



Microsoft Business Solutions Food and Beverage Customer Solution Case Study



Overview

Country or Region: USA

Industry: Food & Beverage

Customer Profile

Stonewall Kitchen, a specialty food manufacturer, produces award-winning foods such as jams and sauces. In eleven years, it has grown from a weekend market stall to a \$25 million business.

Business Situation

The company needed an ERP solution to help manage its rapidly growing business. During busy periods, it ships 5,800 orders a day. Sometimes it struggled to operate efficiently resulting in poor customer service.

Solution

The company implemented Microsoft® Business Solutions–Navision® and Process 800. This led to better business processes, faster order fulfillment and improved customer service. Annual growth rates of between 27 to 30 percent year followed the implementation.

Benefits

- Better customer service
- Accurate inventory control
- Enhanced product delivery
- Automated quality control
- Integrated online sales channels

ERP Implementation for Small and Medium Sized Companies Leads to Rocketing Revenues

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Lori King, Chief Operating Officer, Stonewall Kitchen

In 11 years Stonewall Kitchen has grown from a weekend market stall, selling specialty gourmet sauces and jams at a farmers’ market, into a multi-million dollar operation. But the phenomenal growth meant its ability to manage business processes was soon outstripped. During particularly busy periods, when problems occurred in order and delivery processes, it was often unable to identify and isolate the issue. This often led to poor customer service. The company turned to an ERP solution for small businesses, Microsoft® Business Solutions–Navision® and a bespoke industry solution developed on the Microsoft Business Solutions environment by Microsoft partner VerticalSoft. The system has enabled Stonewall Kitchen to take control of its processes again as well as providing wide reporting and analytic capability and important customer service functionality. Since the implementation the company’s turnover has climbed to \$25 million, which is firmly attributed to the new technology.



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Lori King, Chief Operating Officer, Stonewall Kitchen

Situation

Few people understand the meaning of success like Jonathan King and Jim Stott, founders of the specialty food manufacturer Stonewall Kitchen. In 1993, they spent weekends selling their homemade jams and jellies at local farmers' markets. Today, the weekend hobby has grown into Stonewall Kitchen, a \$25 million business that ranks number one in the USA as a specialty food manufacturer.

But as a young expanding company, its biggest challenge is managing tremendous growth. Its diverse customer base numbers 100,000 and is steadily increasing. Approximately 6,500 are wholesalers, including some of the largest names in USA retail, such as LL Bean, Crate & Barrel and Marshall Fields. But equally important, a large percentage of customers are small retailers and individual customers.

Jonathon King says: “We wanted an ERP system that meets our company needs. Our business has grown considerably over the last few years and we really had to service our customers efficiently and quickly. But with such a large and diverse customer base, all with different needs, this has proven to be a very difficult task in the past and unfortunately sometimes we were not able to do it very well.”

Lori King, Chief Operating Officer, says: “From a systems point of view, absolutely nothing was tied together. We were running pieces of different software to handle all of the functions in our business. We couldn't see any detail at item level, no reporting was available, and we couldn't tell which of our products were more profitable than others. We had no inventory control and no item tracking, so when problems occurred, such as delayed deliveries or difficulties in meeting order deadlines it was actually very difficult to identify the source of the problem.”

During busy periods the company ships 5,800 orders a day and manages an inventory of up to 3,000 stock units. It recognised that a business management solution was needed to help manage work loads. An efficient system, would in turn, lead to better customer service.

Solution

Stonewall Kitchen began researching a number of vendor products. Lori King says: “We wanted a total solution, that would provide us with everything we needed, but we also wanted flexibility so we could customise it as our needs changed.”

A list of vendors was drawn up but then the company was approached by VerticalSoft, a company that delivers high quality software for vertical markets based upon Microsoft® Business Solutions–Navision®.

“We were really sold on the proposals that VerticalSoft made to us, because it was obvious that we could add our own fields and customise the solution as much as we wanted to,” says Lori King.

VerticalSoft uses Microsoft Business Solutions as its development foundation because of its universal reputation for excellence, with over 40,000 implementations worldwide, and a renowned development environment. The powerful embedded development environment in Microsoft Business Solutions allows VerticalSoft to develop comprehensive features sets for industry sectors without jeopardising the Microsoft Navision foundation and, as a Microsoft Business Solution, market high quality world-class software to vertical markets.

VerticalSoft suggested that Stonewall Kitchen adopt Microsoft Business Solutions alongside Process 800. Microsoft Business Solutions is

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designed to provide integrated functionality for mid-sized companies and offers solutions for financial management, supply chain management, customer relationship management (CRM), and e-business. Process 800 is an integrated enterprise business system designed specifically for the food processing industry and distributors. Developed on the Microsoft Navision foundation it offered Stonewall Kitchen a useful raft of applications including production and quality control, warehouse management and distribution planning.

Critically, VerticalSoft also performed a number of customisations on the Microsoft Business Solution to ensure that it met the unique requirements of Stonewall Kitchen. For example, a wholesale tab and a retail tab were added to a customer card field on an order entry window to increase efficiency in order processing. Industry processes such as picking, store and packing were also customised to suit Stonewall's specific needs.

The customisations, combined with Process 800, resulted in a solution that was ideal. “We had never heard of Navision until VerticalSoft approached us. But once we began evaluating the products it was obvious Process 800 meets the unique needs of the process manufacturing industry. When combined with the development platform and functionality of Microsoft Navision, a solution is produced that adds tremendous value,” says Lori King.

Richard Nissi, President, VerticalSoft, says: “They were actually very close to choosing another software vendor. But once they saw the capability of Navision and Process 800 they immediately chose this combination of products. We could also deliver local support, industry expertise and close cooperation that many other software vendors are not able to offer.”

Lori King says: “VerticalSoft won the trust and confidence of our management team because it focuses 100 per cent on the process manufacturing industry. The Navision industry solution and Process 800 is a very flexible solution easily customised to suit our needs. It also includes significant customer service components. VerticalSoft also took extra care to understand and address our unique business problems.”

VerticalSoft began the implementation in March 1999 and two months later the system was up and running. Jonathon King says, “We had very little disruption to our business. It only took a weekend to transfer orders from the old system.”

Benefits

Quickly Identify New Business Opportunities

Stonewall Kitchen now has a clear view on all the critical elements within the business such as order processing and shipping, finance management, customer relationship management, production, and inventory control. As a result it has a better understanding of what is actually happening within the business at an any given time and is far better placed to identify the dynamics that are driving sales.

Lori King says: “Since implementing Navision, I now have more reporting tools which gives me a greater ability to recognise opportunities that drive our sales. I can now find information that used to take hours and hours to create and can act on that information intelligently.”

Better Customer Service Means Faster Growth

Stonewall sales staff use the Microsoft Business Solution database to access details about any one of its 100,000 customers in a second. Staff cross-search the database to

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Andrea Hall, Information Systems Manager,
Stonewall Kitchen

find a customer's history and identify product availability and delivery times. This enables sales representatives to personalise their customer interaction and provide immediate and accurate order and delivery information. This feature extends across all sales channels including wholesale, Stonewall Kitchen retail stores, catalogues, and the Internet. Internet orders and catalogue sales taken on the telephone, are entered directly into the Microsoft Business Solutions system, ensuring order processing is immediate and easy.

Andrea Hall, Information Systems Manager, of Stonewall Kitchen, says: "Our customers have benefited immensely from the new system because we are able to immediately access information that helps their business. For example, our retail customers will commonly ask us which of our products they were carrying last year. With so many customers and so many orders it could take us a long time to find out this information. But now we can access it in seconds. The ability to provide a quick and efficient service certainly keeps our customers happy and our business booming."

Accurate Inventory Control and Delivery

50 per cent of Stonewall's annual business is in the fourth quarter. Much of the work centres around a process known as picking and put-away, where products are picked and stored in the warehouse according to incoming orders or anticipated orders. This means that efficient distribution and order-processing systems are very important in order to maintain accuracy during this extremely busy period. Microsoft Business Solutions now directs this process resulting in greater accuracy.

Stonewall Kitchen holds between 3,000 and 3,500 stock-keeping units. 120 are manufactured in-house and the rest sourced from a variety of suppliers. The range and

number of inventory items presents many challenges in the area of inventory control and until Microsoft Business Solutions was implemented the company had no way of keeping track of physical inventory. When taking orders, Stonewall's staff can now see exactly how many items are in stock. Drilldown and item tracking features in Microsoft Business Solutions enable Stonewall employees to enter the part number of an item and the inventory details for that item appear on the screen.

Lori King says: "Prior to Navision there were lots of mistakes in the fourth quarter due to the huge influx of work, up to 5,800 orders a day. It was actually quite difficult keeping track of things in a logical and orderly fashion. Now mistakes have virtually been eliminated and the result is increased loyalty among our customer base. They can depend on us to meet their orders efficiently and provide accurate and reliable delivery dates."

Enhanced Manufacturing and Quality Control

The specialised features of Process 800 have greatly increased the efficiency and control of Stonewall Kitchen's manufacturing processes. For example, the process design feature of Process 800 provides extensive instructions on formula and recipes for mixing and blending operations. To ensure strict quality control, Process 800 also enables Stonewall Kitchen to develop quality tests against manufactured items and raw materials.

Integrated Online Sales and Delivery Channels

Stonewall Kitchen is increasingly using the Internet to reach retail customers and business partners. It anticipates both Internet and catalogue sales will grow by 50 per cent during 2005. Microsoft Business Solutions has been fully integrated into a Web storefront and also integrates with a system

designed by carrier company USP, to collect data on shipping and delivery requirements.

Lori King says: "This will make Internet-based growth very easy to manage. Recently we implemented Microsoft Business Solutions Commerce Portal, a personalised Web portal that streamlined our Web-based interactions with customers and suppliers."

Easy End-User Training

For Stonewall's employees, the Microsoft Business Solutions solution was fast and easy to learn. In most cases users only required on-the-job training, where someone who knows the system takes them through the key points. This is a huge benefit in the peak season when Stonewall hires a lot of temporary staff.

Hall says, "It is quick and simple to train temporary employees to use Navision and they soon become very proficient in system use and therefore more efficient."

Dramatic Increase in Turnover

Since Microsoft Business Solutions and Process 800 were implemented, the company has grown by over 100 per cent. Year-on-year growth rates have averaged between 27 to 30 per cent and turnover has climbed from \$6 million to more than \$25 million a year. The company attributes much of this success to Microsoft Business Solutions and Process 800.

Lori King says: "Navision and Process 800 have streamlined and accelerated our business processes. The system helps us work faster and get more orders out the door. I wouldn't want to be in business without it. It has grown with us in just the way we wanted it to and looking back I'm just glad we didn't choose another vendor's product."

Flexibility Promotes Company Culture

While Stonewall Kitchen grows in sales and profits, it is still committed to corporate responsibility and values. It encourages staff to contribute to the business and empowers them to suggest and make changes when appropriate.

Lori King says: "Navision really helps us to maintain our company culture. We encourage employees to suggest improvements to our processes, and the Navision solution is flexible enough to accommodate these suggestions. This ensures that our business processes are continually improved upon."

For More Information

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For more information about VerticalSoft products and services, call +1 781.741.8622 or visit the Web site at:

www.verticalsoft.com

For more information about Stonewall Kitchen products and services, call +1-800-207-JAMS (5267) or visit the Web site at:

www.stonewallkitchen.com

Microsoft Business Solutions offers a wide range of integrated, end-to-end business applications and services designed to help small, mid-market and corporate businesses become more connected with customers, employees, partners and suppliers.

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