



Company Name
Simmering Soup

Shawn Early
Director - Operations

Location
Somerville, MA

Industry
Fine Food

Employees
100

Goals

- Improve inventory accuracy
- Troubleshoot issues in real-time
- Improve raw materials planning
- Reduce waste

Solutions

- ERP software including accounting

Results

- Increased inventory accuracy
- Reduced material costs
- Improved vendor performance
- Increased profitability
- Immediate savings

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BatchMaster Takes Aim at Troubleshooting Paper Problem

In 1991, in a small corner of a friend's wholesale bread company in Somerville, MA, Wayne Walker began Simmering Soup. Here, he began production of high quality soup in small quantities. "We cooked our product in 10 gallon pots and packed it by hand into containers." It wasn't long before Wayne was turning customers into loyal fans through a small retail outlet. A handful of savvy restaurateurs in town began purchasing products by the gallon. A buzz was in the air. Wayne purchased two 40-gallon soup kettles to keep pace with the orders.

Business continued to flourish, first to commercially labeled soups, then to salads and finally to complete entrees like Roasted Chicken and Sushi. As the company grew, issues relating to inventory management, vendor relations, and waste became more evident. The problem was that their staff had developed a wealth of departmentally specific knowledge, but company-wide issues required extensive time and effort to troubleshoot.

All of the Simmering Soup's critical data resided on spreadsheets. Each of their departments relied heavily on one or two critical individuals. Most of the Simmering Soups staff had never used computer-based systems to manage their day-to-day tasks.

“Sometimes it felt like we were flying blind,” says Director of Production, Shawn Early. “We typically were trying to evaluate issues at the end of the month or period, without being able to troubleshoot problems in real-time.”

Simmering Soup is unique, in that they offer make-to-order products and commit to ship that same day. Because they pride themselves on all natural, fresh (not-frozen) food, the company must acquire vegetables and other perishable ingredients quickly, and store and consume them in one or two days. “Often, if a vendor doesn't have what we need, we'll switch suppliers, or even send someone to the store,” says Early. “Usually, the vendor would end up sending us the product anyway, later in the week. Because Receiving didn't know about the store run, they'd simply receive it.”

Because of the short inventory cycles, waste became a significant issue. Early says, “Not only were we wasting product that had expired, we didn't understand how much we were wasting, or the impact that it had on the cost of finished goods.”

Time for a New System

Simmering Soup had an immediate need to better control and understand inventory as it related to purchase orders, receipts and shelf-life. They needed a system that would allow them to increase margin, manage inventory levels, reduce waste and understand the true cost of finished goods. “We were concerned with implementing a new system, because our employees had never used ERP or other types of management solutions,” says Early. “BatchMaster had many pluses that made it easy for us to get employees on board.”

Early was new to the company when they began their ERP selection process. He said, “I'd been involved in several ERP implementations and upgrades in the past. At the outset, BatchMaster demonstrated their Operational and Management Dashboards, which really appealed to us. I knew that having a system that would allow me to monitor different areas of the organization as transactions took place would make my life much easier, and it has.”





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Boiling Down the Costs

Their Director of Operations also commented that, “In most ERP implementations, there is a hidden cost of reporting. Typically, the companies I worked with on ERP suffered with shelling out thousands of dollars every time they needed a new report. BatchMaster gave us a system that had eighty percent of the data we needed already, along with the ability to drag and drop and sort that same data, in order to get exactly what we need to complete the reporting cycle.”

BatchMaster provided Simmering Soups with a complete ERP Package that included implementation of Sales, Purchasing, Production, Shipping and Receiving Modules as well as accounting. “BatchMaster gave us an immediate understanding of the financial implications of issues like waste and the ability to measure that in real-time on an ongoing basis,” says Early.

Return of Investment

Before BatchMaster, Simmering Soup could not accurately understand the cost of finished goods. “Our cost for an end-item didn't reflect the fact that ingredients were expiring and the cost of that waste wasn't represented in our product costing or reflected in the margin of each product we sell.”

“It was very common,” says Early “that our cost for an item was based on inaccurate information. Vendor's had shipped us product we'd already sourced elsewhere, and that caused problems with unneeded product expiring. In addition, our vendors would occasionally send us more product than we ordered, which ended up with the same effect. Either way, we had more inventory than we needed, when we needed it. That all needed to be factored into the cost of finished goods.”

Simmering Soup immediately began seeing a great return on their investment. Without an approved PO in the system, receiving was unable to receive product. Because BatchMaster ERP kept track of exactly what was ordered, vendors were no longer able to ship more product than was needed. “This is helping us towards our goal of ninety-five percent inventory accuracy. We're getting there quickly with BatchMaster.”

For more information about BatchMaster Software, contact sales@batchmaster.com

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