

Sage ERP X3 | Case Study

Olive Oil Supplier Bulks Up for Growth with Sage ERP X3

Background

Headquartered in Utica, New York, East Coast Olive Oil has become one of the leading bulk olive oil suppliers in the United States, serving over one thousand customers in the retail, food service and industrial markets. Founded in 1991, the company originally focused its business on the food service trade. After a few years of rapid growth in this market, the company realized a need for a reliable supplier in the industrial trade and quickly established itself as a market leader. Today, ECOO imports over 7,000 tons of olive oil annually for shipments throughout the United States.

The company had been using a legacy SBT Accounting system since the beginning. However, as ECOO grew and expanded its distribution network, they found their system could not keep pace with increasing demand. "In our business there are short lead times on the sales side but long lead times on the purchasing side, so we needed a system that could tighten up both areas," said Bert Mandia, Vice President of East Coast Olive Oil. "The package we were using was a lot less functional in terms of manufacturing as well."

ECOO has been expanding rapidly and owns several other companies related to their main business including Utica Plastics (olive oil packaging), Olive Transport (olive oil delivery) and California Olive Oil Corporation.

Besides accommodating their rapid business growth, the business drivers for change also centered on East Coast Olive Oil's desire to:

- Improve planning and scheduling through MRP deployment
- Accommodate higher transaction volumes than their current system was able to process
- Integrate raw materials with production orders and scheduling

Ultimately, they were looking for the new system to be rolled out to their other divisions and to support further acquisitions down the line.

"We have definitely seen productivity gains with the system and are barely even scratching the surface in terms of its functionality."

- Bert Mandia
Vice President
East Coast Olive Oil

System Evaluation

East Coast Olive Oil streamlined their evaluation process by employing the services of a local consulting company – the Mohawk Valley Applied Technology Corporation (MVATC) – who utilized the Soft Select Systems evaluation service for conducting a needs analysis and to rank the most appropriate software vendors.

"By comparing our needs in areas like order processing, production scheduling, manufacturing, purchasing and accounting with the capabilities of leading mid-market

(continued)



software vendors, we were able to quickly shorten the vendor list to two,” added Mandia.

ECOO asked Sage and VAI System 2000 to prepare and conduct scripted demonstrations using actual company data and highlighting critical objectives. They especially wanted to see how they would handle:

- Multiple ship-from locations per order
- Daily MRP runs
- Automatic generation of purchase orders based on firm requirements
- Process manufacturing capabilities like lot number tracking, expiration date management and product recalls

East Coast did not waste much time in choosing a vendor. Almost immediately after viewing the demonstrations and performing reference checks, the company selected Sage ERP X3 because of its depth of functionality across manufacturing, distribution and accounting, and because they felt it was a more scalable alternative that would help facilitate their business expansion without requiring them to change systems or install third-party add-on's down the road. They also valued Sage's customer-oriented approach to implementing systems. “Sage offered the best solution from both a functional and people standpoint,” concluded Mandia.

The Implementation

The implementation project kicked off with a high priority placed on getting Sage ERP X3 up-and-running as quickly as possible. Using a lighter version of Sage Cappucino, a goal-directed project methodology, Sage and ECOO embarked on a steady, efficient process that was divided into stages.

The first stage was primarily a data-cleansing effort with the goal of generating a reliable data set for conversion to the new system. Sage ERP X3's pre-defined data migration templates played a key role in facilitating a quick and reliable migration.

The company next turned its attention to fine-tuning their business processes, both procedures that would help provide an improved level of discipline to the company and in setting up the software to conform to unique ECOO business practices. For the latter, Sage ERP X3's integrated development toolset provided them with the flexibility to set parameters and change terminology without making program modifications.

The remaining time was allotted to learning the system, conducting conference room pilots and preparing for the cut-over. “This stage was most critical to ensuring we'd meet our go-live date,” said Brian Williams, Sage project manager for the ECOO project. “But the managers at East Coast Olive Oil were adept at making the tough decisions that had to be made, and were very cognizant of their roles in the process.”

The Sage ERP X3 system went live just four months following the project kick-off date.

Results

East Coast Olive Oil noticed a significant difference upon using Sage ERP X3 right from the start. The entire manufacturing process from raw materials to production orders and MRP is now fully automated. They are also in the process of upgrading from a manually-intensive bar coding procedure to an automated scanning process.

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Sage ERP X3's underlying technical platform is also paying dividends as ECOO takes the next step to roll the system out to other divisions. They have the flexibility to configure the software differently for each division as well as accommodate the increased transaction volumes and user loads that will accompany this growth.

“As we grow we don't want to be looking for a new system each time,” added Mandia. “As it is, this system has more than we need at the moment but it allows us to grow.”

Headquarters
Utica, NY

Industry
A leading bulk olive oil supplier in the U.S., serving over one thousand customers in the retail, food service and industrial markets

Revenues
\$16 million

Employees
80

Sage ERP X3 Licenses
35