding buyer, all before a deadline which was written in stone. Make sure the separated businesses can resume operations seamlessly on Day 1 after the cut-off weekend. Duplicate the complete server landscape and also reconfigure the IT landscape for countries where, after the separation, business would become too small to justify the original set-up. And finally, because of Covid-19 restrictions, achieve all of this by working remotely.



"I am truly thankful to the KPMG team and all the others involved for their flexibility, their responsiveness and their performance that led to a remarkably successful collaboration. That will certainly stick in my mind."

**Stephan Mahler**

# The results

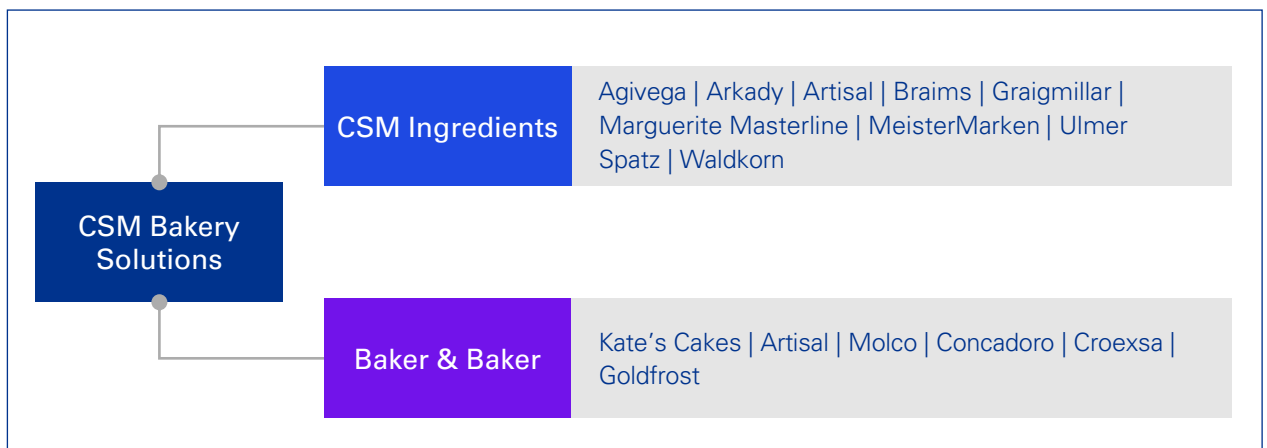
**A successful separation requires a balance between maximising value while mitigating risks, maintaining control of the process and protecting business as usual operations. KPMG supported CSM Bakery Solutions throughout the whole process, with the following results.**

- Managed to forge one IT team and achieve true collaboration between members from multiple companies, under high-pressure circumstances and working remotely for the entire duration of the project.
- Engaged business stakeholders and communicated upcoming changes in time to help prepare them for the new situation.
- IT systems were separated and fully operational for both new entities.
- Only one week after the go-live weekend, hypercare support was reduced to almost zero as there were no significant defects or issues to resolve.
- There were zero data defects during the go-live weekend.
- The exit criteria for a 600-million-dollar deal, on time and within budget were fulfilled.



We became aware that KPMG had a very capable and experienced team around Joop and Ram that could help us with the IT separation. We immediately got the impression that Ram and his people knew exactly what they were talking about and how they had to approach this project. Any question we asked was answered in a very professional manner, which from the start gave me the confidence that they could indeed get the job done. One thing I will remember from this project is the amount of hard work that went into it. I know Ram and his team were working until 2 AM at times to keep the project on track, and that is the type of dedication you need to be successful. I'm truly thankful to the KPMG team and all the others involved for their flexibility, their responsiveness and their performance that led to a remarkably successful collaboration. That will certainly stick in my mind."

**Stephan Mahler – CIO of CSM Bakery Solutions**



# About KPMG

KPMG Netherlands provides high-quality advisory, audit and tax services. We advise on matters such as performance improvement, risk management, data migration, supervising ERP implementations and support with IT strategies. We work for a broad range of clients: large (inter)national companies, medium- sized companies, non-profit organisations and governments.

In production environments, it is essential to have the right information in the right place and at the right time. In order to achieve accurate information provision, it is important that people's knowledge, the availability of data in IT systems and the right policies are all harmonised.

KPMG assists organisations in optimising their business processes and associated IT systems to achieve this.

## More information?



**Joop van Es**  
Partner | Enterprise  
Solutions SAP  
vanes.joop@kpmg.nl



**Ramgopal  
Balasubramanian**  
Director | Enterprise Solutions  
SAP  
balasubramanian.ramgopal@kpmg.nl

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG Advisory N.V., a Dutch limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.  
All rights reserved.