

## SUCCESS STORY

# How a food manufacturer satisfies its hunger for growth

*ARA Food Corporation aims to create the snack of the 21st Century with NexTec Group and Sage X3.*



Family owned business, ARA Food Corporation, manufactures widely popular snack-food including chips made from plantain fruit and the cassava root, as well as pork products. Constrained by siloed applications for accounting, production and reporting, they needed a solution that would make it easy to scale operations and satisfy the growing appetite for their products.

### Key outcomes

- Greater visibility enables more accurate costing and load planning
- Access to real-time information has improved customer service and increased sales
- Streamlined workflows enable better resource usage
- Raw materials waste reduced by 1.5% in first six months
- Immediate traceability Vs System provides quality control and product recall management to comply with international standards
- Significant time and cost savings, eliminating the need for additional IT infrastructure and resources



Company

**ARA Food Corporation**

Location

**Miami, USA**

Industry

**Food and Beverage**

Solution

**Sage X3**

Partner

**NexTec Group**

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*ARA Food Corporation are discovering new ways to reduce waste with Sage X3's insights*

**“We saw the business was growing, the sales were growing, we knew that we needed to have a system that would grow with us.”**

Marta De Varona, VP of administration and finance at ARA Food Corp

#### **The challenge**

ARA Food Corp., named after its founder Alberto R. Abrante, is the only US manufacturer of the Plantain Chip. They use corn and sunflower oil, which are healthier and lower in saturated fats than the palm oil used by competitors.

Originally aimed at the Hispanic market, the increasing taste for plantain among the wider public now means their chips are in high demand across the US and internationally as well.

Before adopting Sage X3, production at their Miami plant relied on stand-alone applications and spreadsheets that had to be managed manually and offered little visibility. This made it more challenging to comply with the product traceability and quality checks needed to meet tough food safety requirements.

Marta De Varona, VP of administration and finance at ARA Food Corp. explains the difficulties:

“We had these dysfunctional systems that weren't talking to each other. In particular our data wasn't in real time. So if there was a problem, it was often too late to fix it by the time we found out. We simply didn't have the information when we needed it to make the right decisions.”



*Sage X3 gives ARA a chance to keep growing without worrying about oversight*

#### **The solution**

With the future focused firmly on growth, the company realized that they needed a robust ERP system that could grow with them. Working with food manufacturing business experts at Sage partner, NexTec Group, they chose Sage X3 for manufacturing and finance, with the SDMA tool for reporting. Run in a private, hosted cloud environment, the Sage solutions offered the perfect blend of powerful functionality and ease-of-use.

As Russel Harper, COO of Nextec Group explained:

**“Sage X3 has great functionality. It is an excellent product for process manufacturing, where traceability is a key issue. It is unequalled in the market for the flexibility it offers to modify and extend the product as required.”**

Russel Harper, COO of Nextec Group

For ARA Food Corp., this meant simplifying workflows to maintain their tradition as a make-to-order enterprise. They hold very little stock. To make their products as fresh as possible, they process raw materials as they come in. As a result, lead time from order to shipment is just a few days.

As short lead times can complicate production scheduling, ARA Food Corp. uses Sage X3's Business Intelligence capabilities to optimize resource use, while managing seasonal variations in sales and supplies.

The introduction of Sage X3 has transformed all areas of the business. “It has made all our lives easier,” said Marta De Varona. “Sage X3 is being used across the board from purchasing through receiving, manufacturing and accounts. We’re all on the same system, able to track information in real-time.”



*ARA's real-time information access has boosted sales numbers and improved customer and supplier relationships*

**“Since implementing X3, we’ve already seen how we are able to control the scrap of the plantain, which again is our biggest problem. And we’re able to control that by one and a half percent, which is huge for us.”**

Marta De Varona, VP of administration and finance at ARA Food Corp

**The bottom line**

Greater visibility across the business has led to better costing and load planning.

In just the first six months of using the system the company was able to reduce plantain wastage by 1.5%. As they had the information to buy smarter than before, stock and inventory dropped 10%—cutting costs and reducing the space required to store ingredients.

Real-time data, linked directly to accounting, saves time and improves accuracy. That improves customer service, with easier access to more timely information on orders paying off in additional sales.

The new, streamlined workflows cut the time spent on manual tasks, enabling more efficient resource usage.

Improved traceability, quality control and recall management also deliver better compliance to support their growing international business.



*Because lead times are short, ARA relies on Sage X3's Data Management and Analytics tool to monitor resources and seasonal variations*

**“There are so many benefits that we have seen with Sage X3 and we know we’re just getting started.”**

Marta De Varona, VP of administration and finance at ARA Food Corp

#### **The future**

The company sees its business growing—expanding its range of snack products, while developing new markets and existing business in the US and internationally. With Sage X3 they have a proven system that can handle growth without any issues.

“It has made our lives easier by having information readily available and recorded immediately. We would definitely recommend Sage to other companies because we love the software.” said Marta De Varona.

#### **About Sage X3**

Sage X3 provides business management solutions for organizations looking to retain their competitive advantage by increasing their agility and embracing change. X3 has comprehensive capabilities from supply chain management to manufacturing, financial management, human resource and payroll management.