



# CUSTOMER SUCCESS STORY

## Sage 500 ERP provides upper crust solution for Spartan Foods of America

Spartan Foods of America, Inc. produces and distributes its delicious pizza crusts, topped pizzas, breakfast sandwiches, and pancakes to retail grocers and food service suppliers nationwide. The company has enjoyed a healthy 25 percent growth rate over the past three years, and it's that growth, combined with the company's acquisition by a private equity group which prompted Spartan Foods to look for an end-to-end accounting, manufacturing, and distribution solution capable of keeping its production line humming and its distribution channel well supplied. The solution Spartan Foods selected is Sage 500 ERP.

### Made to Order Solution

For years, Spartan Foods relied on Sage Accpac ERP as its accounting and distribution solution, and a separate, non-integrated software for its manufacturing system. While Sage Acpac ERP provided a solid solution for managing the company's accounting and distribution needs, Spartan Foods' size and growth-track required a more comprehensive manufacturing solution. Mark Dion, chief financial officer at Spartan Foods, and his team analyzed several products, including Microsoft Dynamics AX, Microsoft Dynamics GP, and several industry-specific manufacturing software packages. "We chose Sage 500 ERP for its superior functionality; strong manufacturing features; overall value; and use of Microsoft tools, technology, and architecture," recalls Dion. "It's proven to be an excellent choice."

Part of the appeal of Sage 500 ERP for Spartan Foods was the software's inherent ability to be customized. "We knew we'd need some customization, and Sage 500 ERP has that capability," says Dion. "We were able to modify screens and reports to match our specific business processes."

#### Company

Spartan Foods of America

#### Industry

Food manufacturing & distribution

#### Locations

Spartanburg, South Carolina

#### System Profile

Sage 500 ERP

- Core Accounting
- Allocations
- Cash Management
- Purchase Order
- Sales Order
- Inventory Management
- Warehouse Management
- Advanced Manufacturing
- Material Requirements Planning (MRP)
- Shop Floor Control
- eExecutive
- Customizer

#### Challenge

Without a comprehensive manufacturing solution, Spartan Foods lacked the vital information necessary to accurately price and stock its perishable products.



## Pinpointing Manufacturing Costs

A struggle facing many manufacturers is identifying the true cost of producing goods. At Spartan Foods, packaging, raw ingredients, labor, and fixed and variable overhead are all costs incurred during manufacturing. Before implementing Sage 500 ERP, the company lacked the ability to track these costs by individual item. "We really didn't know how profitable each item was," explains Dion. "Setting price points was very difficult, as was determining when to consider phasing out certain low-profit items." Now, with Sage 500 ERP, every cost element is tracked throughout the entire purchasing, manufacturing, and distribution process. "With Sage 500 ERP, we now have a level of comfort that we've priced our products fairly," says Dion. "We also can promote items that return a higher margin. In addition, we use this information to determine which new accounts we want to compete for – based on a customer-determined price, our actual costs, and our targeted margins."

Using the Sage 500 ERP Shop Floor Control module, Spartan Foods tracks labor dollars by manufacturing crew, and is able to break out its direct labor for in-depth reporting and analysis. "Sage 500 ERP gives us a visibility into our manufacturing process we simply didn't have before," says Dion. "With the information we get from the system we're utilizing our workforce more effectively, which results in labor savings."

## Complying with Regulations

The government requires food product manufacturers to track the lot numbers of all the ingredients used to make their products, including the packaging that touches the food. Previously, Spartan Foods accomplished this task through a completely manual system. With the powerful lot tracking capabilities of Sage 500 ERP, every component is automatically tracked in detail throughout its life cycle. "Given the lot number of a finished product, we can give you receipt date, supplying vendor, and the lot number of every raw ingredient in a matter of minutes. Before Sage 500 ERP, it would have taken days!"

## Forecasting Demand to Minimize Waste

Because its raw materials are perishable, it is vital that Spartan Foods make accurate buying decisions to minimize waste. Using the Sage 500 ERP manufacturing modules, Spartan Foods can more accurately forecast demand, schedule manufacturing runs, ensure proper stock rotation, and react to changing customer lead times. The software delivers historical data and advanced replenishment formulas Spartan Foods can use to help it understand current and future material and distribution requirements and how they will affect business. "Sage 500 ERP gives us visibility into our manufacturing that allows us to make better, more informed buying and stocking decisions," says Dion.

### Solution

Sage 500 ERP provides a complete end-to-end business management solution addressing Spartan Foods' manufacturing, distribution, and accounting requirements.

### Results

Accurate manufacturing costs allows Spartan Foods to make profitable pricing decisions. Forecasting ensures an adequate raw material supply while minimizing waste. Automated lot tracking enables the company to respond to inquiries in hours, not days.



## Speeding Distribution

Within Sage 500 ERP, Spartan Foods tracks distribution of its products in a three-step inventory transfer function utilizing in-transit warehouses. The refrigerated trucks, that Spartan Foods uses to ensure product quality and safety, function in the system as in-transit warehouses. Most major grocery chains across the country require their vendors to have the ability to communicate using electronic data interchange (EDI) technology. Using a fully integrated EDI solution available for Sage 500 ERP, Spartan Foods is able to process the large volume of incoming orders easily and also ensure that proper acknowledgement and invoice documents are sent to its customers.

Sage 500 ERP has proven itself more than capable of handling the complex manufacturing and distribution needs of this busy corporation. "It's been a big success for us," concludes Dion.

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Mark Dion,  
Chief Financial Officer  
at Spartan Foods