



Feeding Growth

How to build your food business with an ERP



DESIGNED

Food safety and cost control. These are the top pain points for food manufacturers, according to [Food Processing's 17th annual Manufacturing Outlook Survey](#). Food safety in particular is expensive, both financially and in lost public and customer confidence. In fact, some estimate the direct cost at \$10 million.

Efficiency, safety and accountability are critical for a food manufacturer to rise above the competition and be profitable, especially during a time of rising costs across the board.

A food manufacturer's goal is to offer impeccable service and products throughout the product lifecycle. And, in order for a food manufacturer to rise above the competition and achieve profitability, it must make efficiency, safety and accountability a priority, especially during a time of rising costs across the board.

Deploying a robust enterprise resource planning, or ERP, system, creates efficiency across the organization. JustFood offers an enterprise cloud-based software solution designed specifically for companies in the food industry. It has been built to support food manufacturers and distributors in food safety, operational efficiency and business growth.





Technology as Food's Missing Link

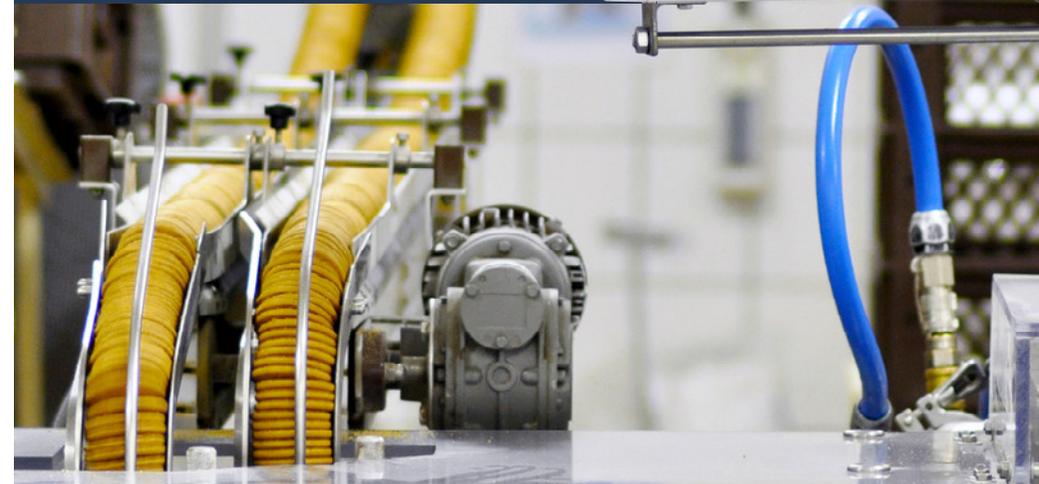
According to [market research firm Statista](#), the North American cloud ERP market is predicted to grow from \$8.4 billion in 2018 to \$11.1 billion in 2022. The cloud ERP market is driven by factors such as product quality, production and process monitoring, an increased use of analytics and business intelligence (BI) applications, and the need for greater mobility, provider [SelectHub](#) noted.

“Cloud ERP is also growing because of on-premise infrastructure costs,” said Satish Seshayya, IT business applications leader at Lennox International. “That includes maintaining ongoing systems—the hardware, software, and licenses. And it also requires staying current with upgrades, features, and functions. Cloud solutions minimize costs and cloud vendors take care of all the upgrades. That’s why cloud ERP is such a big attraction.”

While there was a time when small- to medium-size food manufacturers could get by with spreadsheets, software written in-house, a smattering of point solutions, and off-the-shelf accounting software, a larger set of truths is tossing that scenario into the dustbin. Today, three key issues are driving the need for food and beverage manufacturers to have comprehensive technology: growth, transparency and competition for efficiency.



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These manufacturers are under the gun to get products to market quickly while squeezing operational costs. That requires reconfiguring manufacturing processes. This might be manageable up to a point, but when you add a new product or capacity you then have to address everything from identifying the scope, specs, and costs of the new manufacturing line and getting bids for the work, to creating asset structures to support ongoing operations and equipment maintenance. And what if you have sudden, unexpected success with a product and have to scale up—fast?

“If a small business has a product that becomes really successful and Trader Joe’s or a big box store picks them up, their whole world changes,” said Pryce Harrison, Western sales manager for JustFood. “Requirements can’t be addressed manually. In the case of this kind of organic growth, you may have spreadsheets throughout the system with different numbers, different versions of the truth.”

In this scenario, are you really sure that your supply chain demands are on target? Is your pricing structure going to yield a profit or will you lose money? Are you adequately staffed? How do you know if your numbers vary from department to department?

Or, Harrison pointed out, that same company may have purchased basic accounting software with limited functionality several years ago, but now the growing company needs to track more data across the business. With a larger company, IT staff may have developed a homegrown system that has since broken down or is incompatible with new technologies.

Then there’s the increasingly important issue of consumers wanting to know where their food comes from and how it was produced. That issue has made food traceability a must, requiring companies to document the history and location of a product and its ingredients. Recent research has predicted that the food traceability market will be worth \$14 billion by 2019.



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Traceability is also critical to managing food safety. A manufacturer must know precisely all the sourcing information for each ingredient in every product—and be able to push that data where it needs to go in a timely manner. Market research firm Mintel has recently noted that “widespread distrust places pressure on manufacturers to offer thorough and honest disclosures about how, where, when, and by whom food and drink is grown, harvested, made, and/or sold.” They add that in addition to more specific product details, the next wave of clean label will challenge manufacturers and retailers to democratize transparency and traceability so that products are accessible to all consumers regardless of household income. That means that food manufacturers must have accurate data to feed into labeling each product.

An integrated ERP that connects departments, data and processes throughout the manufacturing process also aids efficiency and speed to market, including critical production planning and scheduling. When the business processes are visible and integrated, fully documented with on-demand data, there is better tracking within the supply chain, within the manufacturing process and in distribution. It creates less downtime, more accurate decision-making, fewer costly mistakes and increased speed to market.

“The benefits are around the value you get with all the features and functions you can leverage,” said Seshayya. “All food manufacturers and distributors have to take orders, process orders, make their goods or deliver their services, have an inventory system, track inventory, do planning, track financials and do reporting. With a cloud ERP system you have all these features and functions that do real-time reporting.

That's so much more efficient than supporting numerous decentralized systems. It also makes it easier to manage mergers and acquisitions or changes in the business model."

With ERP, your institutional history doesn't reside in the head of employees who may or may not be with you tomorrow. **Rather, that history is documented and easily accessible through the use of up-to-date technology.**

There's one other key issue that a food company should consider: knowledge retention. For instance, if you're a company with a huge warehouse filled with workers who have been with you for 20 or more years, it's comforting that those workers know where the stock is, when it arrived and its expiration date. But what if one or more of those workers leaves? That knowledge walks out the building with them.

"If you have a solution with an inventory report that identifies inventory that will expire next week, and you need to address what to do with it," said Harrison, "now it's not that individual keeping that knowledge, it's embedded within an ERP solution."

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Direct Benefits of a Food-Specific ERP

Main Street Gourmet is a frozen bakery manufacturer in Ohio. The company, which launched in the late 1980s in a single storefront location in Akron, has since expanded into a producer of custom baked goods for national food operators and specialty grocery stores. Until recently, they were using multiple, independent platforms and spreadsheets to run their growing business, resulting in data integrity issues, forecasting problems and inefficient processes.

What they found with JustFood was a system that allowed them to gain insight into business performance, manage production and support warehouse processes. In other words, they now have end-to-end visibility and accountability. They also implemented a manufacturing execution system add-on, and the JustFood team configured the software to create workflows around production lines, as well as routing link codes,

which link consumption materials to specific work centers to ensure the right materials are at the right place at the right time.

Main Street Gourmet's experience demonstrates the benefits of implementing a food-specific ERP. Unlike other process manufacturers, food processors have concerns specific to edible products, such as the preservation of the final products, safe ingredients, product consistency and product recalls. There are also the issues of managing complex labeling and packaging requirements, recipe management, quality maintenance, food safety and regulatory compliance, inventory traceability, contamination and spoilage, and raw material shortages and material waste. ERP software designed specifically for food manufacturing supports each of these concerns and streamlines business processes.



JustFood: A One-Stop Shop for Food Manufacturers and Distributors

For more than a decade, JustFood has been creating software to help mid-market food companies address the full spectrum of food manufacturing and distribution issues, including sales and purchasing, manufacturing, food safety and quality, warehouse management and logistics. According to JustFood's pre-sales senior application consultant Todd Austin, food manufacturers and distributors choose JustFood because of its singular focus.

"Because all we do is food, they value and appreciate the knowledge we bring in the food industry," he said. "We know the business, we know the language. So they're more comfortable that they don't have to explain to us what their challenges are."

"Other than quality and food safety, analytics is really the why of why customers put their trust in JustFood," Austin added. "They want to be able to understand brand, product line, and customer profitability without it having to take several days and several spreadsheets. They don't want to have to manipulate the data. Customers want to be able to slice and dice the information to make decisions. They want to do it immediately. They want to have 100 percent confidence in their data and in the decisions they're making as a result."

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Todd Austin, Pre-sales Senior Application Consultant, JustFood

Austin explained that because the company focuses solely on food, the analytics are easy to adopt. JustFood knows their customers’ customers, like Costco, Trader Joe’s, Cisco, and GSF. “There’s only so many players in the food industry. Because we know what they’re looking for from a reporting perspective, such as brand product line segregation, customer channel reporting, broker salesperson data reports, and brokerage rate charges, we can deliver those things right out of the box to help customers understand their analytics quickly.”

JustFood customers also benefit technically from their cloud-based platform with a small technical footprint and little to no technical maintenance required. Yes, there’s initial work on the implementation side, Austin acknowledged, but the cloud makes it easy to deploy. Customers don’t have to set up servers or internal networks. They don’t have to do admin work or backups or deal with issues if something goes wrong. This is especially useful to their customers who don’t have an internal

IT staff. And, Azure, Austin said, provides security, data integrity, and redundancy, also removing the need for customers to find a local hosting provider that can provide that same level of security as Microsoft.

And then there’s that “aha” moment. Harrison enjoys the first time a customer gets data for the business or runs a profitability report on a product or customer that reveals a truth they hadn’t known before. “They have that moment of awareness. ‘It’s like we’ve been losing money every time we’ve been selling to the customer.’ It wasn’t apparent before,” he said. “There are tons of good examples of that in every area. Purchasing now has better tools to forecast demand. Production folks now understand what they need to make and how much. ‘Now I know what my yields are, what my costs are.’ It’s a tightening up of running the ship more efficiently.”

And it goes well into the future. “We have a dedicated product development team whose sole focus is defining the product road map for JustFood,” Austin said. “They look at industry trends and what’s happening in the market to help define what new feature sets will go into the product. We release a new feature set every quarter. What I like most about that team is that they don’t work in a vacuum. They leverage a customer advisory group we have. They take direct feedback from every customer that wants to give it via a web portal. They also take feedback from internal stakeholders like myself. We’re constantly changing the product, whether it’s a GS1 legal requirement or a customer-specific shelf life. The market’s changing, the industry’s changing. Certainly food safety recall requirements are constantly changing so we have to stay on top of that. To keep the name JustFood I think we have to stay on top of that.”



ERP for the 21st-Century Food Company

From consumers, customers, and shareholders to regulators and supply chain partners, food manufacturers and distributors have so many constituencies to please. It's no longer adequate, let alone optimal, to rely on off-the-shelf accounting software, multiple spreadsheets or homemade software. And it's too time consuming to maintain out-of-date legacy software and hardware. The agile, forward-looking company needs data on demand for accurate decision-making that will drive the bottom line. With JustFood ERP software in the cloud, it's possible to produce food products faster, more safely and more profitably than ever before. Every person along the food production chain will benefit—and most importantly, so will the consumer.



The logo for JustFood, featuring the word "JUSTFOOD" in white, bold, uppercase letters inside a red rounded rectangle with a white border.

JUSTFOOD

JustFood ERP software helps food manufacturers and distributors improve food safety, streamline operational efficiency and manage business growth. JustFood manages all aspects of a company's business, integrating every department into a single solution with one common data source, promoting fluid workflow among departments, greater accuracy, more useful reports and more cost-effective business practices. Over 200 companies across North America trust JustFood to help run their business.

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