



FOOD AND BEVERAGE

BEGINNER'S GUIDE TO ERP



Beginner's Guide to ERP:

Food & Beverage

Food and beverage companies are facing dramatic changes to production due to our evolving food preferences, including the desire for flavors and foods from around the world. Heightened regulatory scrutiny from regulators at the national and international levels as well as shrinking profit margins also increase the pressure for traceability and productivity.

The food and beverage industry faces complexities at every turn. The challenges highlight the ongoing need for business software solutions that can address and simplify complexity in each facet of production and operations. For food and beverage businesses, enterprise resource planning software is a critical need, designed to solve the industry's most pressing problems.

Challenges facing the food and beverage industry

The food and beverage industry is a dynamic, ever-evolving sector. Companies today grapple with key operational and competitive threats. Among the core challenges facing the industry are:

- » **Changing Consumer Tastes.** Consumers today expect access to flavors from around the world, requiring new sources for ingredients from an increasingly global supply chain
- » **Managing Waste.** Managing costs is a major consideration, and companies need to reduce waste by reworking their operations to be more productive and efficient in accurate tracking of expiration and use-by dates with more productive and efficient processing and accurate tracking of expiration and use-by dates
- » **Health-Conscious Consumers.** Discerning consumers are paying attention to labels, ingredients and nutritional information. Businesses must also provide for various dietary requirements and restrictions
- » **Traceability.** Buyers and end-users want to know where their food comes from. There's an expectation that companies are transparent in the sources of their ingredients and their production methods. In the event of a recall, ERP software traceability functions allow for faster responses and more accurate communication
- » **Sustainability.** Customers today want to support brands that demonstrate a commitment to sustainability in how food is made, packaging that's used, and how production impacts the environment

Everything you're looking for in a software solution.



Enterprise resource planning software is used by businesses in many industries to streamline operations and provide better insights and operational efficiencies. ERP software integrates all major areas of operations, including finance, scheduling, supply chain, operations, production, sales and marketing, customer service and human resources.

Delivered via the cloud or on-premises servers, ERP solutions are designed to replace disparate systems that often are poorly integrated if at all.

While each department may have its own screens, uses, restrictions and functions within an ERP solution, the product's strength is in its integration. Data are shared throughout the enterprise, with information collected, stored and analyzed centrally. In this way, an organization becomes more

self-aware, able to connect technologies, people and information.

The positive impact ERP software can have on a food or beverage company can be seen at the departmental level, with more consistent data and insights from other areas. It's also significantly helpful up to the C-suite, as it provides high-level intelligence to track progress and gauge the next steps, helping the company leaders to make better-informed decisions.

The benefits of an ERP solution.

There are significant advantages to having an ERP solution driving your food or beverage company. Companies that invest in ERP software see ROI quickly, making it an investment for both the short and long term.

Among the core benefits are:

Integration

With enterprise resource planning software, the myriad areas of your business are connected like never before. With a single source of data truth, you can be confident that information, including reports, dashboards, and analyses, are consistent.

Visibility

ERP software gives you a window into your business like no other. Your ERP solution gives you insights into all aspects of your operations, allowing your employees to complete for accurate forecasts, identify operational logjams, and improve productivity at every aspect of the supply chain, from ordering to warehousing to transportation.

Streamlined business processes

An ERP system can give you the opportunity to take a close look at your business processes. It can automate processes such as document flows, approvals, and data transfer, often eliminating those that had previously been done manually.

Collaboration

Employees can access information from across the enterprise when they need it. Colleagues can view, share, edit and use information in real-time from the same documents and screens, improving collaboration and clarity.

Compliance

In the United States, food and beverage companies continue to grapple with the recently enacted Food Safety Modernization Act (FSMA). Those guidelines shape how businesses and their suppliers identify, mitigate, measure and report on risks to food safety. The stringent guidelines, and expectations for active safety measures, require modern solutions to track and report.



Data security

Increasingly, states, federal governments, and international agencies are issuing strict data security and privacy guidelines. These mandates require companies to carefully track how private data on customers, employees and consumers are used, shared, stored and sold. A robust ERP system provides the tools to remain compliant with the ever-increasing and complex data laws.

Growth

ERP systems are designed for scalability, giving your business the support to expand into new markets, develop new SKUs or manage seasonal variances in production and products. Your ERP system is built to accommodate rapid change in size, eliminating logjams in purchasing and installing new server and storage capacity.

Competitive advantage

Food and beverage companies need a competitive difference-maker to stand out in an industry with tight profit margins and fierce competition from established brands and disruptive upstart companies. Your ERP solution gives you productivity, insights and operational excellence to push you ahead of the competition and keep you there.

Mobility

Your ERP solution needs a mobile component that can provide the same insights and data no matter what operating system or device you're using. Mobile-friendly applications give you access to information needed at any time from anywhere. With increasingly mobile workforces, this functionality is a must.

Customer service

When your food or beverage company deploys an ERP software solution, you gain a single view of customers. This capability connects sales and marketing interactions with customer support and finance functions. Use these features to ensure all areas of the business know about customer issues, billing challenges, discounts and unique needs.

Focused IT expenses

Your internal IT department often faces a Herculean task in maintaining multiple business systems along with end-users' hardware and software. With an ERP

solution, you can finally retire outdated legacy software systems, many of which require patches and customizations to do all the work you need completed. An ERP system allows your IT team to focus on supporting one system and its users. You'll also reduce training costs for employees who will no longer have to master multiple software applications.

Better planning

One of the most significant benefits of an ERP solution is the availability of data. Critical information you need to make important decisions is available in the moment of need and in real time. For higher-level planning work, your ERP solution can generate historical insights to help with long-term strategy.

Customization

Your business needs an ERP solution that can accommodate the unique needs and structures of your organization. ERP systems today are highly customizable, allowing for the creation of labels, fields, functions and reports that meet your business needs. You can also integrate most ERP systems with other leading business software, including customer relationship management and business analytics solutions.

Efficiency

With streamlined processes, collaborative workforces and shared data and reporting, your ERP drives efficiency at every level of your organization. Your food or beverage business will be optimized, with a reduction of manual and redundant processes that free up resources to focus on revenue generation.

Core features for a food and beverage ERP.

You want a food and beverage ERP that delivers features that advance your business. Here's a closer look at some of the main capabilities of a comprehensive food ERP system.



Manufacturing Management

- » Support multiple manufacturing modes, including process and mixed-mode
- » Recipe management
- » Batch management
- » Allergen tracking
- » Quality assurance
- » Resource scheduling management, including equipment and employees
- » Technical data configuration
- » Production cost accounting
- » Product packaging
- » Capacity planning



Inventory Management

- » Warehouse management, including lot, sub lot and multiple locations
- » Lot traceability forward and backward
- » Multiple units of measure
- » Shelf-life management including expiration dates and use-by dates
- » Transaction management
- » Use of barcoding and RF data for operations
- » Sampling
- » Quality control
- » Inventory costing
- » Replenishment management, including inter-site transfers



Purchasing

- » Purchase requisitions
- » Encumbrance accounting
- » RFP management
- » Purchase orders
- » Multi-level approval processing
- » Subcontractor management
- » Invoice tracking
- » Pricing and contract management
- » Returns management

More capabilities of a comprehensive food ERP system.



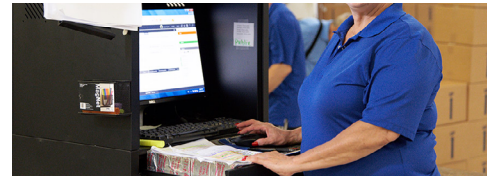
Streamline Your Operations

- » General ledger
- » Accounts payable and accounts receivable
- » Budgeting
- » Expense Management
- » Fixed asset management
- » Cost accounting
- » Analytical accounting



Sales Management

- » Pricing and discounts
- » Quotes, contracts and open orders
- » Order preparation, delivery, packing and shipping
- » Product configuration, options and variants
- » Inventory inquiries and allocations
- » Delivery scheduling and shipping
- » Invoicing and billing reminders
- » Customer returns
- » Sales commissions
- » Inter-company and inter-site sales
- » Bill of lading and export declaration



Customer Service

- » Contact management
- » Salesforce automation
- » Marketing campaigns
- » Customer support

How FoodBusiness ERP helps your business.

The right ERP software gives you real-time insights into every phase of production.

✓ Formula and recipe management.

You need a flexible solution that ensures product consistency in each batch, every time. As tastes evolve and customers demand new products, integrated recipe management allows for faster development, while yield calculations and tracking help eliminate waste and rework.

✓ Quality management

Ensure accuracy and consistency with testing and reporting of raw materials, intermediates and finished products for meeting GMP, HACCP, SQF and BRCGS standards. Complete inspections of packaging and production throughout the process with automated recording and historical analysis capabilities.

✓ Planning and scheduling

Your business needs to manage multiple inputs, equipment, employees and shifts. Use integrated tools to manage purchase orders and in-progress orders, simulate potential schedules and use drag-and-drop functions to schedule people and machines.

✓ Warehouse and inventory management

Waste is the scourge of the industry. Reduce inefficiencies with end-to-end integration of inventories that reduce write-offs due to spoilage, automate reordering, and manage shelf lives and expiration dates. Select a solution that supports technologies such as barcode, uses mobile devices and directed put-aways, picking and scheduling.

✓ **Tracking and traceability**

Food safety must be a priority for every food and beverage business. Your ERP software should allow for robust traceability and allergen tracking that helps you.

✓ **Production scheduling**

Schedule production runs using user-defined criteria by the day, shift or hour. Update work orders in real-time and maintain consistency with tracking of ingredient quantities for each batch.

✓ **Continuous flow manufacturing**

When variability is essential for your business, select a food and beverage ERP solution that can predict yields by comparing planned inputs and outputs and plug those into recipe formulas.

✓ **Compliance**

Maintain FSMA compliance with with an ERP system that records key safety activities, generates reports and manages components including recall management, expiration management, sustainability practices, labeling, and allergen-free production environments.

✓ **Multiple site management**

If your food or beverage company operates across multiple sites, be sure to select a solution that integrates operations across locations. Your ERP software should be able to source ingredients from multiple warehouses and manage across multiple legislative entities. Your ERP software should also be able to manage consolidated group accounting and reporting easily and be able to scale as new locations are brought online.

How to choose the right food and beverage ERP system.

NEXTEC'S FOODBUSINESS ERP DELIVERS SOFTWARE designed for food and beverage manufacturers, processors, and distributors to run their businesses through a single system. With FoodBusiness ERP our customers streamline financial and operational management, meet and exceed product safety and quality standards, reduce waste and increase efficiency by simplifying production processes.

Companies like ARA Foods, Baked by Melissa, and Milos Tea trust FoodBusiness ERP to manage food quality, compliance, warehousing, inventory, manufacturing, R&D, reporting, sales, purchasing, finance. FoodBusiness ERP is powered by Sage X3, built and delivered by NexTec's food and beverage industry experts.



When it comes to selecting an ERP solution for your business, consider the following:

✓	Identify a project team that will have the time and resources to assess, purchase, implement and optimize the new ERP system
✓	Complete a needs assessment to determine the features, functionality, and capabilities your business requires for a new solution. This assessment should include an evaluation of existing tools that may be eliminated as an ERP system comes online
✓	Determine the criteria for evaluating your vendors, including your prioritized needs. A matrix of desired items, appropriately weighted, can help evaluators and aid in the final selection



Contact us at FoodBusiness ERP
and schedule a demo to learn more.

SCHEDULE A DEMO



Contact us to learn more:
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About FoodBusiness ERP from NexTec Group

FoodBusiness ERP is software purpose-built for food and beverage manufacturers. It is built in Sage X3 and configured by NexTec industry experts to deliver a complete food manufacturing business solution. Over the past 25 years, our ERP and business process experts have helped organizations across North America streamline business processes and lower costs. Our specialization in developing solutions for the food and beverage manufacturing industry has resulted in some of the most respected food and beverage companies managing their day-to-day operations using our platform. FoodBusiness ERP by NexTec is built to make food better.

