

Savoury Systems demonstrates its great taste by selecting Sage ERP X3

Food manufacturer trims its working capital commitment by one-third



Savoury Systems™
International, Inc.

Savoury Systems International, Inc. is in the flavor business. The company manufactures ingredient blends and enhancers utilized by some of the biggest names in the food industry. Recognized as one of *Inc. Magazine's* fastest growing private companies, Savoury Systems is experiencing 20 percent year-over-year growth increases. Throughout that growth, the company continues to remain at the forefront of industry trends. That same drive to remain out in front led the company to adopt Sage ERP X3 as its enterprise resource planning (ERP) solution.

Get out in front

"Before Sage ERP X3, we were managing our business from day to day but struggled to get and stay in front of it," recalls David Adams, president of Savoury Systems. "We wanted to harness technology to improve our workflows just like we harness food science technology in our ingredients. Sage ERP X3 is allowing us to do that with great success."

The company analyzed other ERP solutions in its quest for the best. "We reviewed BatchMaster and Microsoft Dynamics, but once we saw Sage ERP X3, we were sold," says Adams. "It offered everything we were looking for in a quote-to-cash integrated fulfillment system."

Put working capital to work

Food manufacturers like Savoury Systems constantly strive to balance stock levels to meet demand without overstocking, which can lead to waste and ties up working capital. When the company was smaller, it was able to manage forecasting and replenishment tasks using spreadsheets, but as it grew, the spreadsheets grew more unwieldy and ineffective.

"We didn't have good visibility into demand. To ensure we would avoid stock out situations, we often overstocked," recalls Adams. "That ties up our working capital, and since our products have a shelf life, we sometimes were left with product we couldn't sell."

Challenge

Savoury Systems was experiencing rapid growth but lacked accurate inventory management and forecasting tools. To protect against stock outs, the company often overstocked, which proved costly and wasteful.

Solution

The company found a complete solution in Sage ERP X3 with Sage Inventory Advisor and Sage Enterprise Intelligence.

Results

Working capital tied up in inventory was reduced by nearly \$2 million. Fill rates have greatly improved. Stock outs are at an all-time low. A full return on investment was realized within one year.

Customer

Savoury Systems International, Inc.

Industry

Food manufacturing and distribution

Headquarters

Branchburg, New Jersey

System

Sage ERP X3
Sage Inventory Advisor
Sage Enterprise Intelligence

"Sage ERP X3 with Sage Inventory Advisor and Sage Enterprise Intelligence delivered a full return on investment in less than one year."

David Adams, president
Savoury Systems International, Inc.

Sage Inventory Advisor, a cloud-based inventory diagnostic, forecasting, and management tool that tightly integrates with Sage ERP X3, provided the answer.

“Sage Inventory Advisor has been a game changer for us. We reduced the working capital we had tied up in inventory by nearly two million dollars, freeing that cash for reinvesting in the company,” says Adams. “Our fill rates have improved as well—stock outs, surplus orders, and excess stock are at all time lows,” adds Adams. “In the years since implementing Sage ERP X3 and Sage Inventory Advisor, our revenues have grown by three million dollars, yet our inventory investment has been reduced. That’s money that we can use to continue to grow the company.”

Digestible key metrics

The preconfigured key performance indicators (KPIs) in Sage Enterprise Intelligence provide Savoury Systems with an instant way to measure the performance of every department. “Previously, department managers lacked the measurement tools they needed to maintain the continuous improvement we strive for,” says Adams. “Now they have the KPIs that enable them to head off problems and nimbly respond to changes.”

Adams is not only the company’s president, he’s also a scientist who remains deeply involved in product research and development. Sage Enterprise Intelligence provides this busy executive with the information he needs to best manage all aspects of the organization in the form of a customizable dashboard of key metrics. “It gives me all the information I need to quickly ascertain the health of the company,” he says. “From top-selling items, turn and earn ratios, and most profitable customers to stock holding attributes, shelf life, and quote-to-cash KPIs, I can easily focus my attention and resources on the areas that matter most.”

The company recently opened up a remote warehouse across the country from its headquarters. By supporting multiple sites, Sage ERP X3 allows the central warehouse staff to manage remote inventory without having to staff the West Coast third-party logistics warehouse. “We’re now evaluating radio frequency management solutions to further streamline our warehouse operations,” says Adams. “Sage ERP X3 is at the core of our operations and is serving as a catalyst for many other changes and efficiency gains.”

Quality, consistency, and safety

Quality control, consistency, and safety are of paramount importance to Savoury Systems. The company relies on the comprehensive traceability features in Sage ERP X3 to ensure it maintains its high standards and is able to rapidly respond to a recall event if such an occasion arises. “We routinely practice mock recalls, and what used to take us hours takes less than five minutes with Sage ERP X3,” says Adams. “Having such a comprehensive safety system in place helps us earn and keep the trust and confidence of our customers.”

Rapid, successful implementation

Working with a Sage business partner, Savoury Systems was able to meet a very aggressive implementation schedule. “We were live in under four months,” says Adams. “And the IT infrastructure is minimal. In fact, we do not even have an IT department. We picked the right system and the right partners to help us manage it, and that allows us to focus on our core business.”

Another factor in the success of the implementation was the enthusiasm and commitment of the Savoury Systems staff. “We’ve got passionate people here that quickly saw the value in Sage ERP X3 and brought the intellectual curiosity to the project that really made it succeed,” notes Adams.

“What really helped speed adoption are the visual process maps in the software,” says Adams. “Our staff could clearly follow the maps to guide them through their workflows and become productive with Sage ERP X3 right away.”

Custom workflows were developed to address many of the company’s unique and complex processes. “This was huge for us,” adds Adams. “We streamlined what were previously cumbersome processes, saving time and boosting accuracy.”

Full return on investment in less than one year

Adams says the company performs a return on investment analysis on every investment it makes, and that the return on Sage ERP X3 was rapid and significant. “By freeing working capital and delivering actionable data to staff when and where they need it, Sage ERP X3, Sage Inventory Advisor, and Sage Enterprise Intelligence delivered a full return on investment in less than one year.”

About The Sage Group, plc

We provide small and medium-sized organizations and mid-market companies with a range of easy-to-use, secure, and efficient business management software and services --from accounting, HR, and payroll to payments, enterprise resource planning, and customer relationship management. Our customers receive continuous advice and support through our global network of local experts to help them solve their business problems, giving them the confidence to achieve their business ambitions. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has millions of customers and circa 13,000 employees in 23 countries covering the UK & Ireland, mainland Europe, North America, South Africa, Australia, Asia, and Brazil. For further information please visit www.sage.com. Follow Sage North America on Facebook, [Facebook.com/Sage](https://www.facebook.com/Sage), and Twitter, [Twitter.com/SageNAmerica](https://twitter.com/SageNAmerica).

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