



Overview

Country or Region: United States

Industry: Wholesale and distribution—
Nondurable goods merchant
wholesalers—Grocery and related
products wholesalers

Customer Profile

Based in Chicago, Illinois, Dutch Farms is a distributor of frozen and refrigerated goods with 160 employees.

Business Situation

The company relied on an aging, Unix-based enterprise resource planning system and needed a modern solution to keep up with growth and maintain a competitive edge in a highly competitive industry.

Solution

Working with Microsoft Gold Certified Partner Solution Systems, Dutch Farms implemented Microsoft Dynamics NAV and installed add-ons to meet business requirements.

Benefits

- Improve insight and control over operations
- Maintain profit margins, control overhead, drive productivity
- Streamline supply chain management
- Improve competitive edge to work effectively with both small and large retailers

Refrigerated and Frozen Foods Distributor Enhances Operations with Flexible ERP Solution

"We now have the means to forge ahead as an independent, midsize distributor in the extremely competitive, thin-margin perishable-goods industry."

Jay Earnshaw, General Operations Manager, Dutch Farms

Chicago-based Dutch Farms has 160 employees and distributes a private-label line of dairy products and eggs and a range of refrigerated and frozen foods. After exhausting the capabilities of its aging, Unix-based enterprise resource planning (ERP) system, the company realized that it needed a modern solution with comprehensive and integrated functionality to keep up with growth and the needs of a dynamic, highly competitive market. For its new ERP system, Dutch Farms chose Microsoft Dynamics NAV and implemented the solution with help from Microsoft Gold Certified Partner Solution Systems. Since deployment, the company has grown its revenue by 25 percent without needing to add staff to back-office positions, gained comprehensive insight and control over operations, and sharpened its competitive edge with both small and large retailers alike.



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Jay Earnshaw, General Operations Manager, Dutch Farms

Situation

Based in Chicago, Illinois, [Dutch Farms](#) has 160 employees and is a distributor of refrigerated and frozen foods. The company is best known for its private-labeled dairy products and eggs, having access to more than 15 million hens across the United States. In all, Dutch Farms markets approximately 2,400 items, has 110,000 square feet of refrigerated and freezer warehouse space, and operates a fleet of refrigerated trucks.

The company’s history has been one of ongoing growth and change. Says Jay Earnshaw, General Operations Manager of Dutch Farms, “In 2000, we moved to a different location in Chicago, enabling us to go from 50,000 square feet of warehouse space to more than 110,000 square feet and carry a wider range of products.”

Earnshaw adds, “Since then, we have grown to around \$250 million a year in revenue and adapted our business to serve the emergence of the mega food retailers. At one point, these retailers decided to manage their own distribution operations but have once again begun engaging with local distributors like ourselves.”

In doing business with these large retailers, electronic data interchange (EDI) has been extremely important for Dutch Farms. Says Earnshaw, “When you’re working with an organization like Walmart, you absolutely must be able to provide EDI to compete.”

By 2004, however, Dutch Farms still relied on an aging, Unix-based enterprise resource planning (ERP) system that lacked integrated capabilities for accounting, operations, customer relationship management, and EDI. This lack of integration forced staff to rekey data from system to system and limited insight and control over operations. The aging system

also had some inherent limitations; for example, as the database grew, the system began to lock and training new users on unfamiliar technology proved difficult. “We needed a way to tie all our information together so that we could fully comprehend what customers were buying and then purchase according to those trends; understand our prices and costs; and control our margins,” Earnshaw explains. “In a highly competitive market that deals in high volumes and sells products with thin margins, establishing such visibility and control is absolutely critical for us.”

Earnshaw concludes, “We knew the Unix-based system was going to soon be extinct, so we needed a new ERP package. We wanted to find a solution that would offer us a full range of functionality, was fully integrated, and would let us evolve right alongside with the continual changes in technology and needs of our customers.”

Solution

In 2004, Dutch Farms chose [Microsoft Dynamics NAV](#) for its new ERP system after carefully evaluating several other solutions including those from Oracle, SAP, and HighJump Software. Says Earnshaw, “Microsoft Dynamics NAV was a complete and integrated package, backed by Microsoft, and offered us the flexibility to meet our unique needs now and as we continue to change to meet the needs of our customers.”

With the help of Microsoft Gold Certified Partner [Solution Systems](#), Dutch Farms implemented Microsoft Dynamics NAV and has since upgraded the solution to improve performance with a Microsoft SQL Server database and to allow for integration with other solutions. Seven years after the initial implementation, Dutch Farms currently uses Microsoft Dynamics NAV as part of a

comprehensive food distribution solution that utilizes three add-ons, including [Lanham EDI](#) for managing EDI transactions with customers, [TradePoint](#) to provide e-commerce capabilities to its customers, and [Jet Reports](#) for ad-hoc reporting and advanced analysis.

The solution also includes two unique food distribution customizations including:

- **A market-pricing structure**, which enables Dutch Farms to input the week's prices for a variety of products, such as eggs, and set up different market categories, such as large, extra-large, and brown. Dutch Farms can then use this information to better control pricing and, consequently, its margins across the supply chain when buying and selling.
- **Catch weights functionality**, which gives Dutch Farms a way to allocate a price per pound to a purchase order or sales order that contains multiple, similar items of varying weights.

Dutch Farms currently uses Microsoft Dynamics NAV for financial management, including accounts payable, accounts receivable, and general ledger; sales and marketing; inventory management; and purchasing. Says Earnshaw, "Because Microsoft Dynamics NAV is based on Microsoft technology and works a lot like Microsoft Excel, it is relatively easy for our employees and new companies that we acquire to adopt."

With Microsoft Dynamics NAV in place, Dutch Farms supports end-to-end business processes. Explains Earnshaw, "As orders come in via EDI, phone, or fax, warehouse staff go into the system to print picking labels and pick the items overnight so that we can provide next-day delivery. After we deliver the items, we invoice the pick tickets, check inventory, and start the process again."

With all information in one place, Dutch Farms staff can then view key performance indicators and a wide range of reports. And by exporting to Excel or using Jet Reports, Dutch Farms staff can further explore and analyze information from the system.

Benefits

With Microsoft Dynamics NAV, Dutch Farms has gained visibility and control over its operations, can maintain profit margins and control overhead, and has streamlined supply chain management. With powerful tools in place, the company has also enhanced its competitiveness and is now better equipped to meet the needs of both small and large retailers alike. Says Earnshaw, "We now have the means to forge ahead as an independent, midsize distributor in the extremely competitive, thin-margin perishable-goods industry. We are able to understand what we have done as a business and what we are currently doing, and make a strong run into the future."

Improve Insight and Control over Operations

Dutch Farms has gained newfound insight and control over operations by using the business management software from Microsoft. "The return-on-investment of Microsoft Dynamics NAV has actually come in our ability to now have visibility and control over all areas of the business," says Earnshaw. "As we have grown and acquired more businesses, we have enabled those businesses to use the ERP system so that we can perform tasks from inventory management and purchasing to pricing centrally. What's great is that I don't have to be at our Detroit operation, for example, to know what's going on there. By using Microsoft Dynamics NAV, I can see and control every aspect of our operation."

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Jay Earnshaw, General Operations
Manager, Dutch Farms

Maintain Profit Margins, Control Overhead, Drive Productivity

For Dutch Farms, Microsoft Dynamics NAV has had an impact on profits, overhead costs, and productivity as well. Earnshaw says, "Because we can see into our business and control it, we can control our margins on our products, which enables us to maintain our profitability."

Comprehensive capabilities in a single system have also meant productivity improvements. In fact, Earnshaw estimates that individual productivity has increased by around 12 percent on average. And in terms of back-office productivity, Earnshaw notes that, "With Microsoft Dynamics NAV, we haven't had to hire anyone in our office in the last six years to help with managing a business that has grown 25 percent; we can simply keep up with it."

Streamline Supply Chain Management

Dutch Farms has also seen vast improvements in supply chain management. Says Earnshaw, "Since deploying Microsoft Dynamics NAV, the biggest impact on our business has been supply chain visibility. We can see where the product is, when it will arrive, when it's due, and then, in a calculated way, decide how to best manage the supply chain so that we can meet the needs of our customers. In the perishable-food business, timeliness is everything; by using Microsoft Dynamics NAV, we can provide the next-day delivery that is so critical to our customers."

Improve Competitive Edge to Work Effectively with both Small and Large Retailers

Since deploying Microsoft Dynamics NAV in 2004, Dutch Farms has grown 25 percent and acquired five small distribution operations. Even with this growth, the company has maintained a competitive

edge, which has been critically important. "We're striving to become a major player with the chain operations that need a regional supplier. And with Microsoft Dynamics NAV in place, we can do that because we can meet all their system requirements, such as EDI. And because of the flexibility of the solution, we can keep up with any other requirements they set for their distributors."

The benefits that Dutch Farms is experiencing have also extended to the smaller retailers that the company works with as well. Explains Earnshaw, "Although we have improved our efficiency with working with the large retailers, we have also been able to demonstrate leadership among the smaller retailers, such as the mom-and-pop shops, who often lack robust supply chain management systems. For these smaller retailers, we can prove our credibility by being able to provide them with a high level of service that is only made possible by us having the right tools in place."

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers in the United States and Canada who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

www.microsoft.com

For more information about Dutch Farms products and services, call (800) 637-3447 or visit the website at:

www.dutchfarms.com

For more information about Solution Systems products and services, call (610) 668-4620 or visit the website at:

www.solsys.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to:

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