

SunWest Foods

SunWest Foods Blends Silos of Data into Real-Time Business Knowledge



Industry

Food & Beverage

Challenges

- » Repetitive manual data entry and processes
- » Fragmented, disparate systems
- » Different processes by each facility

Benefits

- » One centralized solution for a single source of truth
- » Optimized plant operations
- » Employees are empowered and more productive

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SunWest Foods is California's second-largest rice and wild rice producer, milling up to 80 tons per hour at seasonal peaks. SunWest buys from 350 farms, then packages, distributes, and sells domestically and internationally. But a medley of earlier programs demanded multiple manual re-entries of each order – some up to ten times – wasting time and creating errors. Staff worked weeks compiling business-pivotal reports from the patchwork of programs and formats. Some decisions couldn't wait for adequate information. Inventory was kept high to ensure complete orders.

After extensive research, SunWest selected Aptean to install Aptean Food & Beverage ERP built-on Microsoft Dynamics NAV. Today, substantial staff time has been returned to business functions, executives pull their own reports in minutes, new money is coming in from wiser commodity buy-sell decisions, and customers almost never call about an imperfect order.

Situation

SunWest purchases rice and wild rice from 350 California farmers, large and small. The company warehouses, mills, packages, markets, sells, and distributes commercial and organic white rice, wild and specialty rices, pilafs, blends, and nuts domestically and internationally. Jim Errecarte, SunWest President and CEO, founded SunWest in 1986, "with a phone and very little money."



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Jim Errecarte, President and CEO SunWest Foods



Today, SunWest employs a base of 100 staff in three processing/warehouse locations in Biggs, California, and a marketing office in Davis, California. Its largest milling facility encloses 125,000 square feet and 30,000 metric tons of storage. It has its own rail spur, 250,000 square feet of blacktop, and pollution control equipment scrubbing 240,000 cubic feet of air per minute. At seasonal peaks, processing reaches 80 tons per hour and staff tops 200 on 24-hour-a-day, seven-day-a-week shifts.

Company Context

Errecarte points out a complication. In addition to income from consumer sales, SunWest’s strategic buying and selling of rices in the world market provide great upside but also substantial risk. “Most manufacturers don’t juggle daily worldwide cost fluctuations in raw materials. We have to. That marketplace influences what we buy and from whom, what we hold on to or sell fast, and at what price. Right and wrong decisions have surprising ramifications.”

Errecarte says his priorities for the company are not just hard growth, but improving relationships and data exchange with customers and farmers. “If we do that, profits and growth plans will fall in line,” he says. Errecarte credits SunWest’s internal open-door policies with facilitating his ideals of free-flowing information. “We have a democratic system here. If you show us a good idea, you help manage the company.”


Fragmented Systems Cost Steps and Money

Earlier information solutions at SunWest were stifling ideals of easy internal and external communication. A combination of Peachtree, TradeWinds, FileMaker, Microsoft Office Excel, and Microsoft Office Word solutions peppered through facilities and departments and gave staff mismatched electronic formats. They had different user interfaces, data entry patterns, and report screens. All this gave rise to disparate procedures from one facility to the next. They required repetitive manual order re-entry, which bred errors. And when the go-to guru for one program was absent, work at that station could bog down.

“It was all stops, starts, and new paper for every task,” says Errecarte. “We could enter the same data up to ten times. To create reports I needed, staff had to compile data from 15 to 20 reports in other programs. It’s a tribute to them they worked so hard and got it done.”

At some facilities, keeping production records required what Heather Schroeder, SunWest’s Vice President, Finance and Administration, terms “one constant, hectic scramble.”

“Because we receive some rices under five different names,” she explains, “it was tricky to get accurate inventory, plan restocking and blends, or promise deliveries. To guarantee deliveries, we had to tie up money in overstocks. Our conglomeration of reports and spreadsheets always needed tweaks and fixes.”



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Jim Errecarte, President and CEO SunWest Foods

Consequences

Errecarte says, “Unequivocally, the impacts of our patchwork system were many extra steps and rushed business decisions based on incomplete reports we couldn’t wait for – particularly in our commodity positions. We were overdue for one cohesive, end-to-end solution to encompass purchasing, sales, production, distribution, finances, and trend prediction.”

Schroeder adds, “When one rice for a blend wasn’t in stock – or one of our 150 custom bags ran out – that shipment stopped. Customers became annoyed. Had there been a product recall, it would have sent us scrambling through printouts to track our lot numbers back to all those sources.

“To serve our growing demand, we had to either integrate our information streams or hire more people to produce information needed for growth,” she continues. “The latter wasn’t acceptable.

“With all those programs, our ideal of an all-encompassing database with detailed company-wide information was completely infeasible. That glaring absence was a huge motivator for change.”

Solution

“We knew we were asking a lot,” says Schroeder. Providing three plants with transparent, easily accessible, end-to-end information required a new enterprise resource planning (ERP) system to encompass every step from predicting needs, through milling control, processing, lot control, palletizing, export and bulk shipments, organics handling and certifications, toll milling, and specialty distribution requirements. And it had to track shifting rice prices and availabilities.

Having no dedicated IT department, SunWest staff must learn their information tools very thoroughly. Any new solution would have to be easily understood and assimilated. It must smoothly integrate with Microsoft Office Excel and Microsoft Office Word. It would need to rapidly and economically flex to dynamic business climates, executives’ needs, and staff suggestions.

SunWest inspected ERP offerings from Sage Accpac ERP, Syspro Impact, and a Microsoft Dynamics NAV solution presented by Aptean and enhanced by Aptean’s Food & Beverage *ERP bcFood Edition* solution.



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Choosing

“Even though the Microsoft Dynamics NAV solution wasn’t our lowest quote,” says Schroeder, “it was clearly our best value and return on investment. We knew the benefits were worth it. You don’t count small change when it comes to growth. This was the most capable solution and it felt the most familiar. Competitors’ screens and structure looked alien and hard to learn. Aptean’s Food & Beverage ERP solution, built on Microsoft Dynamics NAV, slips into staff’s current knowledge of the Microsoft Office productivity tools everybody uses.”

Errecarte says, “We pulled in key people from all entities for a thorough Q&A and demo with Aptean. I talked with other agribusinesses and quizzed a competitor who had implemented Microsoft Dynamics NAV after they hired a consultant to research ERP. At decision time, we all felt comfortable this partner and product were well proven and would encompass our needs, end to end.”

Julie Bates, Information Technology Manager, adds, “Aptean also had instant answers to our business challenges. Other vendors had to retreat a few days and put on their thinking caps. Aptean already understood our business.”

Reinforcing Core Competencies

Schroeder says, “We have to remain businesspeople, not developers. Yet we can’t afford mistakes, so we stay close to our software. Aptean Food & Beverage ERP is so well integrated that we can’t tell where it ends and Microsoft Dynamics NAV begins.

“We stay focused,” she continues. “We make many of our own changes, but rely on Aptean’s easy access into Microsoft Dynamics NAV feature set for the tough ones.”

Implementation

“This was a complex installation,” says Errecarte. “Integration time for all plants, departments, 28 users, and all functions was seven months, but our seasonal peaks spread that out a bit.” Aptean and a third-party IT company put in new servers and a virtual private networking (VPN) for hardware connectivity.



Errecarte notes, “Naturally, employees have new-system trepidation and sincere concerns. Will their data be safe? Can they still do their jobs? Now they’re all smiles. Heather and Julie helped us see the light through the tunnel of conversion work. The patience of Apteian is legendary. We couldn’t have done it without them. They don’t talk to us in ‘computerese,’ just about how business solutions will work.”

Apteian used its own detailed implementation methodology for Microsoft Dynamics NAV projects to manage the implementation. SunWest now uses these tools to guide system improvements, track progress, and tie down every step with project and document, management, reporting, support, change management, programming control, program releases, documentation, and testing.


Benefits

“There is no rational reason to not upgrade yesterday,” Errecarte advises CEOs coping with fractured systems. “Once Apteian Food & Beverage ERP was installed, we saw we should have done this five years ago. You’ll grow more easily with integrated ERP from Microsoft,” Errecarte continues. “It continually gains usefulness. And our total cost of ownership is in the same realm it was.”

Marketing, Sales, and Distribution


“Every step in sales, marketing, and distribution is more effective and more efficient,” says Schroeder. “And we are finally on top of our distribution.

“In just our marketing entity, Apteian Food & Beverage ERP has saved us the cost of an extra hire,” Schroeder continues. “We’re thrilled at these new efficiencies. We pay sales commissions to joint-venture partners, so we can compare their performance. When we need warehouse space, we know what to target.



We used to dig through and collate hundreds of invoices to see our mill trends. Getting reports on specialty rices could take six months. Now that’s all real time. I just pull up a screen or print it out.”

Heather Schroeder, Vice President, Finance and Administration, SunWest Foods



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Jim Errecarte, President and CEO SunWest Foods



“Aptean Food & Beverage ERP has given us new ways to bind customer loyalty,” Schroeder says. “Some customers need monthly shipping totals their systems can’t provide. Others want a bill of lading as soon as the load leaves our facility. Our new distribution tracking gives everybody what they want.”

Writing Once Saves Steps

Whereas orders were once entered 6 to 10 times, Bates says, “Now, sales orders flow through every entity and department with no re-keying. One-time order entry has cut admin time by 80%, freeing up 30 staff hours per day at peak times. Errors that manual re-entry always causes are gone. Perfect orders are now the rule.”

A staff absence no longer slows workflow, because the uniform user interface lets staff do each other’s work. Schroeder adds, “If someday there’s a recall, we can instantly trace lot numbers back to the rice sources of that blend. Previously, that would have been a very large crash project.”

Optimizing Plant Operations

Each new efficiency in manufacturing propagates its benefits through the company. Staff and executives find inventory, see detailed millings for last month, and assess each business process in real time to target changes and trim costs.

“We’ve already seen huge improvements in information availability yet have only touched the surface of this system,” Schroeder says. “Every benefit makes us more competitive. We used to dig through and collate hundreds of invoices to see our mill trends. Getting reports on wild rices could take three months. Now that’s all real time. I just pull up a screen or print it out.”


People on the packing line – even rice millers – enter production data when it occurs, making the knowledge instantly available to everyone. Packing schedules tell managers exactly when they will need what materials.

Schroeder adds, “We make smarter, more accurate purchasing decisions. We’ve cut down short, expensive mill runs from once a month to less than once a quarter. We see our levels and we prestock bags and rices, so orders aren’t held up.

“Suppliers appreciate not getting the panic calls we used to make when we ran out of supplies,” continues Schroeder. “Now, while I’m on the phone with a supplier, I pull up purchase data I need and discuss it. We save lots of steps that way!”

“Pricing is now a science,” adds Errecarte. “We’re faster, more accurate, and agile in adjusting prices to a constantly moving market. Aptean Food & Beverage ERP has stripped out the extra steps that moving quickly requires.

“We know inventory turn by product, so we can accelerate or delay specific millings,” he says. “We cost our elements by lot and by sale to know where margins are strong or weak.”



“The SunWest philosophy is that all the bricks and mortar don’t make a company. Our people do. They continue to evolve this system to our needs and make it more useful every week. Aptean Food & Beverage ERP will scale to the growth we need, and it will keep optimizing our team’s time and intelligence.”

Jim Errecarte, President and CEO SunWest Foods

Empowered Employees

“We didn’t upgrade to trim staff,” says Schroeder, “but to make our great staff more productive – and it’s working.”

Employees appreciate the ubiquitous information flow between marketing, logistics, order entry, and production.

“I see higher enthusiasm and job satisfaction,” Schroeder says. “Every week someone has a new suggestion.” “Our staff is less harried and overwhelmed,” notes Errecarte.

“Now they can find inventory, trust our numbers, and never again re-key data,” he continues. “People see what they’ve done, what’s happening next week, and know they can collaborate. We’re in touch, and Aptean will keep us in touch. Propagating business knowledge definitely boosts morale.”

New Dollars in the Door

“Working from timely information we can trust has absolutely brought in new money,” Errecarte says. “My commodity buy-sell decisions are smarter now. In our business, real-time information is everything.”

A new electronic data interchange (EDI) capability added by Aptean has greatly reduced order entry and invoicing steps for a very large customer. This also paves the way into many more large accounts.

Financial Clarity

SunWest has improved enterprise-wide financial controls, planning, and reporting. Errecarte says, “We used to have a balance sheet for each company. Now we know profit and loss for every profit center inside every company, plus all six product lines. The 10 to 15 staff hours per month to assemble necessary reports has dropped to a few minutes.”



SunWest previously had a generalized price list for each market sector. Now it can offer customer-specific prices, manage them easily, and track the benefits. This helps decision-makers position the company wisely in the market and drive constant improvement.

Errecarte now creates the reports he needs in Aptean Food & Beverage ERP without pulling others off-task. He gets the data four weeks faster and in formats he can easily use. "In running a dynamic food and commodity business," he says, "that's huge."

Errecarte summarizes, "We feel vastly better than we did 18 months ago, yet we're still early in this system's deliverables."



Are You Ready to Learn More?

Interested to see how Aptean can help you better manage your food company?

Contact us at info@aptean.com or visit www.aptean.com.



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