

BUSINESS GUIDE

# Technology That Helps Growing Food and Beverage Manufacturers Streamline Their Operations and Boost Output





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*With software designed specifically for recipe-based manufacturers, Blend ERP by Starling Solutions extends NetSuite into the food and beverage manufacturing markets.*

Accurately tracking finished product formulations (along with intermediate and precursor compounds), managing packaging requirements, developing new products and managing product quality are just some of a food and beverage manufacturer's key responsibilities. These companies must strike a balance between constantly changing supply chains and their own long-term financial viability.

For most, that means complying with requirements from the US Food and Drug Administration (FDA), the Canadian Food Inspection Agency (CFIA), SQF (Safe Quality Foods) and HACCP (Hazard Analysis & Critical Control Points). Along with these compliance requirements, food and beverage manufacturers are also concerned with operating costs in their low margin industry, order tracking and the need to boost output.

Managing these complexities today requires robust software that handles formulation tracking, product tracing, product costing, regulatory compliance, logistics and complete financial management. Without a unified system to manage these and other intricacies, food and beverage manufacturers are left to run their businesses using manual, disparate and disconnected technology.

This business guide explores the key challenges that manufacturers in the food and beverage arena are grappling with, and explains how cloud Enterprise Resource Planning (ERP) combined with an industry-specific tool can help them save time, minimize risk, reduce waste and improve quality and compliance.

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## CHAPTER 1

# Understanding Food and Beverage Manufacturing's Complexities

Whether they're developing formulas for a new line of beverages or coming up with delicious recipes for packaged foods, food and beverage manufacturers must follow strict guidelines and adhere to established standards when developing and making their products.

These requirements intensified in 2020, when the global pandemic increased the need for product tracing, tracking and accountability. When global supply chain issues emerged, manufacturers had to tighten up their inventory management processes in the midst of an economic recession. Facing thinner profit margins, labor shortages and reduced factory throughputs due to new social distancing requirements, companies were dealing with a perfect storm of issues.

For example, the food and beverage industry must adhere to new FDA and CFIA rules governing the launch of new products, the regulation of food labels and the maintenance of clean, hygienic work environments. Exacerbating the issue is the limited shelf life of food products, which turns basic functions like inventory management into key concerns for process manufacturers in the food and beverage industry. "Companies are required to bring about utmost accuracy and precision in their business operations, right from the manufacturing to the distribution processes," Global Market Insights states.<sup>1</sup>



<sup>1</sup> <https://www.gminsights.com/blogs/challenges-in-food-and-beverage-industry>

## Beyond the Basics

Unexpected variations in ingredient prices, a growing number of product recalls/quality audits and the need to better manage manufacturing and operational data takes a toll on food and beverage manufacturers' bottom lines. They must also comply with evolving regulatory standards and certification requirements, none of which can be managed effectively using basic software and/or manual systems.

"ERP systems allow the accounting and finance departments to gain visibility of trends with integrated reports of sales, costs and profitability by product or family of products." Food Logistics points out.<sup>2</sup> This infrastructure helps food and beverage manufacturers tackle three of their biggest challenges, which include:

- **Tracking product formulations.** Manufacturers need 100% visibility into what's going into their products and the full history of each component at all times. Armed with this information, companies know whether their formulas went through the appropriate development, review and quality control processes before being transformed into saleable goods.
- **Knowing their true product costs.** With commodity prices constantly in flux, manufacturers have to be able to accurately cost their product development

processes to ensure profitability. This is a major issue for food and beverage manufacturers that work on very thin margins. "This is something that manufacturers can't accomplish using basic technology and manual systems," said Mark Baker, Partner at Starling Solutions, Inc.

- **Maintaining flexibility.** Being able to optimize operations based on shifting supply and demand helps food and beverage companies seize new market opportunities, evolve from making to stock to making to order in order to reduce inventory and substitute unavailable ingredients with functional equivalents that are on hand. Manufacturers must also meet the demands for different packaging requirements in a single batch process, manage capacity constraints by using third-party manufacturers or sell their excess capacity by toll manufacturing for others.

Unfortunately, many food and beverage manufacturers use on-premises software solutions or entry-level systems to run their operations. Most of these systems offer only basic functionality and none of them can effectively manage the complexities of process manufacturing on the front-end and financials on the back-end.

<sup>2</sup> [10 Ways ERP Software Helps Food Manufacturers Manage Logistics and More](#)

# A Supercharger for Food and Beverage Manufacturers

A family of Built For NetSuite SuiteApps, Blend ERP by Starling Solutions is the first and only NetSuite application to be purpose-built for process manufacturers. From new product design to batch manufacturing and quality control, Blend ERP helps companies address their unique manufacturing requirements—and the intricacies of their production and shipping processes—right in NetSuite, with no external software or ad hoc manual workarounds required.

Blend's seven modules include Formula Designer, Formula/Recipe Management, Batch Manufacturing, Quality Control, HAZMAT documentation, Safety Data Sheet (SDS) management and BarTender label printing. Available as a bundle or on a piecemeal basis, the solution typically takes less than 30 days to implement (for existing NetSuite customers) or three to four months to rollout (for new ERP implementations).

Blend's Formula Designer automatically calculates the most efficient way to produce a new product by either minimizing costs or maximizing potencies. Products can be formulated against specific requirements to save hours of manual trial-and-error.

The Formula Management module streamlines the creation of new product families by associating all of the packaging requirements with the base formula. It also provides real-time estimated costing to determine product viability and potential sale pricing.

Batch Manufacturing optimizes operational efficiency by grouping similar products into a single manufacturing batch, thus reducing errors with real-time feedback about the raw materials being selected and eliminating the need for paper travelers or job paperwork carried along a work order's lifespan.

By building Quality Control (QC) into the receiving and manufacturing processes, any ingredient or finished good can be quarantined until the QC testing takes place. System-level controls that restrict the consumption or shipment of untested products prevent recalls and Certificates of Analysis can be generated at any time for any product directly from NetSuite.

Using the SDS Management module, process manufacturers can manage expiration dates, use system-generated notifications prior to expiration, attach SDS documents to specific transactions, update those documents with a single click and then print out the associated SDS documents along with the transactions or shipping paperwork.



“Blend ERP is like a supercharger for process manufacturing,” said Baker, who sees the product’s costing and quality features as critical tools for process manufacturers based on the related challenges they face.

Should any finished good be subject to HAZMAT regulations, Blend ERP captures the HAZMAT properties of a specific product as it’s manufactured. It then combines that data at the time of shipment to produce a HAZMAT-compliant Bill of Lading (BOL) with one click.

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“Food and beverage companies are most concerned about accurate costing and product quality. The combination of NetSuite and Blend ERP automates both of these, freeing up more time to focus on other business needs.”

**Mark Baker, Partner, Starling Solutions, Inc.**



## Reducing Technology Clutter

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Starling Solutions' founding partners are long-time NetSuite users who have hands-on experience in the process manufacturing industry where they once worked in a chemical manufacturing, distribution and service company. And while Blend ERP has been—and continues to be—honed over time based on user feedback and requests, its core functionalities are rooted in its makers' personal experience in the industry.

"We know these manufacturers' pains because we've lived them ourselves," said Baker.

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NetSuite and Blend ERP begin to deliver results on their first day of use. With all of their data and documentation in one place, food and beverage manufacturers can effectively eliminate all of their manual systems, duplicate entries and other solutions that have been bogging them down for years.

By reducing their technology clutter, manufacturers immediately begin saving time and money on their day-to-day processes.

"Our customers get pretty excited when they realize that they no longer have to use Excel to generate a BOL, refer to their ERP for item information and then use an SDS database to find and print product documentation," Baker said. "With NetSuite and Blend ERP, that all happens on one platform and within a few seconds."

Other key benefits include the time savings that comes from not having employees manage processes across multiple different systems and the operational efficiencies associated with improved product formulation development. In addition, SDS and HAZMAT audits become easier, compliance improves and the chance of getting a hefty fine for non-compliance diminishes.



CHAPTER 5

# Built for Today's World

In a business environment where remote work has become the norm, cloud ERP helps bring employees together on a single platform, enabling high levels of productivity and accountability even when individuals aren't in the same building.

“When COVID-19 emerged, manufacturers that were already live with NetSuite and Blend ERP’s SuiteApps seamlessly transitioned to the work-from-home approach,” said Baker, “and with little or no disruption to their businesses, demand on their personnel or need to invest in more systems to adapt to the shift. That’s because these systems were pre-built with the modern world in mind.”





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