



THE NEW FLAVOR OF FOOD AND BEVERAGE DISTRIBUTION

NetSuite's Cloud ERP is the Key
Ingredient for Success



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Introduction

For food and beverage distributors, running a successful business demands constant innovation to meet changing customer tastes, and technology that can enable and adapt to that innovation. Far too often however, companies are forced to dedicate crucial personnel to IT and managing multiple disparate systems instead of driving the business and creating new, exciting products for their consumers. To effectively compete in a highly saturated space, food and beverage distributors need a reliable, integrated and easy-to-use ERP system.

As food and beverage brands experience rapid growth and expand around the globe, they require a platform that delivers scalability, agility and flexibility with the advanced functionality to support this growth with a real-time, unified view of the business. Cloud-based ERP systems can change the equation.

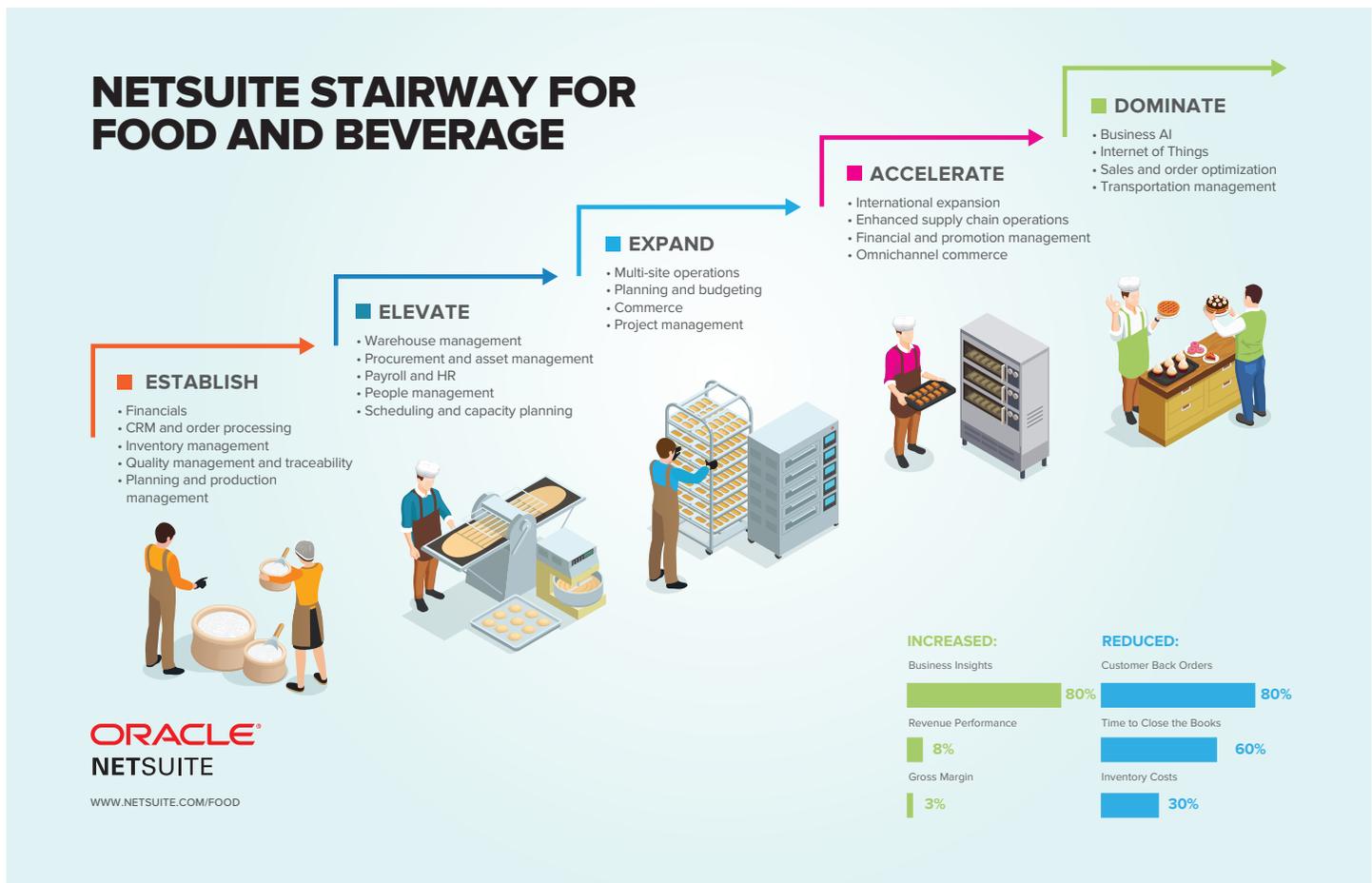
True, multi-tenant cloud ERP offers a system that eliminates concerns around scalability, security, application maintenance and upgrades. NetSuite—as a true cloud suite—is built to accommodate the largest enterprises down to the smallest startups and provides enterprise-level security for its entire customer base through economies of scale. By eliminating on-premise software, NetSuite also streamlines application maintenance and upgrades so that they are seamlessly completed via the cloud without cumbersome and disruptive upgrades. The bottom line is that with a cloud solution unifying core processes, personnel can focus more on delivering superior products, value and customer experiences, and less on their software.

Technology Challenges for Food and Beverage Distributors

- Food and beverage brands often have a wide range of disparate systems that limit visibility into business operations and are unable to grow with the business, while simultaneously demanding significant IT resources to simply keep these systems up and running.
- These disconnected systems can inhibit tracking and traceability, which is hugely problematic for managing quality and complying with industry standards.

- Legacy systems are not agile enough to allow food and beverage distributors to react to and capitalize on changing market conditions and advancements like globalization and shifting consumer preferences.

Integrating separate software systems for ingredient sourcing, fulfillment, inventory management, production planning, quality management, accounting and customer service introduces unnecessary complexity and inefficiencies, and requires costly IT resources to maintain. Running this multitude of systems for each and every functional area of a food and beverage business introduces



The Stepped Approach to Adopting the NetSuite Solution

errors throughout the business process, inhibits tracking and traceability, provides little visibility into key metrics and ultimately decreases business efficiency and accuracy, which is simply unacceptable in the highly regulated and highly competitive environment of food and beverage.

Solution of Choice for Fast-Growing Food and Beverage Companies

Experts and analysts consider cloud technology a compelling option for almost all companies, including food and beverage operations. In the early phases of a startup operation, the smallest companies make do with manual processes and point solutions ranging from QuickBooks for accounting to Excel spreadsheets for inventory management and recipe tracking. For larger and fast-growing food and beverage distributors, cloud technology provides scalability for growth and the flexibility to address a range of business scenarios, production complexities, tracing regulations, B2B and B2C channel strategies, and complex supplier networks.

The reality is that cloud adoption has been remarkably strong. In fact, analyst firm Forrester Research predicts, “the public cloud market will rise to \$191B by 2020—about 20% larger than our 2011 projection”. With this in mind, any and all modern food and beverage distributors need to consider a cloud-based solution to remain relevant and competitive in the changing food and beverage competitive landscape.

Cloud-Based Applications Level the Playing Field

As food and beverage distributors expand into a wider range of sales outlets and extend to direct-to-consumer sales channels, small companies can find themselves competing with multi-national giants for shelf space and customer loyalty. The biggest brands have vertical and horizontal integration advantages that can be nearly impossible for smaller contenders to match.

Cloud-based business management suites level the playing field with access to detailed supply chain and demand planning insights that were previously available only in high-end on-premise ERP systems. A firm command of costs, margins and availability throughout the supply chain is what gave a few elite companies a competitive advantage in recent decades. Innovative food and beverage brands adopting cloud computing now have that same power.

A Path to Sustainable, Profitable Growth

Because cloud solutions are designed for the modern web, unlike conventional on-premise software, they make it easier to expand and reach customers through new and emerging channels while keeping employees productive and costs low. As an example, NetSuite’s commerce platform seamlessly links to the NetSuite cloud ERP platform making inventory management, the pick-pack-ship process, and customer service a coordinated effort on a single system.



One NetSuite customer that has embraced the NetSuite platform for growth is Coda Coffee. A coffee roaster based out of Denver, Coda Coffee switched from QuickBooks to NetSuite in 2008 when it had just six employees and has since grown to over 45. The business now spans wholesale and white-label distribution, online and physical B2C operations that include a brick and mortar store, a 2,000-square-foot roasting and distribution hub in Denver doubling as a product maintenance center, and soon another roasting and distribution hub in Phoenix.

Coda Coffee, The PUR Company and Honey Stinger are just a few examples of leading

food and beverage distributors supporting successful growth on NetSuite's cloud ERP solution. Every worthwhile food and beverage distributor started with a vision and an enthusiastic outlook as its greatest assets. Cloud computing solutions ensure that a business never has to compromise on those foundational principles by becoming a victim to cumbersome and costly technology. Cloud technologies can help create a path to sustainable, profitable growth and limitless scalability, from the days of grassroots awareness and reputation-building to becoming a household name.

“With NetSuite in the cloud, we are never disconnected from the business. We can see in real-time what’s going on.”

— **Tommy Thwaites**, Founder and CEO



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“With NetSuite, we’re now organized to grow, 99 percent of the market is still in front of us. We never would have been able to tackle that without the structure NetSuite brought.”

— **Jay Klein**, Founder and CEO



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“The biggest difference NetSuite has made for us is to be able to concentrate on our customers. NetSuite allows us to get the back-office out of the way and lets us concentrate on our core mission.”

— **Chris Tamucci**, Director of Operations



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NetSuite Value Chain Assessment

● Current ● Desired

| | PRIORITY | FOUNDATIONAL | COMPETITIVE | BEST IN CLASS | TRANSFORMATIVE | EXAMPLE BENEFITS |
|--------------------------------------|----------|---|--|---|--|---|
| Commerce | ● | Legacy ecommerce, limited presence | Simple search, basic check out, disconnected and disjointed data | Single platform, B2B and B2C, no mobile | Omnichannel, real-time, scalable, single-data model, responsive design | Nearly double industry normal for average order value |
| Sales and Marketing | ● | Limited customer data and communication, brochure website | Centralized customer list, unified messaging, drip marketing knowledge base, sales forecast planning | Promotions, pipeline management, embedded BI workflows, unified messaging, variable pricing | Lead scoring, segmentation, SEO, real-time metrics, dynamic pricing, sellers scorecard, ROI | 50%-75% increase in actionable insights, sales productivity increased by 40%-60% |
| Order Management | ● | Quantity and price | Accept orders from multiple sources (EDI, phone, fax, web) | Workflows, pricing models | 360° view, reporting, automation manage by exception | Improved 45%-75% order processing efficiency |
| Sourcing and Supply Chain Management | ● | Manual transactions, no updates from vendors until order is ready | Automated but disconnected transactions, demand planning, infrequent vendor updates | Demand and supply planning, frequent vendor updates, manual load balancing, exception tracking, shelf-life management | Vendor portals, fully automated and self-leveling supply chain, buyers scorecards | 50% increase in supply chain efficiency, 25%-40% reduction in sourcing costs, 2%-8% improvement in material yields |
| Production | ● | Manual resource management and scheduling, paper based tracking and communication | Barcode driven MES, automated scheduling, quality control for receiving | Tablet based reactive MES, in-process quality management, costing, foundation for continuous improvement | Factory of the future, IoT, location irrelevance, financial opportunity value gap | Improve OEE by 10% to 75%, up to 10% reduction in total costs to produce. Improved product/quality compliance. |
| Warehousing | ● | Paper-based workflows, operator-driven, basic inventory tracking | RF/mobile barcode scanning, manual replenishment and cycle counting | Inventory allocation by FIFO/FEFO, dynamic putaway, integrated ASN | Wave planning, cartization, labor planning, dynamic slotting | Improved fulfillment rates and backorders by 75%-85% |
| Customer Service | ● | No recall tracking, customer data in silos | Non-collaborative, 11 recall, limited customer touch points | Central customer data repository, recall management and rebates, automated email communication | Complete customer view, customer portal, automation, cost of goods sold | 30%+ improvement in customer service efficiencies |
| Financial Management and Reporting | ● | No integrations, limited monthly reporting | Limited integrations, dimensional reporting | Multi-company management, consolidation | Real-time reporting and dashboards, sales tax, approval routings and workflows | 1%-5% improvement in gross margin |
| Technology | ● | Fragmented systems, poor data | Multiple tools and technologies, internally managed | Single data model, customized frameworks, optimized for scale | Multi-tenant, real-time cloud, automatic updates, embedded intelligence | 50%-75% reduction in IT support costs |
| Regulatory | ● | Prevention standards, safety regulations, GMP | Manual lot tracking, HACCP, quality assurance | Integrated lot tracing and tracking, inspection tests, recall procedures | Compliance tracking, quality assurance, case tracking, supplier approvals, performance ratings | Improved audit compliance, standardized disciplines, reduced reliance of 3rd party software, reduced standard deviation |

NetSuite Addresses Your Key Business Requirements

Run Your Food and Beverage Distribution Company Better in the Cloud

NetSuite helps food and beverage brands integrate suppliers, manufacturing, customers and inventory without the headaches and inefficiencies of disconnected and costly in-house IT systems.

They can focus on growing the business with a single platform for finance, order and

inventory management, demand planning, ecommerce and more. NetSuite is helping fast-growing food and beverage distributors improve performance by:

- Providing a real-time, 360-degree view of the business by seamlessly integrating financials/ERP, CRM, inventory management and ecommerce, thereby empowering businesses to manage their interactions directly with consumers and other businesses.



- Improving demand-planning operations with integrated inventory and order management, and building demand forecasts with real-time data to better meet customer demand across all channels.
- Allowing data to flow seamlessly to suppliers to ensure communication is in lockstep with the same data including audit trails and real-time accuracy at every stage for improved quality management and traceability.
- Managing all transactions and associated customer interactions regardless of the touch point i.e., mobile, catalog, web or store.
- Sharing container, pallet, location, forecasting, scheduling and unit-level data with stakeholders, while collaborating on a common cloud platform.
- Providing transparency, responsiveness, and visibility to customers through the front-end ecommerce solution.
- Providing the entire workforce with anywhere, anytime access to business data, improving sales effectiveness and quality management.



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