

Millennium Foods finds recipe for success with Sage PFW

For Millennium Foods, keeping secrets is the key to its business. The company develops, refines, and perfects proprietary seasoning blends, sauces, and marinades for various restaurant chains and food manufacturers across the United States. An essential ingredient in Millennium Foods' accounting and process manufacturing operations is Sage PFW ERP.

"It's not going too far to say that we could not run or grow this business without Sage PFW," says Zia Loghmani, president of Millennium Foods. "Without it, we'd be doing nothing but paperwork."

Order the Right Solution

Four years ago, the company relied on an assortment of software and databases to track formulas and batch production, and used a separate accounting software package to manage its financials. "We had no reliable way to determine what we had on hand, what was committed, and what we needed to order," recalls John Rake, director of operations. "We'd heard about Sage PFW—that it was designed for the kind of batch manufacturing we do, and called Sage to find out more."

Sage referred Millennium Foods to a local Sage Business Partner specializing in Sage PFW. "They gave us a demonstration, and right away we knew it was going to work for us," says Loghmani.

Keep Inventory Lean

With the old system, the company frequently overordered to avoid potential shortfalls. "Since we didn't have a clear picture of what we had and what we needed, we tended to stock too much," says Loghmani. "We're operating leaner now. Sage PFW gives us the visibility into our operations we need to make better buying decisions." "We've increased our inventory turns by 20 percent—representing a significant savings," says Rake. Loghmani points out an additional benefit, "Our ingredients are fresher as a result of the more frequent turns, and that helps improve the overall quality of our products."

Customer

Millennium Foods

Industry

Manufacturing—Food

Location

Indianapolis, Indiana

Number of Locations

One

Number of Employees

40

System

Sage PFW

Modules in Operation

General Ledger
Accounts Payable
Accounts Receivable
Inventory Pro
Order Entry Pro
Purchasing Pro
Costing
Formulas
Production
Customer Insights

Challenge

Entry-level accounting software and collection of spreadsheets holding recipes and batch production information made it increasingly difficult to track inventory production accurately and maintain compliance.

Solution

Sage PFW provides purpose-built process manufacturing functionality combined with strong accounting and financial modules to deliver an end-to-end solution.

Results

Inventory turns increased by 20 percent, resulting in a savings of nearly half a million dollars each year. Bar-coding solution minimizes potential for data-entry errors. Comprehensive lot number tracking capability

Both Rake and Loghmani praise the end-to-end functionality of Sage PFW. "Having one database containing both our production information and our accounting and customer data is a real advantage," explains Loghmani, "We've seen communication and cooperation across our departments improve and greater efficiency as all our data is available to those who need it."

Use Purchase History to Best Advantage

Millennium Foods uses the purchase history tracked by Sage PFW to negotiate better pricing from its vendors. "We can negotiate larger discounts based on past purchase volume," says Rake. "We didn't have that kind of information before."

Millennium Foods also uses its purchase history to price its finished goods. "We're now able to accurately track the cost of our finished goods, based on the cost of all of the ingredients," says Rake. "When costs increase for an ingredient, we're able to go to the customer and renegotiate our pricing."

Streamline Compliance

As a food manufacturer, Millennium Foods must comply with a myriad of governmental regulations. Sage PFW eases the compliance burden through its comprehensive lot tracking capability. This enables the company to quickly trace a lot back to the individual suppliers that provided the raw ingredients. "We used to keep this information in spreadsheets," recalls Loghmani. "It was time consuming and tedious to maintain."

Automate Warehouse Activities

Millennium Foods invested in a comprehensive warehouse management system (WMS), that integrates with Sage PFW. The WMS automates shipping procedures by allowing staff to scan a bar-coded product number and lot number as an item is being packaged. "It's vital that we record that lot number accurately," says Rake, "and bar coding minimizes the opportunity for errors."

About Sage North America

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries. Sage North America employs approximately 4,100 people and supports nearly 2.9 million small and medium-size business customers. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 14,500 people and supports 5.8 million customers worldwide. For more information, please visit the Web site at www.sagenorthamerica.com or call 866-308-2378.

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—Zia Loghmani
President
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Work With Insight

Millennium Foods prides itself on the personalized service it provides each customer. The Sage PFW Customer Insights module helps the company deliver on its service promise. Customer Insights provides one comprehensive, easy-to-navigate screen that the Millennium Foods staff uses to communicate confidently with customers. Staff can view address information, credit, customer pricing, open orders and quotes, order history, shipments, and more. With ready access to this data, they can provide quick and effective responses to customers' inquiries.

From the high-level overview, staff can drill down and even edit open orders or invoices and record notes of each conversation.

Strategic Planning

As Millennium Foods works through the process of perfecting a formula, lab personnel can quickly perform what-if scenarios and analyze how changes in the formula will affect the master formula. Ingredients can be changed and quantities adjusted to meet specific targeted prices set by its customers. Sage PFW gives us 360-degree visibility into our operations," concludes Loghmani. "Using the information we now have, we're able to be proactive, rather than reactive."