

D'Arrigo

Produce distributor D'Arrigo Brothers drives a surge in the quality of customer relationships, profitability, and control

Company: D'Arrigo Brothers

Number of employees: 25

Website: www.darrigoma.com

Country or region: United States

Industry: Wholesale and distribution—Produce and nondurable goods

Software and services

→ ColumbusFood

Customer profile

D'Arrigo Brothers of Massachusetts is a terminal market produce distributor that provides a wide array of produce offerings to business customers.

Business situation

Process inefficiencies and outdated, hard-to-maintain software systems prompted D'Arrigo Brothers to look for a new business management system that fit its business model and could grow with the company for years to come.

Solution

D'Arrigo Brothers implemented ColumbusFood.

D'Arrigo Brothers of Massachusetts replaced manual, inefficient processes and outdated software tools with a modern business management system that integrates ColumbusFood. The solution enables unprecedented levels of business control and customer responsiveness, saves hours equivalent to two full-time positions, and helps accounting and distribution employees make a more valuable contribution.



Key Benefits

- Greater reliability and responsiveness in serving customers
- Reliable, current business insight
- Full lot traceability
- Time savings of 80 hours per week
- Predictable, controllable sales margins
- Better employee morale and motivation

D'Arrigo Brothers is a terminal market produce distributor operating out of the New England Produce Center in Chelsea, Massachusetts. The company, founded in 1925, owns one of the oldest produce brands in the U.S., Andy Boy, and provides a comprehensive supply of produce offerings to business customers, including restaurants, grocery chains, and sole-proprietor shops.

At D'Arrigo Brothers, operations had largely been manual. Peter D'Arrigo, President of D'Arrigo Brothers Company of Massachusetts, says, "When an order came in, employees would write a pick ticket for that order, pick those items, and then, sometime later in the day, subtract those items from a list of our inventory. We would then reenter the sales information into the accounts receivables of our accounting software." As a result, the company lacked real-time inventory insight and could run into over- and underselling issues. The manual practices could also lead to errors and consumed much of people's time. They required roughly an hour-and-a-half of each salesperson's day and an hour per day for each team member in accounting. Manual processes were not the company's only challenge. Says D'Arrigo, "Our accounting software was developed in-house and based on Linux, which we felt wasn't the future of technology, and it was over 20 years old. Customizing it to meet our needs was extremely difficult, and we weren't sure if we could support it much longer."

Choosing Microsoft Dynamics and a leading industry solution

To eliminate manual processes and to ensure the future viability of the company, D'Arrigo began to look for an ERP solution that would span both accounting and operations. He also sought one that would be easy to support and that could grow and change with the business.

After considering several competing products, D'Arrigo chose ColumbusFood. D'Arrigo notes, "We looked at Produce Pro, which was a good solution, but it didn't get us away from Linux. Then we compared a Famous Software solution and ColumbusFood. Of those two, ColumbusFood was easier to update, change, and work with. In addition, we felt the solution was future-proof—Microsoft would be there for years."

Engaging with Columbus as the implementing partner, D'Arrigo Brothers first went live with the integrated ColumbusFood solution in 2005. Since then, the company has continued to work with its technology consultants to keep the solution current, performing two upgrades and making several modifications to support changing business requirements. From the wide range of capabilities in ColumbusFood, D'Arrigo Brothers uses most intensely the functionality in such solution areas as lot tracking, rebate management, warehousing, pricing, and the contracts module, where users can track pricing changes, review how prices are determined, what the margins are, and if any firm contract limits are close.



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Peter D'Arrigo, President,
D'Arrigo Brothers Company of Massachusetts

Immediate visibility and end-to-end lot tracking

Now, when the sales team buys and sells produce, the related information remains current, enabling D'Arrigo Brothers to understand and react to changes in the business. Says D'Arrigo, "By using ColumbusFood, we can see what's going on in real time with any given commodity, lot, or PO. At any time, we know what we bought, what we sold, and what our profit is."

Employees enter POs into ColumbusFood as they come in. The system then automatically produces a delivery ticket and subtracts the items from the available real-time inventory. After that, workers ship the produce and use the solution to produce customer invoices. When sales associates purchase produce for resale, they log it in ColumbusFood as well.

In facilitating purchases and sales of produce with ColumbusFood, D'Arrigo Brothers relies on a terminal market screen that comes with the solution. The terminal market screen offers insight into any produce lot with information such as costs, where the produce came from, and where it will be delivered. This also provides the important lot traceability to meet food safety regulations. Through the terminal market screen, employees can quickly find the lots that best meet customer needs, for instance, by browsing lots based on their price, brand, or freshness.

Enhancing customer relationships with distribution capabilities built for the food industry

D'Arrigo Brothers also takes advantage of the logistics and distribution capabilities specifically designed for the food industry that are part of ColumbusFood. These include the ability to track produce expiration dates and buy back unsold produce from customers. D'Arrigo Brothers sells that produce on consignment at a discount. The company also relies on the solution to account for the repacking of bulk produce into packages of varying sizes for resale. It makes it easy to split shipping costs across multiple POs that are part of a single load.

The operational control and streamlining with ColumbusFood clearly have a positive impact on D'Arrigo Brothers' customer relationships. "With ColumbusFood, we are much more responsive to customers and we're able to get them through the buying process much quicker," comments D'Arrigo. "Furthermore, we're not running into the issues of underselling or overselling produce. If we tell a customer we have the product they want in the quantity they want, it's because we do. Overall, we have improved our relationships with customers tremendously."



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Significant time savings, better margins, and improved morale

Eliminating manual processes has saved D'Arrigo Brothers sales and accounting teams 80 hours every week. "Because we have eliminated data reentry by using ColumbusFood," says D'Arrigo, "Sales staff are saving one and a half hours a day and accounting staff are saving an hour a day—all while our data has become more accurate. And now, we can spend that time talking to customers and tracking down new customers."

When those sales take place, the company is in a better position to predict the business results. D'Arrigo notes, "Before we make a sale, we know exactly what the margin will be and how that fits into our business plan, which has undoubtedly made us a more profitable business."

What's more, with ColumbusFood, D'Arrigo Brothers employees not only work more productively, but also feel better about what they do. As D'Arrigo explains, "Because we don't have to rekey data, we are less prone to make errors and we have taken a lot of pressure off the people in sales and accounting, which has had a positive effect on employee morale."



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