SAP Business One

SAP Customer Success Story
Consumer Products – Food

MARIO CAMACHO FOODS

SAP® BUSINESS ONE PROVES IDEAL FOR THE IMPORTING AND DISTRIBUTION BUSINESS

"We are now one company in every way. Without a doubt, a big reason was our decision to implement SAP Business One."

Jeff McMahon, CFO, Mario Camacho Foods

QUICK FACTS

Company
- Name: Mario Camacho Foods
- Location: Plant City, Florida
- Industry: Consumer products – food
- Products and services: Olives and other specialty food products
- Revenue: US$100 million
- Employees: 35
- Web site: www.mariocamachofoods.com
- Implementation partner: Real Solutions of North America Inc.

Challenges and Opportunities
- Increase inventory visibility
- Improve financial planning and reporting
- Free managers from routine work to contribute more at high levels
- Establish a foundation for growth for 2 newly merged companies

Objectives
- Implement an integrated solution for finance, procurement and logistics, sales, and inventory and distribution for the former A. Camacho Inc.
- Extend the solution to embrace the former Mario Olive Company when the two companies merged
- Allow business users to create custom fields without any need for developers
- Obtain regular software updates and strong support

SAP® Solutions and Services
SAP® Business One application

Implementation Highlights
- Completed both implementations on schedule and under budget
- Instituted common processes throughout the new company
- Cut over to SAP Business One with no period of parallel operations with legacy system
- Avoided disruption to customers

Why SAP
- Tier-one solution from a business software leader
- Strong, flexible, integrated functionality for all business areas
- User-defined fields
- Excellent support including frequent enhancements
- Clear future direction
- Affordability

Benefits
- Accurate, real-time, multisite inventory visibility
- More insightful financial reports
- Complete landed cost accounting
- User-defined tailoring to specific needs
- Reduction in customer service personnel despite growth
- Frequent, affordable enhancements
- Powerful reporting environment
- More time for senior management to proactively contribute to the business
- Smooth merger of 2 companies into 1 unified whole

Third-Party Integration
Transaction Manager from True Commerce Inc.

MARIO CAMACHO FOODS

Two companies, each with separate business software, merged to form Mario Camacho Foods, a fast-growing supplier of olives and related products. They both moved to a uniform implementation of the SAP® Business One application, which helped create a new business force with a single-purpose. "Our business is all about finance, logistics, sales, and distribution, and SAP Business One has introduced profound help in every aspect," says Ken Starling, the firm's director of technology.

Affordable Top-Tier Solution

A. Camacho Inc., a U.S.-based importer and distributor of specialty food products, was the smaller of the two entities that came together as Mario Camacho Foods. About a year before the merger, A. Camacho replaced its ill-suited, poorly supported business applications with SAP Business One. "We wanted a first-class enterprise application, but we thought SAP software was out of reach financially," Starling recalls. "But SAP showed us how well SAP Business One matched up with our needs and our budget. SAP also introduced us to Real Solutions of North America Inc., a top-quality local integrator with a specialty in SAP Business One.

The company performed due diligence before making its decision, but found at every turn that SAP Business One excelled over its competition. Starling recounts an example: "Cost accounting is complex in the import business. The final landed cost to us varies greatly depending on the supply chain. However, our prior system and the other candidates we examined allowed only one cost for a product. SAP Business One provides the flexibility to assign multiple costs to every product and supports the cost computation all the way up the chain."

The more Starling and his team looked into potential solutions, the more they found that flexibility was a major differentiator. "We had been frustrated every time we tried to accommodate our special needs with the legacy system," he says. "The vendor insisted on performing every stitch of customization itself, at considerable cost, and then it had to revisit them all every time it issued a software upgrade – at a lot more expense. When Real Solutions demonstrated the user-defined field functionality of SAP Business One, I instantly realized it was the solution we had been looking for. It provides all the benefits of tailoring without the downsides of customization, and it puts the power in our hands. We can specify our own fields for screens in a way that carries over without headaches when the software is upgraded. We employ user-defined fields a lot. Our purchase order screens alone have 37 of them."

Common Software and Processes for All

A. Camacho and Real Solutions performed extensive planning before implementing SAP Business One, and it paid off when the project finished on schedule and under budget. The preparation was so thorough that the firm switched off the legacy software the day it went live with SAP Business One. "Our decision to have no parallel operations worked out superbly," Starling reports. "Customers never knew the difference."

A. Camacho had barely settled in with its new business solution when its executives announced a pending merger with the Mario Olive Company. A nationally recognized branded olive enterprise, the Mario Olive Company wanted to greatly expand its North American footprint to include international markets and increase its store brand and food service channel presence. The Mario Olive Company decided the best way to accomplish this was to merge with a respected food supplier with an established import, food service, and distribution framework. A. Camacho fit the bill perfectly, and Mario Camacho Foods was born.

One of the first decisions the young company made was to implement common business software throughout the enterprise. Unlike most such mergers, however, the firm decided to retire the software used by the larger entity and proliferate the application used by the smaller. That application was SAP Business One.

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"The Mario Olive Company had challenges with its legacy systems as well," explains Starling. "Besides, in just the few months we had been live with SAP Business One, we had proven how well-suited it is to the needs of an import and distribution company. It was an easy decision."

A. Camacho did not want to force its business processes on users who came from the Mario Olive Company. Therefore, the firm decided to design new business processes that were optimized for the needs of the new company as a whole and to reimplement SAP Business One to support those processes. "We called Real Solutions back, and it did another excellent job – on schedule and under budget again," Starling reports.

"We have shown our executive committee how we can double our revenues with only a 3% increase in labor costs. That's how efficient we are with SAP Business One."

Jeff McMahon, CFO, Mario Camacho Foods

The Right Solution for Every Aspect of the Business

SAP Business One has proven to be a success for Mario Camacho Foods in all four of the major facets of its business. "In finance, we have many more tools that increase our efficiency," begins Jeff McMahon, the firm's CFO. "Our old software was batch-oriented and analysis was difficult, requiring our most senior financial people, our controller, or myself. With SAP Business One, we have real-time visibility into all our financials and a range of analysis tools that everybody in the department can easily use. That has freed our team to contribute to corporate planning at higher levels. The tools also allow us to generate reports we could not publish before. These reports have been very valuable in planning – for example, forecasting expenditures associated with specific customers or specific departments."

In procurement and logistics, the benefits are just as strong. Historically, the Mario Olive Company had paid for most of its purchases from large suppliers using electronic data interchange (EDI) technology, an arrangement that worked well for all involved. To support EDI, Mario Camacho Foods integrated Transaction Manager from True Commerce Inc. with SAP Business One. "Now we use EDI for 78% of our purchases," McMahon reports. "That, together with the superior purchasing functionality of SAP Business One, has greatly improved our efficiency."

The company's sales personnel enjoy richer functionality too, enabling them to more easily track orders and deliveries and keep customers up-to-date. "With all the growth we've experienced lately, our customer service people never could have kept up using the old software," says McMahon. "Processing a sales order took eight screens to do the job that we now accomplish with one using SAP Business One. Because of improvements like that, we have actually been able to reduce our number of customer service associates despite the growth."

The inventory and distribution side of Mario Camacho Foods' business is capitalizing on SAP Business One as well. "In our old system, we had to wait before responding to a purchase order because we could not trust our inventory reports to tell us what we had available to promise," McMahon remembers. "It was a batch-oriented system that was always a day late. And even after we learned what products we had available, it was cumbersome to determine which of our warehouse locations had them in supply. With SAP Business One, every warehouse can provide reports in real time, making it crystal clear where we stand so that we can respond immediately to customer requests."

A Dynamic Future

IT has also seen its burden reduced and efficiency increased since the implementation. "We used to spend all day fighting fires, but SAP Business One just plain runs," says Starling. "That leaves us a lot more time to help our business users find ways to increase their productivity even further."

"Maybe the best thing about SAP Business One is that it keeps getting better," Starling adds. "Our old vendor would let years go by without implementing sorely needed updates to our software, but SAP is continually innovating SAP Business One. We could enhance it every month if we wanted to. One of the biggest improvement areas has been in reporting, now that SAP Crystal Reports software is part of the application. It's a super tool."

Mario Camacho Foods has many thoughts and plans for expanding its use of SAP Business One – for example, to support third-party payments or perhaps freight management. "We are getting into the really fun times now that we have the platform in place," says Starling excitedly.

The merger and decision to implement SAP Business One company-wide have been big wins for Mario Camacho Foods. With the application's help, the firm has grown to become the largest importer of green table olives in the United States with household-name products on grocery store shelves. "We are now one company in every way," says McMahon. "Without a doubt, a big reason was our decision to implement SAP Business One."

Despite its fast expansion, the firm is unconcerned about outgrowing its enterprise resource planning software. "We are on a very aggressive plan to continue our growth," says McMahon in closing, "but we are convinced that SAP Business One will continue serving our needs for the foreseeable future. In fact, we have shown our executive committee how we can double our revenues with only a 3% increase in labor cost. That's how efficient we are with SAP Business One."

Real Solutions
REAL SOLUTIONS, REAL PEOPLE, REAL RESULTS

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