

Compact Finds SYSPRO A Necessary Ingredient for Success

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■ 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 45 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.

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- Matt Hancher
 IT Director, Compact Industries

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 Lab 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. “Product quality and customer service are critical components of our business,” says Matt Hancher, IT Director.

■ AT A GLANCE ■

COMPANY

Compact Industries, Inc.

INDUSTRY

Food & Beverage Manufacturing

NUMBER OF EMPLOYEES

110

THE CHALLENGE

- Rapid, steady growth
- 20 product lines; 90 distinct blends
- Multiple manufacturing modes per line
- Accounting-based software
- Lacked flexibility
- No manufacturing-specific solution

SOLUTION & SERVICES

- Flexible and integrated ERP
- e-commerce
- Distribution management
- Financial controls
- Easy navigation
- Emailed inventory alerts

THE BENEFITS

- Total visibility into inventory
- Improved customer service
- Accurate job tracking and costing
- Reduced production changes
- 50% reduction in order entry turnaround
- Increased overall efficiency





Several years ago, the company saw the need to upgrade its computer software. 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. 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 Hancher, "SYSPRO provides both strong financials and powerful manufacturing software that has the flexibility to handle our private label make-to-order and our Compact branded make-to-stock operations."

■ **The Result**

With the installation of SYSPRO software in 1997, Compact gained much needed control over inventories. According to Hancher, "Forecasting and demand planning are critical to Compact's operations. SYSPRO provides our purchasing and production scheduling functions visibility to forecasts and orders throughout the material requirements planning process. Managing raw materials can be a complicated process as we need to plan production around both purchased materials and customer-owned materials. There is a lot of data within SYSPRO, and the SYSPRO report writer has been utilized quite extensively to provide both operational and historical information to all functional areas of the company."

Hancher also gives high marks to the ease with which he can navigate through the system. "The SYSPRO software is easy to navigate and individual user shortcuts can be created for the various modules utilized by each user. In addition, there are many context-sensitive menus accessed by

a right mouse click, which provide links to related modules and information. SYSPRO also includes event management capabilities that allow us to send automatic email notifications for events such as low inventory levels and maxed-out credit limits. These notifications help us to proactively manage customer expectations."

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 inquiry, purchase order tracking, shipment details and inventory information tailored to each customer.

Explains Hancher: "Private label customers can access personalized information by logging onto the Compact e-commerce Web site. 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 could be reduced by more than 50 percent.

Several years ago, Compact moved into a new 160,000 sq. ft. manufacturing facility. Computers and handheld scanners were placed on the manufacturing floor to enable workers to enter data to further facilitate job tracking and inventory movements. "Compact is undertaking a lean initiative to streamline operations, enhance customer service and eliminate waste" says Hancher, adding, "SYSPRO's flexibility has enabled Compact to not only support day-to-day operations, but to also undertake many continuous improvement programs across the organization."