



Newsletter Vol. 82 - Introduction

Softengine News is dedicated to keeping you up to date with the latest information regarding SAP Business One systems, Softengine solutions and Best Business Practices.

What's New?

Spotlight on our Customer: Edesia Global Nutrition – Another Softengine Success Story

Solutions to Nourish and Change the World – SAP and Softengine Advance Edesia's Global Mission

Founded in 2009, Edesia is a registered 501(c) (3), nonprofit manufacturer of nutrient-rich, peanut-based, Ready-to-Use foods (RUFs), designed to treat and prevent childhood malnutrition in developing countries worldwide. Headquartered in Providence, Rhode Island, and with a current staff of 75 employees hailing from 23 countries, Edesia produces ready-to-use therapeutic and supplementary foods – enough to improve the lives of over 800,000 malnourished children each year. The organization's largest customers, such as US Agency for International Development (USAID), UNICEF and the World Food Programme (WFP), work globally to alleviate the humanitarian crisis of childhood malnutrition. In the five years since opening its doors, Edesia has helped treat and prevent malnutrition for over 3 million children in more than 46 countries worldwide – throughout Africa, the Middle East, Latin America and Southeast Asia.

Challenge

Lack of Integration Produces System-wide Inefficiencies

Since its inception, Edesia, under the leadership of founder Navyn Salem, has achieved tremendous success in fulfilling its mission of sparing children across the globe from the ravages of extreme malnutrition. A key factor in this success has been the organization's adherence to strict quality control benchmarks throughout the process of formulating nutrient- and vitamin-rich blends that comprise the company's lineup of ready-to-use foods (RUFs). Any deviation from the precise formulas that constitute these food blends could compromise the nutritional value that is so critical to helping children overcome malnutrition.

To help meet these exacting standards, Edesia relied on a custom software product that offered comprehensive Quality Assurance (QA) and Quality Control (QC) functionalities. While the software served Edesia well for over five years, it lacked integration with other business applications, resulting in ongoing inefficiencies throughout the enterprise, especially in the areas of shipping and production.

“Without real-time data and detailed monitoring of raw materials, all of our processes were too labor-intensive and time-consuming,” said Brian Dugas, Senior IT Manager for Edesia. “It was clearly time for an upgrade to a more robust and flexible solution.”

Solution

SAP CSR Program Helps Edesia Reach More Children and Reduce Expenses

Soon after Dugas joined Edesia, he was tasked by Salem with finding a comprehensive ERP solution that would help Edesia fulfill its core mission of reaching as many malnourished children as possible.

According to Salem, “Our goal was to simplify our systems and automate our business processes. Specifically, we wanted real-time access into all the production, inventory and financial data to manage our operations more efficiently and cost effectively.”

Fortuitously, at the same time Dugas was searching for ERP solutions, the MIT Sloan School of Management contacted Edesia to see if their students, who were seeking a special project, could assist. Edesia enlisted their help to find the right ERP software solution. Working collaboratively, three potential software packages were identified and SAP Business One, a proven solution with a stellar track record with food-centric businesses, emerged as the best choice.

“As a small nonprofit with a limited budget, we were concerned about the cost of implementing such a robust solution as SAP Business One,” said Dugas. “Fortunately, one of our contacts at MIT had reached out to Softengine (www.softengine.com), an SAP Gold Partner near Los Angeles, and informed them about our situation. What happened next was simply miraculous!”

While attending an SAP Conference, Softengine learned of SAP’s Corporate Social Responsibility (CSR) program, whose mission is to provide the world’s youth with the tools they need to tackle society’s problems and thrive in the 21st century workforce. SAP had recently announced a campaign calling on its partners to nominate charitable organizations to receive an in-kind donation of SAP Business One and Softengine nominated Edesia, a nonprofit that fit the program’s criteria perfectly.

SAP moved quickly, reaching out to Edesia to gather additional information on the entire SAP Business One implementation so they could submit a grant proposal to the CSR program. The proposal included additional funding for Softengine’s proposed customizations inside SAP Business One and the development of new modules that would leverage the functionality of Edesia’s existing QA/QC software. Boyum IT also agreed to donate its B1 Usability Package to the project.

Not long after the proposal was submitted, Dugas received a call from SAP. “I answered the phone and got the thrilling news that out of all the charities nominated, Edesia had been selected for the in-kind donation – the very first in the company’s history,” Dugas exclaimed. “SAP even agreed to fund Softengine’s initial visits to our facility. In other words, they covered all of our costs ... it was just unbelievable news for a nonprofit like us!”

During Softengine’s initial visits to Providence and Edesia’s factory, the team gathered detailed information on Edesia’s daily business processes (e.g., production, billing, inventory, etc.) and focused on identifying the organization’s most pressing challenges. After conducting an in-depth needs analysis, Softengine concluded

that Edesia could achieve all of its production and quality control objectives with new custom QA and Blending modules that would be integrated with SAP Business One.

SAP Business One's robust ERP functionality was the ideal solution to integrate all of the organization's business processes "under one roof." Edesia added two features: Open Items List and Perpetual Inventory. The Open Items List enables users to view all open sales orders, monitor the progress of production orders and see the status of open deliveries (to determine which products have shipped and which are still in the warehouse). The Perpetual Inventory feature is an invaluable tool to analyze profitability and help businesses improve their margins with up-to-the-minute data on inventory valuation and costs of goods.

Traceability of raw materials from vendor to finished product was another essential requirement of the new system and the combination of SAP Business One and Softengine's Food One extension filled the bill admirably. Every finished product is assigned a batch number, which contains complete "up and down traceability" of each raw material in the blend.

Softengine QA Module – Softengine created a new, user-friendly QA module, which Edesia quality staff primarily utilize to facilitate the testing and approval process for each ingredient. All raw materials are sent to a third-party warehouse for pre-inspection and then to an independent lab for another round of inspection. Results for ingredients that pass inspection are keyed into the QA module and then sent to the inventory module in SAP Business One, where their status automatically changes from "On Hold" to "Usable." Finished products also undergo a similar testing process prior to shipment.

Softengine Blending Module – Softengine developed its custom blending module to deliver complete traceability of every raw material incorporated into Edesia's food blends through barcoding of each ingredient. A scale is also connected to the computer to ensure that all measurements are precise. The addition of a touch screen eliminates any need for keyboard entry and switching between modules during the blending process. Strict controls were built into the system to ensure accuracy and to certify that all the nutrients and vitamins required for treating and preventing malnutrition are present in the right quantities. Once all of the ingredients have been measured to specification and added, staff proceed to a work-in-process stage in which all the ingredients are blended together, finished and packaged in boxes for shipment.

Results

SAP Business One and Softengine Custom Modules Deliver Perfect Blends for Edesia

Edesia's relentless drive to help eradicate the global crisis of malnutrition has certainly received a much-needed boost from SAP and Softengine, who believe wholeheartedly in the organization's humanitarian mission. Likewise, SAP's commitment to providing young people around the globe with greater opportunities to survive and thrive has certainly found a champion in Edesia.

"Without SAP's CSR program, we couldn't have afforded such a robust ERP solution," said Dugas. "SAP and Softengine really came through for us. Overall, this has been such a great experience – and we are grateful for their confidence in our ability to fulfill our mission using their state-of-the-art tools."

The one-two punch of SAP Business One and the Softengine custom modules has delighted Edesia management and staff. "Our new system is so intuitive and easy to use and our business processes are almost completely automated," declared Dugas. "With SAP Business One, we have real-time access to all the data we

need to help us reduce costs and trace our raw materials from start to finish. Having total visibility into our entire production process is exactly what was needed for Edesia to remain nimble.”

“We are ecstatic to have a system that can evolve with our growing needs and help us make more lifesaving foods to reach more malnourished children than ever before,” added Salem.

Dugas also has high praise for Softengine’s efforts to implement SAP Business One at Edesia. “Softengine has been such a great partner since day one,” said Dugas. “They’ve been so responsive to our every request and they get everything done on time.

During our initial meetings, Softengine took the time to fully comprehend our business processes and ultimately gave us exactly what we needed. And when we wanted changes made to the system late in the process, it was no problem. Our team and the Softengine project manager put the finishing touches on the new system at 3:30 am, just hours before we went live and everything has performed admirably ever since!”

For more information about SAP Business One and business improvements, please contact Barry Lederman: 818.704.7000, blederman@softengineusa.com.

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