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Sage X3 is a Perfect Wrap for Rudy's Tortillas

Rudy's Tortillas is a 65-year-old, family-owned company that sells primarily to restaurant chains in 35 states. The company has seen accelerated growth over the past decade as demand for its premium quality corn and flour tortillas has increased. To keep up with demand, Rudy's Tortillas has updated its plant with modern machinery, but the time-honored process remains the same. Rudy's Tortillas recognizes the value technology brings to its operation and it recently implemented Sage X3 to help streamline its operations.

Lacking integrated systems

Like many growing companies, Rudy's Tortillas was more focused on building its business than in developing information technology. Production and inventory were managed in spreadsheets while customer service, purchasing, and accounting were managed with basic accounting software. "There was zero integration between the systems, and as a result we were lacking the meaningful data necessary to run a successful business," recalls Chuck Langenhop, CFO for the company. "We could not easily tell what stock we had on hand or what we needed to produce based on customer demand. There were delays in finalizing monthly financial statements and cost analysis was a time-consuming process."

Sage X3 comes out on top

Langenhop and CEO Louis Guerra launched a full-scale review of available business management solutions that could handle core accounting and inventory tasks and also could support the company's process manufacturing. Eleven ERP and accounting systems were considered or evaluated. "We found that a robust ERP solution with built-in process manufacturing capabilities is the exception, not the rule," explains Langenhop. "Many mid-market ERP systems support the needs of discrete manufacturing but require a third-party add-on for batch management."

Rudy's Tortillas ultimately selected Sage X3. "We like the look and feel, we appreciate the end-to-end integration, and we recognize that it is widely used in the food industry," explains Langenhop. "Sage X3 represents the best features of all the products. It is a solid ERP and manufacturing system at a competitive price point."

Effective Requirements Planning

Visibility into demand helps the company schedule both purchasing and production based on facts and not just experience. "The MRP function helps us look ahead and see what

Customer
Rudy's Tortillas

Industry
Food Manufacturing/Wholesale Distribution

Location
Dallas, Texas

Number of Locations
Two

System
Sage X3

Challenge

The accounting and operational systems that Rudy's Tortillas used could not provide the strategic business data the company needed to grow and succeed.

Solution

A thorough search led the company to select Sage X3 with integrated accounting, inventory control, and manufacturing components.

Results

Inventory turns have increased. Average days on hand has decreased. Cash flow has improved. Compliance is streamlined. Collaboration between departments is enhanced.

sales orders must ship next week. It suggests both purchase orders and work orders to fulfill customers' expectations. For example, when we see demand slowing, we can delay our orders of packaging materials," says Langenhop. "Now we are able to synchronize our purchasing and production functions to ensure that we have adequate stock on hand and also avoid the perishability risk of excess stock."

As a result of strategic purchasing decisions and production insights facilitated by Sage X3, the company has increased the number of inventory turns and has reduced the average days on hand of its products.

Greater collaboration

Sage X3 has online screens as well as reports to provide a detailed analysis of inventory levels and agings. "With these tools, our warehouse and production teams collaborate to adjust work orders," explains Langenhop. "As a result, we have less waste than before—and that boosts our gross margin."

The collaboration between departments benefits the entire organization. "Everyone is working from the same integrated data set and is more keenly aware now of what other departments are doing," Langenhop notes.

Improved cash flow

Cash flow has also improved. Invoices are sent electronically the moment they are generated, resulting in quicker payment. "We also have better screens and reports that help us identify accounts that are slow to pay or past due," says Langenhop. "We can tag invoices with a resolution code, such as *damaged in shipment*. That designation helps ensure we are not spending time trying to collect on a past due amount that is being addressed by another department."

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>
> Chuck Langenhop, CFO
> Rudy's Tortillas

Streamlined compliance

While the company was always responsive to customers' lot tracking requirements, Langenhop notes that the old paper-based system required a separate manual filing system. "It is so much simpler now," he says. "In the event of a customer issue, we have online traceability. Plus, our QC manager can perform analyses of testing results and quickly identify areas where we can improve formulations or processes."

It's a wrap

"We are confident that we can continue to grow the business with Sage X3," concludes Langenhop. "It was the right move."

Sage

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