

# The Flavor of Efficiency

Deacom, Inc.



California Custom Fruits & Flavors, Inc. (CCFF) is a worldwide supplier of customized fruit and flavor ingredients. As their name suggests, CCFF designs and manufactures custom fruit and flavors for the dairy, bakery, beverage and foodservice industries. They distribute their products to customers throughout the United States, Canada, Asia and Central America.

CCFF has grown steadily since it was founded in 1986. The company credits its mounting success to its extensive production capabilities and innovative flavor engineering. The company currently has one manufacturing location in Irwindale, CA, about thirty minutes outside of Los Angeles. This modern manufacturing facility is outfitted with CCFF's ever-expanding production and packaging lines. CCFF leases space in a number of outside warehouses to store their raw materials. In addition to their production capabilities, CCFF puts an emphasis on uncompromising quality and exceptional customer service.

### **An Expensive, Customized ERP Recipe**

When Jim Fragnoli joined CCFF as their Chief Financial Officer in 2008, the company was running an ERP system that consistently required customizations to support their growing business requirements. Jim estimated that CCFF was spending an average of \$100,000 a year in programming costs to try to keep their existing ERP system in sync with their rapidly evolving business demands. "It quickly became clear to us that we needed to start evaluating ERP options," Jim stated. "There were

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a number of functions that the [existing] system could not handle and our customization costs were becoming a significant burden on the growth of the business.”

Before evaluating software systems, CCFF analyzed the limitations and weaknesses of their existing ERP system. They came to the conclusion that their biggest functional needs centered on formula management, inventory tracking, and financial reporting.

Using their existing system, CCFF had difficulty tracking over 5,000 custom formulas for their fruit and flavor divisions. CCFF needed a better way of managing their formulation process and tracking their extensive formula revisions. According to Jim, “Formula management was the number one must-have in terms of functionality.”

CCFF also needed a modern warehouse management system to insure that their production capabilities kept up with their growing demand. “Inventory tracking was critical because we had absolutely no warehouse management system,” stated Jim.

“The existing system had no inventory locations, no lot control, nothing. Everything we did in the warehouse was manual and very difficult to track.” Integrating a warehouse management system into their existing ERP system would have required significant customizations and thus was not an option.

Financial reporting was another significant limitation in CCFF’s existing system. “The process for creating financial reports was cumbersome and time-consuming,” Jim stated. Jim was looking for a more efficient financial reporting tool so he could have a real-time view of the company’s performance.

After CCFF’s analysis, it was clear that they needed to start exploring other ERP solutions to eliminate escalating customization costs and to provide them with the functional efficiencies that were lacking in their existing system.

### **Finding the Right Ingredients**

CCFF evaluated four different software systems that met the basic functional needs of their business on paper. CCFF chose to go with DEACOM largely because of Deacom’s software development philosophy, which is rooted in flexibility and evolution. Deacom’s model would allow CCFF to have the flexibility normally only provided by a customized solution and the rapid evolution capability of a configurable solution.

CCFF would work with Deacom’s experienced team during the implementation process to configure the software to their unique business requirements. If a particular business requirement was not met by the system, Deacom’s team would build the solution into their base code.

After the implementation process, Deacom continues to adapt their software to meet the evolving demands of the process manufacturing industry and handle the

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changing business requirements of each of their customers. If CCFF's business requirements changed, they simply request an enhancement to the base DEACOM code. This model ensures that the upgrade process is seamless because all changes are made to the base DEACOM code. The DEACOM model was the best solution for CCFF's present and future business needs as it would allow the company to pursue their business growth without the burden of expensive upgrades or costly customizations to their ERP system.

CCFF also chose DEACOM because it offered functionality not found in the other ERP systems. These capabilities include formula revision tracking, inventory control, job scheduling, demand planning, cost comparison tools, flexible report generation tools, and Excel data export tools.

Jim asserted that DEACOM's formula management was a big differentiator in terms of functionality, "Formula management was a big, big piece of the decision making and DEACOM excelled in this area." The completely integrated formula management module gives users the ability to revise and track formulas, keeping records every step of the way. Additionally, this module allows formula changes to instantly impact inventory, production requirements, and planning.

### **Recipe for Success**

CCFF has been very pleased with the performance of DEACOM since day one of the implementation. According to Jim, the DEACOM implementation was the easiest ERP implementation in his career: "I've done four in my life and this was far and away the easiest, smoothest implementation."

Jim expected one of the biggest implementation challenges would be familiarizing the warehouse teams with DEACOM. Unlike the rest of the company, these employees did not have experience using ERP software and Jim worried about how quickly they would be able to adopt the scanner technology leveraged by DEACOM. Jim quickly realized how simple the DEACOM system is to learn from an end-users perspective. "Prior to DEACOM, our users were not well-versed on ERP software," Jim said. "I really liked the simplicity of the system. It required very little training to bring all our users up to speed with the new system."

The biggest efficiency improvement CCFF has seen since implementing DEACOM is in their warehouse and production operations. CCFF no longer needs to run manufacturing operations on weekends because of DEACOM. Jim states, "DEACOM has enabled us to run our warehouse efficiently enough that we no longer need to run production on Saturdays to keep up with demand. Plus, our inventory is extremely accurate with the warehouse management system in control."

"CCFF has grown each year since implementing Deacom. The efficiency and functionality of the system has allowed us to maintain our overhead costs during this growth period," assessed Jim. "The real-time performance reporting saves a lot of time. For example, it used to take me approximately 8 hours every time I had to put together the financial reporting package. Now it takes me about 20 minutes."

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CCFF has also seen vast improvements in their formula management capabilities. They are now able to view all of their formulas and easily monitor revisions.

Jim concludes that CCFF is very pleased with the addition of DEACOM: "We are on a good path. I look at what we are accomplishing with DEACOM and I would say that the reality is that if I had to do it all over again, there is no question I would choose DEACOM."

### About Deacom, Inc

*Deacom, Inc. produces the complete DEACOM Integrated Accounting and Enterprise Resource Planning (ERP) Software System, which streamlines manufacturing business processes and maximizes productivity and profitability.*

For more information, please visit [www.deacom.com](http://www.deacom.com) [1].

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