

ABOUT THE CLIENT:

Food Manufacturer and Distributor

Middle Market Company - \$500M

Duration: 2 years



SOLUTIONS PROVIDED:

- Operational Refinement
- Data Quality & Systems Optimization

Background

A family business with three facilities in Chicago wanted to expand their operations to other parts of the U.S. They sought financing but were turned down by two banks based on their inability to scale their operations. For more than 20 years the management team had relied on a mom-and-pop approach to growth – implementing multiple, disparate systems, configuring workarounds, and creating manual, time-consuming processes to oversee shipping, purchasing, accounting, even financial reporting.

Finally, the management team understood that to obtain the financing for expansion they first needed to establish a foundation of controls and processes and implement an ERP system that would integrate all of their operations. And that's when VSG was brought in.

Our Findings

We began by analyzing and learning the company's existing operations, which included 100+ Excel spreadsheets, an Access database for tracking shipments, handwritten work orders, and a manual

process for tracking inventory. We discovered widespread challenges such as:

- A lack of controls and visibility of processes
- Inefficient procedures (e.g., emails sent as purchase order confirmations)
- Inaccurate inventory (e.g., physical counts were routinely off by \$250,000 or more)

The VSG team fully immersed itself in the organization, examining how each department and individual functioned, to ensure that we would be able to incorporate what worked well into the new ERP system.

How We Helped

Through our systematic, collaborative approach, we identified challenges, clarified needs and goals, and implemented the operational procedures and documentation the company needed as a foundation for achieving their goals. This included:

- Implementing a new ERP system across all facilities
- Creating processes, procedures,

validation criteria and training programs for staff

- Establishing clear, efficient, effective communication tools and method
- Building dashboards and establishing metrics for monitoring and measuring productivity and performance

We also achieved a number of tactical benefits such as improved security; transaction accountability; improved materials planning; a more accurate costing method; and finished goods lot traceability.

Results

Today the business runs more smoothly and operates with reduced risk, increased visibility, and employees whose mindset has shifted from "this is how we've always done it" to a collaborative, interdependent approach.

In addition, upon completion of the project, the company was finally prepared for growth. They obtained the financing they needed and shortly thereafter, opened a new facility in New Mexico. It was the first expansion in the company's history.