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BUSINESS SOLUTIONS
since 1989

Food Distribution, ERP, and Business Impact

Food Distribution

Why Food Distributors need an ERP Solution

The food and beverage distribution industry is one of the most competitive and highly regulated industries. You know it's tough when a fraction of a penny on a pound can determine profitability. On top of extra tight margins, are the multi-faceted inner-workings of a supply chain, the challenge of warehouse management and minimizing inventory, ensuring on-time delivery, and the tracking and traceability required from start to finish.

So, how do top food distributors make every penny count with accurate forecasting, demand planning and inventory levels? They use modern business software applications that let them control all aspects of their business to maintain:

- Error-proof Country of Origin Labeling (COOL) and effective lot and batch tracking
- Fast and user-friendly sales order processing
- Flexible pricing models including contract pricing and rebate agreements
- Price change management to automatically re-price unshipped orders if there are price changes
- Efficient delivery logistics from pick & pack to load planning and shipping
- Optimized purchasing, balancing customer needs against and inventory investment
- Easy access to information to enable effective decision making and planning

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Food and Beverage distributors can have efficient logistics, improved reporting, and the right balance of inventory with a fully integrated Enterprise Resource Planning (ERP) software solutions. In the remainder of this e-book, we will review the ways how other Food Distributors a full-scale ERP system allows distributors to manage all the functional areas of their business to make every fraction of a penny count.

Profit margins

If you've been trying to manage all your various prices in a spreadsheet, you probably have a little anxiety in knowing that one minor mistake could waterfall into something major. With the need for regular sales promotions to bring in new customers and reduce inventory, and current customers expecting volume discounts, maintaining your information accurately in a central system is paramount. An effective ERP system lets you fully manage inventory and order fulfillment, traceability and compliance to food and quality standards, utilize multiple pricing methods including promotional offers and rebate management, reduce waste, minimize data entry, and more all from a central system.

Real-time data that shows, for instance, where your inventory levels are at across various locations and in transit can offer a singular view of your entire business at once.

Automated warehouse management

Some of the largest hurdles distributors face are tracking and fulfilling orders, managing receivables, and inventory management. Optimizing storage, streamlining the movement of goods, and transportation planning are difficult, regardless if demand is volatile. Real-time data that shows, for instance, where your inventory levels are at across various locations and in transit can offer a singular view of your entire business at once.

With a modern ERP system, ordering and inventory tracking can be consolidated, reducing inventory holding costs and minimize the potential of being out-of-stock. You can quickly look up historical sales to adjust inventory levels during slow and busy times of the year. Sales order demand and warehouse supply can be running in sync thanks to integrated inventory counting and demand planning. You will be able to track inventory by lot or serial number helping eliminate picking time. Having this increased automation will help to minimize on-hand inventory and reduce waste.

Having a connected workforce means your employees can get real-time statistics on picks, resulting in optimal accuracy and speed in fulfilling customer orders. Advanced functionality enables WMS through RF and mobile devices, such as barcode scanner guns and forklift-mounted tablets, connected wirelessly to the network.

Supply chain management - follow the actuals, not the averages

ERP software allows your business to automate core supply chain processes, helps your team become more productive, and adjust to an ever-changing business landscape.

Tracking costs throughout your supply chain is difficult without the right tools. Traditional approaches to creating and tracking the total landed cost are often based on estimates of numerous individual costs—average fuel prices, median postage, and delivery charges—to reach your total. As a result, the accuracy of the estimates may not be relied on.

Getting a look into real costs from across your supply chain lets you make educated adjustments that can have a real impact on profitability. A true ERP lets you track landed, standard and perpetual costs, so you have a more accurate view of every product that leaves your facility. From standard reports, you can drill down to specific details like costs by warehouse location. An ERP system provides concrete audit trails for tracking cost adjustments, so you can ensure changes are recorded, tracked, and uploaded to your financials.

Product Recalls

When you get unexpectedly hit with a product recall, there are some immediate questions that demand immediate answers:

- Where did the recalled product originate from?
- Where did it get shipped to?
- When did the recalled product start shipping?
- What is the magnitude of this recall?

With FDA and USDA requirements to meet as well as other legislation, a food & beverage distributor must be able to respond to a recall quickly and accurately regarding product and lot traceability.

Making an Impact

Can your current system meet these requirements?

If the answer is "no," it may be time to explore what technology advances may do for your organization's product and lot traceability. Enterprise Resource Planning (ERP) software will simplify traceability, making full product recalls manageable without worry. With modern technology you can quickly track products from raw material all the way to the end customer.
Not only will this give the needed functionality in the unfortunate event of a recall, the product / lot traceability will allow you to:

- Distinguish between lots and batches for easier retrieval
- Select various lot picking strategies including LIFO, FIFO, and FEFO
- Easily pick lots by expiration date

In today's environment having this functionality will be imperative to organizations to remain compliant with governing bodies as well as maintaining the highest level of satisfaction with your customers.

Accessing information for a mobile Sales Force

Customer relationship management (CRM), including lead and opportunity tracking, customer management, quoting, and post-sales support are vital for successful salespeople. Having your ERP system seamlessly integrated with your CRM provides up to the minute information for your sales team right on their smartphone. Timesheets and expense reports can be submitted also, directly from a phone or tablet. A mobile workforce requires mobile solutions, so look for a system that brings the back-office ERP functionality in tune with the font office CRM.

Using Your Data to Make an Impact on Your Business

Connecting all the various moving parts of your business requires an integrated business management system. An ERP system lets you capture, translate, and share data all from a single system. By banding together your

financials and supply chain management into one core system, you can see how changes to your supply chain affect everything from open orders to delivery times, inventory, and cash flow.

Once your data is fully connected, you need the tools to quickly analyze it to make on-the-fly decisions affecting the movement of goods. The right business system lets your people access the information they need—at a high-level or granular-level—right from their personalized home screen, so there is no lull in taking appropriate action.

Maintaining an ecosystem that collects and shares vital information across the organization and with their vendors and suppliers is also doable and expected. Leveraging the power of your ERP system, you can gain real-time access to the data and metrics across your supply chain business. With a real-time view into what's happening now, you will have the ability to identify trends, predict opportunities and make accurate cost and revenue projections.

Staying competitive

Your ERP vendor should be able to provide software that can handle the current and future trends of the food industry such as mobile WMS, mobile quality assurance, and even mobile production KPI's. Also, you should look for sophisticated forecasting tools, business Intelligence gathering, web portals for vendors, customers and/or employees, shop floor reporting, and much more. Today's small and mid-sized businesses must be prepared to change course daily,

not quarterly, by scaling up and down as your suppliers, your market, and your margins demand.

Embrace the Change

Being prepared with a properly implemented ERP system, lets you to adapt quickly to all different scenarios, events and outcomes. your supply chain so it can easily support the addition of new warehouses, the acquisition of new companies, and other major business changes. And using predictive analytics you can gauge the effect these changes will have across your business.

- Reduce food spoilage and lower inventory costs by automating product tracking and tracing from the supplier to the retailer. Ensure the right product is delivered to the right customer on time. Ensure food safety while reducing your spoilage and inventory costs:
- Provide exceptional customer service based on superior information with reduced staff while raising your profit margin.
- View data from customizable dashboards with drill down capabilities to make accurate real-time decisions letting you quickly adapt to your market.

If your current systems forces employees to enter data multiple times and in multiple systems, which inevitably leads to errors, look for an ERP software provides a single system that fully integrates all business applications across all departments, even at different facility locations.

"We have no constraints in growing our business and utilizing technology because of our ERP software and Empower Business Solutions."

Missy Lovrich CFO,
Imler's Poultry

The Empower Difference

Diverse business = Diverse needs

Find an ERP vendor who has customers similar to your business and that includes food distributors, and that they can demonstrate the software has the full range of functionality needed, including shipment load consolidation and logistics run planning, and other distribution industry-specific features. "We have no constraints in growing our business and utilizing technology because of our ERP software and Empower Business Solutions," says Missy Lovrich CFO, Imler's Poultry. "We can access any information at a click of a mouse. Empower provided us with the tools to make our own reports and access information we never were able to do before."

With solutions designed specifically for food and beverage distributors, Empower Business Solutions are uniquely equipped to help you become an industry leader.

Schedule Your Discovery Call