

SYSPRO Helps Vanns Spices Enhance Efficiency and Tighten Controls

"Prior to our SYSPRO implementation, we had huge inventory variances, but now our inventory has been optimized to efficient levels. SYSPRO has also been instrumental in our ability to compete."

Mick Whitlock, President, Vanns Spices



■ The Company

Vanns Spices Ltd. manufactures spices, spice blends, heirloom beans, grains and rice, and flavorings. While the family-owned company, based in Baltimore, Maryland, sells products under the Vanns label, the majority of the firm's business is directed at developing and producing private label spice lines for markets, restaurants and web sites.

In fact, Vanns has blended private spice products for specialty food retailers in major gourmet markets such as Washington, D.C., New York and San Francisco. The company has also created a variety of mustards, barbecue rubs and blends for condiments, salad dressings, marinades and sauces for high profile TV chefs and cookbook authors, including Martha Stewart, Graham Kerr, Julie Sahni, Steven Raichlen and Michael Chiarello.

Vanns acquires spices from around the globe as well as from importers in the United States. The company then processes and blends the spices at the firm's Baltimore manufacturing facility where strict quality controls are enforced. According to Vanns President Mick Whitlock, not only is the company very selective about the products it buys, it also uses natural forms of sterilization such as steam and heat. "We do not employ any chemical sterilizing or irradiation which can affect the flavors of the spices," he says.

■ The Challenge

The company produces all private label spice blends to order. "Though we have several large customers for which we maintain inventories, it would be extremely difficult for us to stock items, particularly with the various packaging requirements of 80 private label customers," says Whitlock. "Our customers tell us how many of each spice or blend they want, and we then produce the desired labels and fill the packaging to order."

Vanns installed SYSPRO Enterprise Resource Planning (ERP) software in May, 2009. The company had been using dated and inflexible WINMAN software. "A requirement of our supermarket customers is that we have the ability to do lot tracking. Though we make over 2,000 blends of spices, with SYSPRO Lot Tracking we can tell which spice went into which blends. In fact, we can trace the origin of every grain of spice and into which blend it went - even into which bottle and onto which customer's shelf."

■ AT A GLANCE ■

COMPANY

Vanns Spices

INDUSTRY

Food and Beverage:
▪ Manufacturing

THE CHALLENGE

- Outdated software
- Requirement for lot tracking functionality
- Inventory tracking
- Need to integrate manufacturing and customer service software

SOLUTION & SERVICES

- SYSPRO Financials
- Bill of Materials
- Customer Relationship Management Enterprise Edition
- Factory Documentation
- Inventory
- Lot Traceability
- Office Automation & Messaging
- Material Requirements Planning
- SQL Manager

THE BENEFITS

- Accurate lot tracking and costing
- Custom-shop type manufacturing
- Stringent inventory controls
- Fully integrated solution
- Superior reporting capability
- Greater competitive edge
- Enhanced procurement capability
- Improved manufacturing





■ The Solution

SYSPRO easily enables the custom-shop type manufacturing necessary to fill the numerous spice blends and private label order variations. "In addition to various spices and spice blends, some customers want glass bottles with red caps, some want glass bottles with green caps and there are others that want plastic bottles with green caps. However, using the SYSPRO inventory future free report and trial-kitting functionalities, we can easily determine if we have the inventory on hand sufficient to full the orders and, if not, what we must order," Whitlock says.

SYSPRO is also responsible for the stringent inventory controls now in place at Vanns. "Prior to our SYSPRO implementation, we had huge inventory variances, but now our inventory has been optimized to efficient levels. I wouldn't say that we've reduced our inventory, but we have better control of it. We're not out of product. In the past we were often short of product. Now, we're getting the alarms and the information that we need in order to do things in a timely manner. Our previous software didn't allow us to do that, and it was very cumbersome even to get an inventory report. We sort of did it by a 'touch and feel' before... now, we're doing it in black and white."

Whitlock discusses the other reasons why SYSPRO was Vanns' choice. While the easy path would have been to upgrade the firm's incumbent software, the realization was that it would still fail to fulfill all the company's software requirements.

"Plus, we wanted to tie our manufacturing software into customer service software, so the SYSPRO Customer Relationship Management software was as attractive as the other SYSPRO features, such as lot tracking. SYSPRO seemed a perfect fit all the way around from Accounting to Manufacturing to Traceability features."

■ The Result

The company's choice of SYSPRO has been validated many times over, says Whitlock. "The software's reporting functionality, linked into Crystal reports, is phenomenal," he says. "I can now show our board what products we sell the most of, which products are our most profitable and so on. The reports give us an in-depth picture of our company at any point in time."

Whitlock notes that SYSPRO has also been instrumental in Vanns' ability to compete. "We now know the exact costs of our products. In the past, we could only do estimates. We're able to efficiently analyze the cost of our materials - which fluctuates so much in this business. Commodities may be \$4 a pound one month and \$8 a pound the next month.

"SYSPRO has also enabled efficiencies in our purchasing. We're able to determine rising product prices, so we'll buy more of that particular item, i.e., buy three months' worth of the product rather than two months' worth. The software enables us to determine how much we'll save by buying greater quantities and how much inventory we'll need to have, which also ties right in with our cash flow picture telling us whether we have the cash flow to do that sort of thing. The software does that instantaneously. Again, we have a real-time picture of what's going on in the company."

Are there yet other ways that SYSPRO has added to the efficiencies of Vanns' operations? "We do have more efficient manufacturing now, and while a great deal is due to SYSPRO, we've also added quite a bit of new machinery," says Whitlock. "However, since implementing SYSPRO, we actually have fewer employees and we have more sales, so that in itself is indicative of the wisdom of our selection of SYSPRO."