



Compact Finds SYSPRO A Necessary Ingredient for Success

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At a Glance

Compact Industries, Inc.

St. Charles, Illinois

CHALLENGE:

Compact Industries, Inc. manufactures more than 90 custom blends of coffee. The variety of products required a software solution that delivered stringent inventory control, efficient order entry and effective order tracking in order to meet the delivery demands of customers.

The Company

Compact Industries, Inc., a privately held company based in St. Charles, Ill., is a recognized market leader in the food service industry. Compact began operations more than 35 years ago by producing instant coffee, cocoa and soup in ready to heat paper lined cups. The convenience of “heat and eat” made the beverages extremely popular with consumers, and sales soared. Shortly thereafter, Compact modified the “in-cup” for use with coin operated vending machines, and sales took another spurt upwards.

In 1973, Compact’s founder John F. Green III saw a potential in the beverage industry and expanded his business by packaging single-serve instant coffee packets and 8oz. service bags. The business again grew very rapidly, and Compact became one of the largest importers of soluble coffee in the U.S.

By continuing to anticipate similar major trends in the food industry, Compact has become a leader in the private label manufacturing of powdered food and beverage products. Today, the company produces more than twenty lines of custom-blended hot and cold beverages, encompassing coffees, teas, cocoas, granitas, citrus-based drinks and soft serve products, all delivered in a variety of convenient packages.

Compact derives the majority of its revenues through its Contract Packaging operation, wherein the company blends and custom packages mixes for the most popular food labels in the United States. In fact, the company’s Research and Development Labs has the capability to custom blend to match or even improve any formulation.

The Challenge

Compact produces more than 90 custom blends with numerous packaging options,

ranging from single package servings to flexible pouches to canisters. The variety of products, blends and packages makes stringent inventory control, efficient order entry and order tracking the highest priorities in order to meet the delivery demands of customers. “Our business is based on service,” says Todd Carlig, Information Systems Director.

According to Carlig, the company saw the need to upgrade its computer software several years ago. The firm’s software was predominately accounting-based and lacked the flexibility to handle Compact’s increasingly diversified manufacturing operations.

The Solution

After examining several software solutions, the firm opted to go with SYSPRO ERP (Enterprise Resource Planning) software from SYSPRO USA. A deciding factor was the software’s ability to accommodate multi-mode production methods as well as provide complete control over financial and distribution operations.

Explains Carlig, “SYSPRO not only gives us strong financials, but equally powerful manufacturing software that has the flexibility to handle our make to order and make to stock operations.”

The Results

With the installation of SYSPRO software in 1997, Compact gained much needed control over inventories. Says Darren Smith, Operations Manager, “Repeat business depends upon our ability to meet our customer’s delivery schedules. In fact, some customers request we keep finished stock on hand for this very purpose. SYSPRO provides a historical reference that enables us to forecast what products we have to manufacture to satisfy customer needs.”



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Smith also gives high marks to the ease with which he can navigate through the system. "I can call up a Bill of Materials without leaving the module I'm in," he says. "This gives me even better insight into inventory requirements necessary to produce the product. It helps to eliminate shortages and reduce production changes." In fact, Smith notes that the software's in-depth inventory control functionality is so exact that it extends to automatic email notifications when selected inventory items reach a fail-safe level. "This function alone means we rarely encounter shortages of any necessary ingredients," he says.

Most recently, forward-thinking Compact opted to further streamline operations and enhance customer service through the implementation of e-commerce. Again, for its software needs, the company turned to SYSPRO. Today, Compact offers Web-enabled functionality that includes on-line customer order entry, customer order tracking and inventory level query.

Explains Carlig, "Customers can now order online and extract related order information by logging onto the Compact website and simply entering a password. They receive automatic order verification as well as purchase orders via return e-mail. Customers can also log on to determine the status of their orders as well as check available product inventories." He expects that when the majority of Compact customers avail themselves of these on-line services, order entry turnaround will be reduced by more than 50 per cent.

What's next for Compact? The company has moved into a new 160,000 sq. ft. manufacturing facility. Carlig is planning to place terminals on the manufacturing floor to enable workers to enter data to further facilitate job tracking and costing. "This is all made possible by the flexibility of the SYSPRO software," he says, adding, "Compact will continue to take advantage of this flexibility to enhance operations and improve customer service."