



PROVIDING THE FOUNDATION FOR BUSINESS GROWTH

AT A GLANCE

Company

- Hannah Foods - a wholesaler of foods to catering outlets.

Solution

- The SAP Business One application, implemented and supported by Signum Solutions.

Benefits

- Enabled business growth
- Stockholding reduced by 30-40%
- Fewer additional staff needed to cope with telemarketing growth
- Flexible picking and packing
- Error reduction through automated processes
- Ability to offer flexible terms
- Accelerated order taking

Company

Based in Skelmersdale, West Lancashire, Hannah Foods supplies foods to a wide range of predominantly independent catering outlets, including fish and chip shops and pizza retailers. With a turnover of over £9 million and thirty five staff, the company has recently started offering food services to schools, hospitals and care homes.

Started from a freezer in the back of a house thirty-four years ago, Hannah Foods moved into a purpose-built 40,000 square foot warehouse last year, which currently stocks nearly 600 product lines.

Explosive growth

In 2003 Hannah Foods started to experience explosive growth. In the ensuing six years it grew at an average annual rate of 38% and, even in the current climate, the company is still seeing an increase in business.

However, with the growth, Hannah Foods started to experience problems with the system it was using at the beginning of 2007, as Anthony Whiteside, General Manager, explains. "We had been using the system for about four years", he says, "and initially it met our needs reasonably well. But, as the number of products and

volume of transactions grew, it started creaking at the seams and response times were becoming completely unacceptable. It was clear we needed a new system."

Initial meeting

Initially Anthony started looking at another, larger solution from the incumbent supplier. However, he wasn't impressed with the demonstration.

Widening the search, Anthony also visited other food companies to look at the systems they were using. "They worked well", says Anthony, "But I had reservations. I could see us outgrowing them again."

In addition, Anthony used the Internet to search for possible solutions and came across Signum Solutions. "From Signum's web site I thought the company looked professional", says Anthony. "I was also attracted to the fact that they had a lot of experience in the wholesale & distribution and food industries. So I arranged a meeting with one of its consultants."

After an initial meeting, where Anthony was given an overview of the SAP Business One application, Signum arranged a more detailed demonstration.



SAP BUSINESS ONE INCREASES EFFICIENCY AND PROVIDES THE SCALABILITY FOR MAJOR GROWTH

"I had never heard of SAP Business One", says Anthony, "but I liked what I saw at the initial meeting and thought it was worth exploring further."

Unanimous decision

At the second meeting Anthony involved other Hannah Foods' personnel who were responsible for administration, finance and stock control. "I have a lot of faith in the staff who work here and I thought it was extremely important to involve them", says Anthony.

The fact that the company would soon be moving to a new, purpose-built warehouse, with a pallet capacity ten times larger than the existing facilities, meant that effective stock control was a key requirement for the new system. "The old system, which was predominantly an accounting package, only had very basic stock control, but people in the warehouse knew where everything was", explains Anthony. "With so much extra capacity we needed the system to drive the picking and packing process."

The second demonstration went well. Afterwards Anthony met with his staff and Hannah Foods' directors. The decision was unanimous - everyone agreed SAP Business One was the application the company needed.

"Signum's technical people did a very good demonstration", says Anthony. "We

could see that SAP would not only do what we wanted it to do, but that it was capable of expanding as we did. We felt comfortable we would not outgrow it."

But what really impressed Anthony and his team was the ability to generate business catalogues. "Our telemarketing team is making around 100 outbound calls a day to

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customers", he says. "Having business catalogues enables us to link products and special offers to each customer, so the telemarketing person has all the information they need available to them when they make the call. It not only means they can work more quickly, but they can also make buying suggestions to the customer."

Quick implementation

By the time the decision was taken, Hannah Foods' existing system was really struggling to keep up with the business

growth. As a result, it was imperative that SAP Business One was implemented quickly."

"Implementing SAP Business One meant we needed a new server", says Anthony. "Signum were very good and advised us on the size and specification of the server we would need. We approached a company that was recommended to us to supply it and Signum worked with its staff to make sure it was configured correctly for the SAP system".

"We also brought in an ex-employee to help us transfer the data, while Signum's technical staff configured our existing business processes into the system", continues Anthony. "With everyone's help we managed to go live with SAP Business One in November 2007, roughly a month after we started."

Significant benefits

Since SAP Business One went live stock control has improved considerably. "We can now obtain reports about stock usage, which enables us to anticipate demand more accurately", says Anthony. "I would estimate that we have been able to reduce our stock holding by 30-40%."

Due to the business catalogue features of SAP Business One, the productivity of the outbound telemarketing staff has improved considerably. "Since we've had SAP Business One we've been able to



accommodate significant growth without taking on as many people as we would have otherwise had to", explains Anthony.

Effective purchasing is also a key success factor for Hannah Foods and SAP Business One has helped here too. "The report writing features in the application are very powerful and Signum helped us write some special reports", says Anthony. "Now we are alerted to potential stock shortages before they affect us. The system also automatically provides purchasing with replenishment lists, complete with the supplier contact and pricing details. Previously, this would all have been done manually using spreadsheets."

With the move to the new warehouse, SAP Business One has delivered even more benefits. "The picking and packing functionality of the system has really been thought through well", says Anthony. "It's also extremely flexible. It's so easy to combine orders for multiple customers onto one vehicle, which is important to us."

In fact, SAP Business One now drives the whole sales process using daily deliveries and run numbers. "The telemarketing team knows which day of the week to call each customer and their normal delivery day", explains Anthony. "Order processing knows on which day and run number the customer delivery will be made."

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"The whole picking and dispatch process is organised by delivery day and run number", continues Anthony. "The system tracks the end-to-end process, increasing efficiency and reducing the possibility of errors."

In credit control, SAP Business One's flexibility is also helping. "We can easily assign different terms to different customers, which is important in our business", says Anthony.

Future plans

Hannah Foods' business is fast moving and its plans are ambitious. The company is putting all its efforts into growing the food service side of its business which supplies schools, hospitals and care homes.

"We are expecting to see significant growth in this sector", says Anthony. "It could mean doubling the number of lines

we hold in less than two years. Having SAP Business One means we can be confident the business can accommodate that sort of growth. We're also intending to add bar-coding capabilities, which will help us to streamline our picking process and optimise our stock even further."

From not having heard of SAP Business One, Anthony is now very enthusiastic about the application. "I think it's awesome", he says. "The controls are right and it has brought benefits to all areas of our business."

Anthony is equally enthusiastic about the help Hannah Foods has received from Signum. "Signum's staff are fantastic people, very thorough and always willing to help us. They are continually working with us to enable us to gain the maximum benefit from the system, which is essential for a growing business like ours."

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