



GLOBAL TALK

EDITION 8
FOOD AND BEVERAGE INDUSTRY

SYSPRO NAMED A
**LEADING
PROVIDER**
TO FOOD AND
BEVERAGE INDUSTRY

Food Traceability
**A Recipe
for Success**

SYSPRO ERP Leads Perrone & Sons to
DOUBLE-DIGIT GROWTH

TECHNOLOGY INSIGHT

with Phil Duff

Using sophisticated systems to Tackle Global Challenges



We are seeing a global crisis of food poisoning outbreaks – most recently in South Africa, which has experienced the world’s worst listeria outbreak to date. It is a worldwide problem, however, with significant cases occurring across the globe in both first and third world countries.

This trend has heightened the already stringent challenges facing organizations in the Food and Beverage industry. The risks are far-reaching, with outbreaks spreading in every direction in a short space of time.

All of this means that, more than ever, food manufacturers can’t afford to put a foot wrong – and they still have to meet a constantly increasing host of compliance and regulatory requirements. Of course, this also applies to other players in the industry such as distributors, retailers and restaurants – in fact, the entire supply chain.

The first line of defense is to have a sophisticated ERP system and controls in place to ensure, firstly, that outbreaks don’t occur and secondly, that you are able to trace any contamination back to its source. Then, if an incident does occur, you will be able to minimize the impact.

For deeper insight into food traceability, please read the article entitled ‘Food Traceability – A Recipe for Success’ further on in Global Talk.

Another steep challenge in the industry is that food prices are no longer driven by food manufacturers, but by consumers and retailers equally. It’s quite simple: retailers dictate the price, and manufacturers have to toe the line. Consumers are better informed and buying more wisely. In this environment, the only way for food manufacturers to reduce costs and gain competitive advantage is to be able to visualize where their losses are.

As mentioned above, stringent government regulations are another challenging factor. With requirements to report on exactly what’s going into the manufacturing process – different kinds of sugar, protein content, vitamins – packaging and traceability are becoming more and more important. This enhanced emphasis on compliance and good governance in the food industry has, as in many other market sectors, led to a subsequent focus on sustainability.

These drivers are compelling food manufacturers to have a detailed understanding of their manufacturing process from start to finish. Often, growth in profitability stems from the ability to drill down into exactly how a product is made.

To help food companies address their unique challenges, SYSPRO has built visibility, transparency and sustainability reporting into our solution. By providing solutions that help food manufacturers achieve regulatory compliance, efficiency and profitability goals while ensuring food safety and customer satisfaction, SYSPRO enables food companies to predictably manage the obstacles of the industry and continue to grow and increase profitability.

Food manufacturers using SYSPRO are able to tighten cost controls, know exactly how each product is designed and manufactured, trace a product from farm to fork (and back again, when necessary) – all at the click of a button. With full integration of Bill of Materials, Estimation, Process Modeling, Work in Progress, Barcode Scanning and Workflow Services, all of these activities can be automated.

In addition, SYSPRO's Manufacturing Operations Management solution helps manufacturers increase productivity and lower production costs by minimizing loss. Food manufacturers can measure performance to drive toward world-class standards of operation; optimize operations through the provision of a fully integrated solution which can schedule, publish, collect, track, analyze and improve production efficiencies; and connect machines and other devices to help digitize the factory to remain competitive, leveraging on Industry 4.0.

Please read on for case studies describing how our food industry customers have used SYSPRO for strategic advantage.

Phil Duff
CEO
SYSPRO



FOOD AND BEVERAGE INSIGHT

By Wane Slater – SYSPRO Canada

Food Traceability

A Recipe for Success

Increasing regulation in the food industry requires food traceability to a certain degree, but good business practice demands that food producers, food processors, distributors, transportation companies and even retail chains go beyond the minimum accountability. A good food traceability system not only protects the customer but also benefits companies throughout the entire food chain because it reduces business expense and risk while providing the tools and data that can lead to greater brand satisfaction and even increased profits.

Food traceability is about identifying, tracking and recording product movement – tracking food products from farm to fork. A food company's responsibility is the ability to track one step back and one step forward while also tracking what happened in between, for example from farm to processors to retailer. For this process to be effective, food items need to be uniquely identified, their movement tracked throughout the entire processing life cycle, and data needs to be accessible in real time. This process has traditionally been a time-consuming, paper-centric manual system.

To grow your business and acquire new resellers, automating the traceability process with technology for instant recollection is key given the shrinking recall windows of today's progress- and risk-averse food retailers. Modern integrated traceability systems comprise a number of different components including: identification technology such as label printers; data capture through scanners and mobile computers; network infrastructure to move the information; and data analysis tools commonly found in ERP systems.

For consumers, traceability allows people to verify food origins. People want to be able to trust that the food they're eating is safe by having insight into where food was produced, who processed it, and who handled it on the way to the table. Knowing that food is safely sourced and traceable is critical to building trust between the retailer and the product, and the consumer.

When properly sourced and implemented, traceability need not be an unnecessary burden or added cost of business. Instead, an effective traceability solution will not only help you increase food and safety and simplify recalls, but also improve your plant productivity and overall profits.



Further benefits include gaining greater control and faster containment, increasing efficiency and profitability, improved insight and decision-making, enhanced inventory management, reduced production costs, and opportunities to expand your supply chain and differentiate your brand.

As mentioned above, the key to staying ahead of the pack lies in using technology to automate the process, and this is where ERP systems come in. Unlike basic accounting software, ERP software for food manufacturers is built to solve the unique financial, production and supply-chain challenges across your entire food processing operation. It is your system of record and provides a 360-degree view of your business.

The power of an ERP solution is that it gives you the ability to look at the collected data, analyze it, and use it to make better business decisions that affect production throughput, operational efficiency, traceability and profitability. The ability to transact information electronically will enable you to work more efficiently with larger, more sophisticated supply-chain partners. This will make you more competitive.

When selecting your ERP solution, look for a track record of success in your specific market segment such as produce, seafood, beef, pork, poultry, further processing, dairy and more, as each segment has unique needs and reporting requirements.

In addition, to maximize your return on investment, look for an extensible ERP solution that can interact with manufacturing and warehouse systems for seamless production planning, scheduling and the automation of the capture of plant-floor data such as production numbers, inventory movement, shipping and receiving.

This automation increases data accuracy, drives up productivity and in some cases will enable you to staff your plant more efficiently. Lastly, given that many food plants are challenged by employee retention or the need to leverage contract workers, an ERP solution that employs a modern, user-friendly interface which efficiently allocates and monitors resources, displays real-time analytics and produces reports will drive up adaption of the system while reducing training cycles.

SYSPRO is one such ERP solution. It is an extensible, fully integrated solution that will provide a 360-degree view of your business. A provider like SYSPRO offers you a complete solution rather than a partial one.

FOOD AND BEVERAGE

with SYSPRO – SYSPRO USA

SYSPRO Named a Leading Provider

to Food and Beverage Industry

Food Logistics Magazine has included SYSPRO on its FL100+, the publication's annual listing of the 'leading 100-plus software and technology providers to the food and beverage industry'. The FL100+ appears in the November/December 2017 issue of Food Logistics magazine and online at www.foodlogistics.com.

Geoff Garrett, CEO, SYSPRO USA, says: "The success of SYSPRO is based on the success of its customers. SYSPRO has been implemented in many of today's leading food and beverage companies, providing solutions that help them achieve greater insight and tighter controls of their operations."

SYSPRO offers a proven, scalable and best-in-class ERP solution for food and beverage companies. SYSPRO's enterprise applications offer comprehensive, flexible and industry-specific functionalities that enable food companies to gain complete control over the planning and management of all facets of the organization as well as to:

- Satisfy FDA compliance and regulatory responsibilities, including inspections and recalls
- Access real-time information and gain full visibility throughout the entire supply chain
- Effectively track inventory levels and movements across physical and virtual locations
- Improve customer satisfaction by enhancing order accuracy and shortening lead time

- Increase profits with flexible unit-of-measure costing and monitoring of production
- Optimize inventory management and control of raw materials for accurate production scheduling and planning

SYSPRO's powerful capabilities in end-to-end traceability, trade promotion management, specification management, quality assurance and control as well as change management provide food and beverage manufacturers with the technology needed to detect and address exceptions at any stage in their operations. In addition, co-product and by-product tracking capabilities allow all costs of trade promotions and channel incentives to be linked back to finished goods, providing important insights regarding which products to focus on.



FOOD AND BEVERAGE

with SYSPRO – SYSPRO USA

SYSPRO ERP Leads Perrone & Sons to Double-Digit Growth

Bartholomew Perrone established Progress Grocery in the French Quarter of New Orleans in 1924. Its success led to the establishment of Perrone & Sons, Inc., a wholesale food business. Today, the fourth generation of the Perrone family continues to offer quality Italian products as well as more than 5,000 specialty items and ingredients to restaurants and grocery stores.

Perrone & Sons' retail distribution arm offers national and global food brands and superior service to the Southeast Louisiana, Mississippi and Alabama Gulf Coast markets. The company also distributes fine foods to restaurants in these areas as well as New Orleans. It offers superior local products and high-quality brands from all over the world, including leaders such as Outdo Ordinary, Cento Fine Foods and Saint Randeaux cheese. The product range incorporates more than 75 varieties of spices, dried fruits and nuts, cheeses and deli meats as well as the famous Muffuletta sandwich.

With customer service a top priority, Perrone & Sons focuses on low order minimums, quick order turnaround times and ease of placing orders.

Perrone & Sons has consolidated its retail operation and offsite warehouse facility to the New Orleans suburb of Metairie. In 2001, changing demographics made the retail side of the business no longer profitable, so the family decided to focus its efforts entirely on wholesale operations.

In 2005, Hurricane Katrina compelled Perrone & Sons to operate temporarily out of various family residences. IT Manager John Perrone says: "During the rebuilding phase, we decided to replace our original ERP solution, which had become antiquated, with a new, more comprehensive solution to help elevate the business to the next level."

Perrone & Sons selected SYSPRO, not only for its current functionality, but also for the outstanding features of the latest version. The company opted to go live with SYSPRO as a beta site for the new release in January 2012.

Shortly after going live, Perrone & Sons moved into a new warehouse that was double the size of its old facility. During the same year, Hurricane Isaac hit the city and one of the company's major local competitors was sold to a national chain.

These two events together led to Perrone & Sons becoming the company of choice for an extended customer base.

"Not only did this force us to work 16-hour days to keep up with the increased demand, it also became a strain on our new SYSPRO ERP solution. I'm pleased to report that our personnel and SYSPRO were up to the task and we were able to keep up with the work required," Perrone says.



SYSPRO has played a significant role in getting Perrone and Sons up to speed by greatly improving operational efficiencies.

"SYSPRO is an excellent software package capable of meeting all the demands that our family business can place on it," Perrone says. "Each day I am able to create custom functionality that makes our business operate even better. I'm proud of what I have been able to accomplish so far with SYSPRO in a short period of time, and I'm looking forward to seeing how much better it can get."

Within two years of implementation, SYSPRO helped reduce Perrone & Son's inventory by at least 25%, and the company experienced double-digit growth.

"The software has increased the possibilities of what we can do. We no longer have to spend months training new employees, as they are becoming proficient with SYSPRO in a week or less. The customization tools have made the need to memorize stock codes a thing of the past," says Perrone.

"One of the most important features SYSPRO brings to my company is the SYSPRO Espresso mobile application. This tool will become a game changer for us. It will enable us to double our office staff without actually hiring any additional staff, as our sales staff in the field will become self-reliant, greatly easing the workload on our current office staff."



FOOD AND BEVERAGE

with SYSPRO – SYSPRO ASIA PACIFIC

See Hoy Chan Agencies Chooses

SYSPRO to Optimize Business Opportunities

Family-owned trading company See Hoy Chan Agencies traces its origins back to the 1930's when its founder, Dato Teo Hang Sam, began trading in sundry goods. The business soon expanded into other ventures including the distribution of Ajinomoto food seasoning products in West Malaysia.

In addition to its 3,000 regular customers, the company handles several thousand ad-hoc customers on temporary cash terms. On average, this amounts to more than 4,000 transactions a month.

Rapid growth introduces challenges

Today, the company has four offices across Malaysia and distributes more than 100 stock-keeping units (SKUs). Its rapid growth introduced challenges in inventory management, especially as the sales team had to manually issue invoices to customers each time an order was received.

Before the deployment of an ERP system, See Hoy Chan Agencies' clerks had to manually enter payment data into Excel spreadsheets, and checks had to be handed over to the Accounting Department to be documented. With only 16 sales staff supporting the expanding business, it was clear the company needed a more robust backend system to better optimize the workflow.

Teo Tee Cheang, Assistant Operations Manager at See Hoy Chan Agencies, says sales and collection data was prone to errors, and the customer base was consistently increasing. "Information required by the management team could only be provided after two months. There was just way too much paperwork and too many delays in producing reports on sales, stocks, and collection," he says.

More accurate and up-to-date information through ERP

Cheang realized the company needed to implement an ERP system coupled with sales force automation software. He wanted to equip the sales force team with handheld terminals so that customer data could be captured and tracked anytime, anywhere.

"The mobile terminals would enable us to acquire more accurate and updated information on our customers' buying patterns such as frequency of purchases, types of SKUs purchased, and accurate stock inventory of all our warehouses and goods in sales vans," he explains.

After shortlisting three ERP vendors, See Hoy Chan Agencies selected SYSPRO as the best fit for its operations and because the solution fulfilled all its requirements. SYSPRO partner Cosmo Synergy handled the implementation which included designing new workflows, training staff, and equipping the sales force with Intermec handheld terminals as well as portable printers.

After the first phase was completed, the deployment team spent the next six months identifying and resolving issues that popped up, after which the ERP and sales force automation system was extended to all office branches.

Improved visibility and efficiency

Thanks to SYSPRO, the company now has better visibility and improved efficiency in the way it operates. The implementation helped See Hoy Chan Agencies increase sales by 3.3% (+US\$750 000) over the previous year.

See Hoy Chan Agencies can now more easily analyze and understand its customers' buying patterns, as well as identify reasons why certain products are not selling well.

"The mobile terminals enable us to acquire more accurate and updated information on our customers' buying patterns such as frequency of purchases, types of SKUs purchased, and accurate stock inventory of all our warehouses and goods in sales vans," says Cheang.

The company also reduced manual errors. "With SYSPRO's reporting capabilities, we can identify areas in our business operations that present risks to the company," Cheang says. "For example, some of our regular customers are on credit terms. Now we can identify any lapse in collection and work to rectify it."

With the sales figures compiled using SYSPRO, data can be provided to customers located in the surrounding areas to help them identify See Hoy Chan products that are generating high sales returns.

Another significant benefit is that the management team now has access to month-end closing reports within seven days. "In fact, we've closed our books for the previous month and just two days later, I'm already looking at and finalizing reports that will be submitted to the management team," Cheang says. "Before SYSPRO, it took us a very long time to collect all the sales orders, manually enter them, manually tally them up with the inventory, and then match that up with the payment collections."

Cheang can monitor sales figures and highlight areas that need improvements to the sales force team during the company's mid-month review. The team can take immediate action and work to meet or exceed its sales target in the remaining weeks of the month.

While employees were initially resistant to changes, many soon realized the benefits of SYSPRO as they are now able to easily assess their performance as well as customer and sales records.



FOOD AND BEVERAGE

with SYSPRO

ERP Recipes for Success

SYSPRO's ERP solutions for the food and beverage industry can help you not only improve your recipe control all the way from new product development through to production - but also help you sleep better at night.



Leverage the Power of ERP Software to Meet Compliance Standards

Food safety is always a top concern for food and beverage manufacturers. To meet the stringent requirements of the Food Safety Modernization Act and the Safe Quality Food Standards, companies must be able to identify and trace every single ingredient consumed in the manufacturing process, from receipt through processing, packaging, and shipping to the customer.



ERP Software Helps Food and Beverage Companies Manage Quality Control

One of the most critical aspects of a manufacturing operation –and certainly one of the most concerning– is quality management. Whether you are struggling with managing the supply chain cycle from receipt of raw material through production and delivery to the customer, or handling quality checks and balances, you need the tools to document and manage these processes in order to prevent issues from happening again.



Leverage the Power of ERP Software for Recipe and Formula Management

As a food manufacturer, your recipes are one of the most important aspects of your business. Without them, how are your products manufactured correctly? Food and beverage companies need technology to help ensure recipes are appropriately managed and secure, inventory is properly stocked and production runs smoothly.



Leverage the Power of ERP Software for Better Inventory Management

Not enough inventory? Too much inventory? Not sure what products on your warehouse shelves have expired? Not able to accurately forecast for seasonal items? Using spreadsheets to manage what inventory is coming in and going out? If any of this sounds familiar, you're in dire need of a technology solution to help manage your inventory.



ERP Software helps Food and Beverage Companies Manage Lot Tracking and Facilitate Recalls

Food safety is always a top concern for food and beverage manufacturers. To meet the stringent requirements of the Food Safety Modernization Act and the Safe Quality Food Standards, companies must be able to identify and trace every single ingredient consumed in the manufacturing process, from receipt through processing, packaging, and shipping to the customer. The ability to do stringent Lot Tracking and issue successful Mock Recalls is not only an advantage for food and beverage companies – it's a necessity.



SYSPRO – The Master Chef of Food and Beverage ERP



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Document Control



Purchasing Control



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Compliance & Regulations



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