

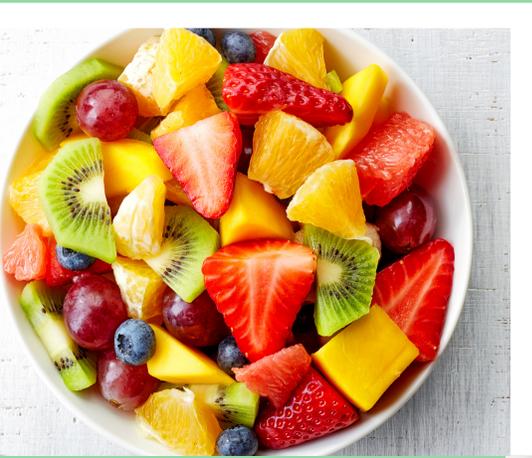
5 DISTINGUISHING FUNCTIONALITIES

— QAD ERP IN THE FOOD AND BEVERAGE INDUSTRY



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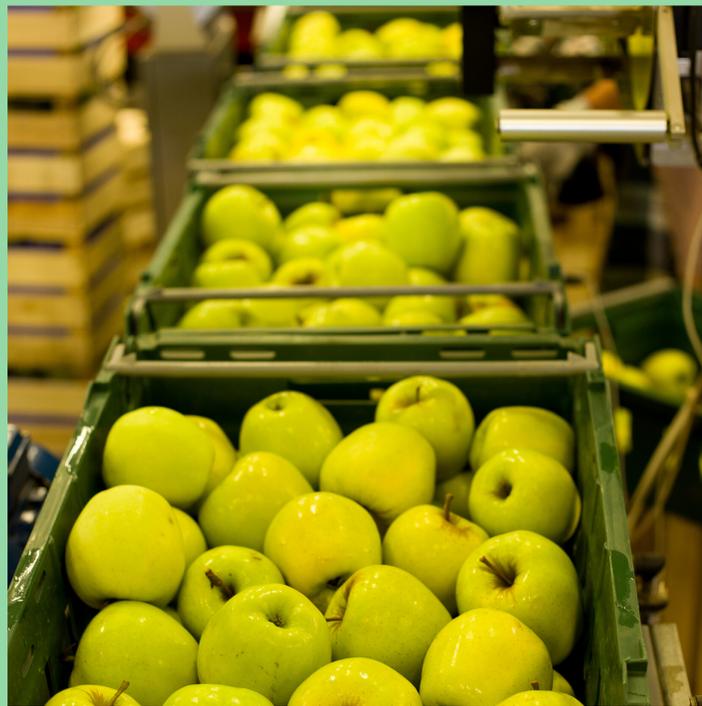
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INTRODUCTION

The Food and Beverage (F&B) industry has become an increasingly challenging one in which to operate. Manufacturers have many variables to consider, from freshness, to seasonality, to possible contamination. On top of this, cultural trends are quick to change and dictate consumer demand. QAD recognizes that F&B manufacturers must always think one step ahead and has designed solutions specifically for organizations within this industry.

Logan Consulting has guided many QAD implementations across the F&B industry— read on to discover the top five distinguishing functionalities of QAD Food and Beverage ERP as determined by our seasoned QAD experts.





QAD: THE TOP FIVE
DISTINGUISHING
FUNCTIONALITIES FOR
FOOD AND BEVERAGE
MANUFACTURERS

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1

TRADE ACTIVITY MANAGEMENT

Trade Activity Management sets QAD apart in the food and beverage industry. Mismanaged trade promotions can be damaging to a company's margins and lead to inaccurate analyses. The Trade Activity Management module allows manufacturers and distributors to effectively plan, manage, and track trade promotion activities, improving overall promotional visibility.

Notable Benefits:

- **Increased Pricing Accuracy** - This is especially crucial with advanced pricing models that are often used in the F&B industry, such as buy-one-get-one and tiered pricing.
- **Accurate Promotion Costs** - Individual promotion costs are effectively tracked as the module automates accounting for all trade-related claims and deductions.
- **Decreased Invoice Days Outstanding** - Automated trade settlement and careful claim validation cuts trade settlement lead-time and reduces disputes that can hold up payment.
- **Increased Promotion ROI** - This module analyzes promotional budgets and programs to determine the most profitable promotions.



2

FINANCIAL CONTRIBUTION REPORTING

Financial reporting is a crucial aspect of any business, but contribution reporting is especially important for F&B manufacturers. In an industry where consumer preferences are constantly shifting, manufacturers need to be able to analyze and respond to changes in demand. Not only do manufacturers need to ensure they are overall profitable, they need to break down analysis at the SKU and customer level. This type of reporting ties back to Trade Activity Management, as it can help manufacturers decide where to focus promotions.

Due to poor data metrics, companies struggle to measure which customers and SKU's contribute the most margin. Fortunately, QAD's ability to assign data attributes, allocate cost, and capture variances allow its users to view cost in meaningful ways.

3

PROCESS MANUFACTURING

Companies within the F&B industry have vast product lines and require many different resources, from ingredients to packaging materials. Seldom are two products produced the same. Due to the ever-changing nature of the F&B industry, it is critical that manufacturers be equipped to manage and react to fluctuations in demand. Due to this, manufacturers must adjust factors reliant on demand, such as batch formulation, packaging, and labor. With QAD, F&B manufacturers can grow and adapt to changing business requirements.

Notable Benefits:

- **Improved Forecasting** – QAD Demand Planning allows manufacturers to automatically create forecasts based on historical information while using a statistical model like seasonality planning. Not only can departments collaborate to create more accurate forecasts, but QAD goes a step further to measure the reliability of the forecast against actual sales.
- **Consistent Batches and Formulas** – Batch and Formulation Management is a flexible solution that allows manufacturers to store multiple formulations of a product. Simultaneously, the solution aims to maintain consistency amongst batches by managing ingredient potencies.
- **Efficient Resource Planning** – QAD helps manufacturers use resources more wisely. Proper forecasts can measure machine capacities and convey the amount of labor needed.
- **Controlled Packaging** – There are many packaging complexities in the F&B industry; for instance, product packaging may change depending on promotions, market segment targeting, or seasonality. The QAD Shelf Stable Bottling, Canning, and Packaging Solution eliminates costly scrap waste, and improves manufacturing through thorough planning and agile manufacturing.



4

INVENTORY MANAGEMENT

The F&B industry is dependent on seasonality and freshness. Thus, inventory management is a high priority. Manufacturers want customers to receive the highest quality goods while simultaneously making positive margins. QAD allows companies to achieve this goal through effective serialization and lot management.

Notable Benefits:

- **Logical Inventory Use** - With QAD, F&B manufacturers can properly manage inventory using the first-in-first-out (FIFO) approach to encourage freshness and reduce material waste.
- **Allowance of Multiple Item/Lot Attributes** - Multiple attributes can be assigned to items, lots, and sub-lots in order to meet customer requirements while reducing product spoilage. These attributes can include expiration and maturity dates.
- **Increased Inventory Visibility** - The centralized storage of item attributes leads to improved inventory accuracy during purchasing, manufacturing, and shipping.
- **High Volume Serialization** - Lot numbers and serial IDs can be tracked and traced simultaneously for a more integrated and methodical production of high-volume serial items.





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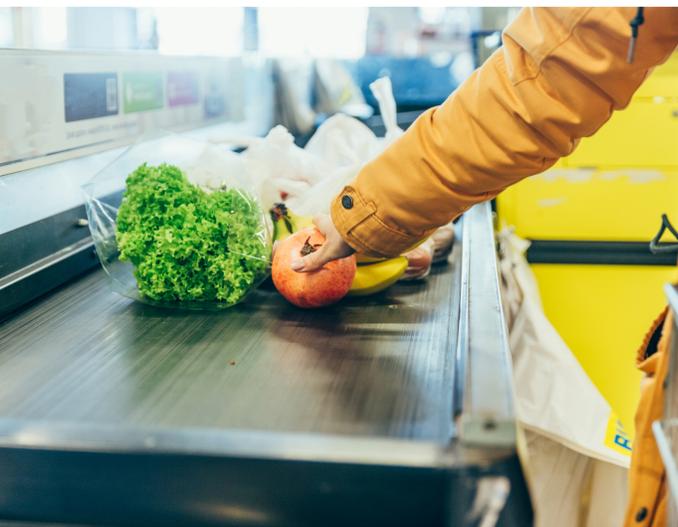
REGULATORY CONTROLS

F&B manufacturers have both a legal and moral obligation to put consumers' interests first. Therefore, product quality and supply chain transparency should be at the forefront of every business decision. QAD aims to reduce the burden on manufacturers so compliance can become second nature.

The QAD Quality Management System (QMS) focuses on preventative action to ensure customers are always provided with the highest quality products. This functionality meets ongoing quality system requirements while sharing quality data across departments. Manufacturers can configure business processes to meet all safety standards and compliance requirements enforced by the FDA and other industry regulators.

Though software and manufacturing processes must receive FDA validation at an individual level, QAD was designed with validation in mind. The Compliance Management functionality supports controls required by Current Good Manufacturing Practices (cGMP) and manages the use of e-Signatures, as required by CFR Part 11.

In the event that corrective action needs to be taken, QAD's Track, Trace, and Recall features assist F&B manufacturers by allowing them to identify and locate products throughout the entire manufacturing and distribution process. Not only is this functionality crucial for recalls, but for compliance audits, where every aspect of production is reviewed.



LOGAN CONSULTING

Logan Consulting is a professional services firm committed to helping businesses get the most from their consulting investments. Since 1992, we have followed a top-down, business process driven methodology to help our clients drive and capture value from management consulting and information technology projects.

Logan Consulting is based in Chicago, IL. We primarily operate out of North America, but travel worldwide as client projects dictate.

Contact Logan Consulting to discuss your Food and Beverage ERP needs.