

# ERP CASE STUDY



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- Pod Pack Int'l was established in 1996 by industry veterans Bill Powell, and Tom Martin who saw an emerging coffee trend in Europe using single-serve espresso pods for food service industry, and recognized an upcoming need in the United States market.
- Pod Pack partners with roasters, distributors, and brokers to identify and provide solutions in the growing single-serve market.
- As the coffee and tea industries grow Pod Pack continues to find opportunities addressing the needs of consumers in hospitality, food service, quick-serve, convenience stores, offices, and retailers.



# Before ERP

- Quality-related procedures are all handled manually using Excel spreadsheets saved on a server which takes time for processing.
- Recall and traceability reports take 4 to 5 hours to be generated.
- Financial closings require 25 days.
- Inventory reconciliation takes weeks .
- Poor Customer service.

The Need for ERP: Manual processes do not scale to meet the company's future plans.



# Solution

- From its start in a 400-square-foot facility located in New Orleans LA, Pod Pack has expanded to operate in 45,000 square feet in Baton Rouge LA.
- In 2017, the family-owned company brought on a private equity investor to support Pod Pack's goals for accelerating growth. At the time, the manufacturer relied on fully manual processes to manage its operations, but it soon became clear that this strategy would not scale to meet the company's future plans.
- A review of enterprise resource planning ERP solutions led Pod Pack to select the DELMIAWORKS (formerly IQMS) manufacturing ERP system in January 2018, and by Labor Day that year, the solution was up and running.



# Tangible Benefits

- The volume of business increased to 200% (food service industry) without an increase in headcount.
- Recall and traceability reports are generated in minutes instead of taking 4 to 5 hours.
- Inventory reconciliation that previously took 1-2 weeks has been replaced with hourly inventory updates.
- Financial closings have been reduced from 25 days to 3 days.
- The customers receive immediate results, immediate order confirmations, and immediate sales orders which previously had delay of several hours. They also get invoices within 24 hours of the shipment leaving the dock.



# Intangible Benefits

## Ensuring Quality and Compliance

- Pod Pack has quality-related procedures built into DELMIAWORKS as a quick inspection process that prompts operators on the inspections they need to run based on the products they are producing. Additionally, the manufacturer runs reports to see if quality checks are being run properly.
- The company can track whenever a product has been put on hold due to a manufacturing defect or error in real time.
- Pod Pack's quality and regulatory manager uses the integrated customer relationship management (CRM) functionality to track any types of customer complaints, issues, or credits related to quality.
- Weekly reports on manufacturing production issues are leading to improved employee performance.



# Intangible Benefits

## Optimizing Inventory and Supply Chain Management

- Traceability helps Pod Pack to manage inventory throughout its facility.
- Using DELMIAWORKS, everything received gets a label and barcode, which is tracked throughout the facility. As a result, Pod Pack managers can tell a customer where anything is within the facility at any time.
- The company relies on forecasting capabilities in DELMIAWORKS to facilitate inventory management.
- The clear view of inventory gives managers better data to understand inventory turns and slow-moving items when they are trying to make decisions about their product portfolio and how to work down existing inventory.
- The Pad Pack supply chain team also relies extensively on the shipment reporting in DELMIAWORKS.



# Intangible Benefits

## Superior Customer Service

- Pod Pack is able to deliver superior service, relying on data from the manufacturing ERP system at each phase of its interactions with customers.
- The insights into inventory, production capacity, the price of materials, and other costs enable the sales team to bid on deals more aggressively and with more precision.
- Real-time production and process monitoring in DELMIAWORKS enable Pod Pack's customer service group to proactively advise the client of any delays in the manufacturing process.
- Customer service representatives can respond immediately to the customer's query with the availability of real time data.





# Intangible Benefits

## Maximizing Production Capacity

- In addition to enhancing customer service, real-time insights facilitate production scheduling and planning—ensuring that Pod Pack meets its deadlines for current product runs and identifying opportunities to add production runs.
- The company maximizes production capacity by utilizing any empty slots in production by the real time data provided which contains the details of the schedule.
- Pod Pack uses the ERP system's maintenance, repair and overhaul (MRO) module to ensure that it has enough replacement parts on hand for its existing machines. Using information from the MRO module, the team can manage all of its maintenance parts, set minimum inventory levels and place orders such that safety stocks are available.



# Intangible Benefits

## Data-Driven Management

- Data from the manufacturing ERP system is used to help Pod Pack employees in their own work and in managing others.
- The company has made extensive use of DELMIAWORKS IQAlerts and custom reports, so employees have the information they need.
- The ability to get real-time updates gives Pod Pack visibility into where the company is in meeting with its monthly goals.
- Real-time updates enable the management team to follow up with employees immediately.
- Managers use the data to recognize operators for outstanding performance, turn performance issues into training opportunities, and recognize when teams need assistance overcoming roadblocks.



# Risks

- It was difficult for Pod Pack to change old or existing processes to match the ERP system.
- The employees might have not supported the idea of system being automated as it might cost some, their jobs and maybe others were simply too accustomed to the manual processing.
- The project could have taken longer duration to be implemented and thus cost the company significant losses.
- They might lose many customers due to lack of performance during the implementation period of the project.
- Investment in training and reskilling the employees might have been insufficient.



# RMMM Plan

## Mitigation:

- The ERP system can be customized to avoid changing old core business processes.
- Sufficient amount of capital should be invested in training employees to avoid miscalculation in implementation costs.
- The employees must be informed clearly about their job security and possible changes in their roles, making sure they accept it.
- The duration of completion of the implementation should be properly estimated performing efficient analysis.
- There should be some alternative to serve the customers during the implementation period.



# RMMM Plan

## Monitoring:

- The different modules being customized should be monitored carefully.
- It should be made sure that amount of money invested for implementation is appropriate and there should be prediction made for any excessive needs.
- The employee's behaviour must be monitored continuously.
- The duration of completion of the implementation should be properly estimated time to time performing efficient analysis.
- There should be a check on the service provided to the customers during the implementation phase.



# RMMM Plan

## Management:

- There should be a backup plan if customization of ERP fails.
- There should be an attempt to reduce the costs and implementation of less important modules should be delayed.
- The employees can be offered other monetary incentives to adapt to ERP system.
- If the duration of completion of the implementation takes longer the customer service provided should be focused on to reduce the loss to minimal.