

Customer Case Study: The Honest Kitchen

The Honest Kitchen Grows Rapidly with SAP Business One and Stellar One Consulting



About The Honest Kitchen

Established in 2002 and headquartered in San Diego, California, The Honest Kitchen and their staff of 48 dedicated employees are passionate about developing human grade food for pets. Working from the historic Wonder Bread building and field offices nationwide, The Honest Kitchen's employees focus on creating nutritious and delicious meals for passionate pet owners and the pets they love.



The Challenge

The Honest Kitchen went through a significant growth spurt in which their employee count increased, and their transactions and revenue expanded considerably; in 2010, thanks to a loyal customer base and innovative products, the company was positioned for further revenue growth.

The Honest Kitchen's leadership wanted to pursue a more profit-driven strategy – without sacrificing product quality. Their goal was to implement an ERP system to automate core company processes and support cost-efficient revenue growth. “We established a strategic priority to achieve double-digit revenue growth without needing to hire more employees,” said The Honest Kitchen co-founder Charlie Postins. “We knew an ERP system would be core to making that happen.”

The Honest Kitchen quickly settled on implementing SAP Business One, as they recognized that the breadth of features and functions would accommodate their aggressive growth strategy. However, The Honest Kitchen didn't get the gains they expected from their new system. “We were only using Business One at a rudimentary level,” explained Postins. “We weren't taking advantage of its capabilities for system rationalization and integration with third-party, value-added systems.” In mid-2010, The Honest Kitchen management sought help from an SAP Business One partner that could help them obtain the most benefit from their ERP system.



Choosing Stellar One to Overhaul SAP Business One

After evaluating several SAP Business One partners, The Honest Kitchen chose Stellar One Consulting to help them maximize the value of Business One. The criteria that led The Honest Kitchen to Stellar One were:

- Strategic insights and a high-level view of ERP for growing companies
- Willingness to become part of the The Honest Kitchen team
- In-depth product knowledge of SAP Business One
- Expertise surrounding process automation across multiple functions
- Ability to identify and integrate add-on modules and data sources

“After several meetings with the Stellar One team, we felt they could help us build a strong foundation from a systems and processes standpoint,” said Postins. “They quickly identified ways we could integrate SAP and add-ons with other partners while also minimizing errors and overhead.”



One of the key strengths of Stellar One is their ability to adapt to our business culture and act as an integrated member of our team. Their project management approach is both appropriate and critical to our ongoing success.

- Charlie Postins, Owner, The Honest Kitchen

Stellar One Makes SAP Business One a Game-Changer

In the first two weeks of collaborating with The Honest Kitchen, Stellar One Consulting demonstrated how The Honest Kitchen systems could work in unison based on a Business One foundation. Stellar One Consulting then presented a realistic but strategically aggressive plan to meet The Honest Kitchen's goals. "They demonstrated many ways we could improve performance but also kept us grounded," said Postins. Stellar One Consulting and The Honest Kitchen leveraged existing accounting, sales, inventory/purchasing management, and production management data to perform more transactions via automated processes. They also unified the data in Business One so The Honest Kitchen could find new ways to use it as their business evolved.

Stellar One Consulting has a teacher mentality; they make us the champion of our system – they don't just see opportunities to bill us."

– Charlie Postins, Owner,
The Honest Kitchen

One of the first uses of unified data was an entirely new eCommerce system strategy. "Stellar One used amazing knowledge of SAP Business One and Microsoft SQL to enhance our system and guide us in the selection, development, and implementation of a sophisticated eCommerce platform," said Postins. Today, that eCommerce system feeds much of The Honest Kitchen's revenue growth. EDI integrations with third-party logistics partners automate processes, so revenue growth is cost-efficient, with no need to add support staff.

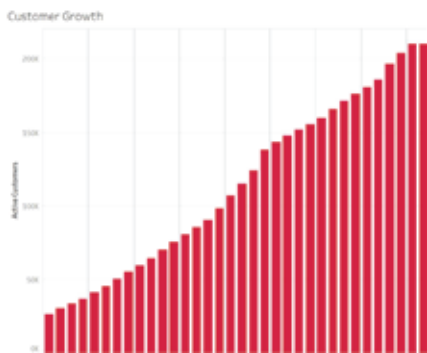


Automating processes and unifying data in Business One also allowed The Honest Kitchen to analyze their business in ways they never thought possible. Today, they associate sales data with accounting and inventory data to create revealing data visualizations that show opportunities to upsell and cross-sell products through each channel. In addition, the system combines real-time sales forecast data with purchasing and accounting data to generate automated notifications that advise when to issue new purchase orders and/or production orders. "With Stellar One, we are utilizing the center systems of SAP and are better informed," said Postins.

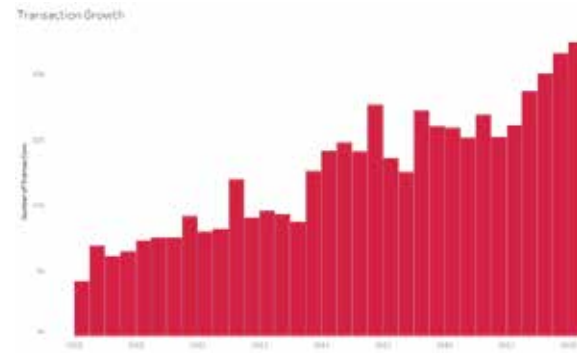
Substantial Revenue Growth with Business One and Stellar One Consulting

Since choosing Stellar One Consulting in 2010, The Honest Kitchen has surpassed their original goal of double-digit revenue growth; instead, the company has increased their revenue by 25% per year. Equally important is that the growth is from a broader, more diversified base of customers. As the image below shows, The Honest Kitchen has grown their customer base to nearly ten times what it was when they first engaged Stellar One Consulting. And, as you can see in the second image, they also more than quadrupled their transaction volume – all without adding to their headcount!

Customer Growth



Transaction Growth



The Honest Kitchen's Future with Stellar One Consulting

The Honest Kitchen management feels they have a genuine business partner in Stellar One Consulting. Stellar One Consulting provides them with the strategic-level insights to make the most of their systems and puts the focus on success, not billing. Said Postins, "Stellar One brings a teacher mentality; they make us the champion of our system and advise how to maximize its value." The two companies plan to partner for years to come as The Honest Kitchen brings healthy food to doting pet owners.

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