

An Epicor® White Paper

Why Food & Beverage Manufacturers Should Avoid Generic ERP Systems





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Introduction

It's 7:00 A.M. and you've just arrived at the office. You haven't even had time to grab your morning coffee, and chaos is already at your door.

- ▶ There's a potential issue with the flour and sugar used in your bakery and you have to figure out which batches are affected.
- ▶ Production is stopped because the overstock on a key ingredient is spoiled and needs to be replaced.
- ▶ You're behind schedule because your team is having a hard time setting up a complex recipe and production process because the bill of material (BOM) isn't set up to handle formulations and recipes.

Do any of these problems sound familiar to you? It would be so much easier if everyone had access to the right information at the right time, with a simple push of a button.

You might have all sorts of reasons for needing a new business system. But with so many options, how do you make the right choice? If you're trying to decide whether a generic ERP or an industry-specific solution will do, you're not alone. Here are some tips to help you decide.

Before you begin

Before you begin evaluating vendors and solutions, decide what's most important for your business, and build a requirements list. Outline your key manufacturing processes and then compare them against the capabilities of generic ERPs. Map internal processes as they are, and map how processes are expected to be after the implementation of an ERP.

You'll find that almost all generic ERP applications have modules or applications to handle the non-manufacturing areas of your business. However, these systems usually lack certain key functionality required to handle manufacturing processes, especially those of food and beverage makers.

Yes, you can try to customize a generic ERP application. But this is time consuming and costly to implement and maintain. You will also have to account for the vendor's ability to integrate with your existing systems.

Industry-specific ERP vs. generic ERP

When an ERP application is developed specifically for your industry it is better equipped to handle your manufacturing process with little to no customization. This means faster, more affordable implementation and maintenance.

An industry-specific ERP application typically offers deeper functionality than a generic ERP package. For example, a blender's workbench for distilleries or maturation management tools for cheese and dairy producers can help you manage inventory that changes value and identity over time.

What about generic ERP with vertical extensions?

Generic ERP systems may have partners that provide front-end packages that target various industry verticals.

Consider how well the front-end package can integrate with the generic ERP and your existing systems. Multiple systems can mean complex synchronization and the interface usually requires ongoing maintenance. Disparate systems are often left unused because the effort and resources required for integration end up costing far more than anticipated.

Consider the industry expertise and experience of the partner that provides the front-end packages. Does the team work in your industry full time? Is there a strong user base? If not, who will be responsible for the cost of maintenance and development of the applications?

Dealing with multiple software vendors can sometimes be a headache. When issues arise, who will be responsible for resolving your issue? What happens if the vendors end their partnership?

Unique requirements for your industry

As a manufacturer in the food and beverage sector, you have unique requirements. To meet these requirements, three must-have integrated capabilities you'll need are:

Traceability

Farm-to-fork traceability is critical for meeting stringent food safety and legislative mandates, so determine how well the candidate ERP systems will handle it. Determine which systems offer full visibility along the entire supply and distribution chain to the final customer.

Pinpointing potential issues immediately—instead of in weeks or months—with the ability to trace an unlimited number of points along the supply chain can help your business avoid massive financial devastation due to complete recalls, lost inventory and liable actions.

Day-to-day materials management

While some materials, like packaging, have a long or indefinite shelf-life, other key ingredients can spoil or cause production problems if not used at their peak. You can reduce materials consumption, produce less waste, and extend shelf life if your ERP system supports day-to-day materials management.

The ability to accurately forecast and report production, consumption, and fulfillment translates to a capacity to adjust inventories and material orders to optimal levels. Carrying less inventory, and placing more frequent material orders can mean significantly less carrying cost.

With accurate materials planning, ingredient throughput improves and often increases end-product shelf-life. Reduce the likelihood of spoilage with rapid turnover of raw ingredients, and deliver higher quality products to your customers.

Must-have ERP capabilities for food and beverage:

- ▶ Traceability
- ▶ Day-to-day materials management
- ▶ Recipe-based materials management

Recipe-based materials management

Most ERP systems have been built for discrete manufacturing of engineered products. But, food and beverage manufacturers require recipe-based materials management to stay on target for “day one for day one” order and delivery processing.

Recipe-based materials management improves quality with streamlined planning and production activities, especially when data capture extends all the way back to the field. With the ability to plan for multiple product attributes and grades, and retailerspecific packing and catch-weight labeling, you can boost customer service levels while beefing up item-specific traceability.

An ERP with recipe-based materials management can create bills of material (BOMs) optimized for formulations and recipes, and multiple units of measure. Production processes and product setups then become easier. Even difficult formulations can be accurately represented and traced.

Conclusion

An integrated ERP system specific to your industry will be better equipped to handle your food and beverage manufacturing requirements than a generic ERP. Industry specific solutions can be installed faster, and be less expensive to implement and to maintain. Although generic ERP vendors may have software partners who offer front-end packages that target industry verticals, you should consider the issues of working with multiple vendors. Finally, to meet the unique requirements of your industry you may find that the capabilities you need are only available in industryspecific ERP solutions.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers’ unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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