



Petrow Foods Ingredients ROI Study

Company Name:	Petrow Foods (PTY) LTD
Industry:	Manufacture of Food Spices
Number of Employees:	78
Number of Users:	16
Previous System:	Pastel Evolution
Implementation Cost:	R 380 000
Return on Investment:	8 months
Company Turnover:	N/A

Global supplier of spices, herbs, nuts and related food products

Petrow Food Ingredients (PFI) is the South African division of CJ Petrow International, a global supplier of spices, herbs, nuts and related food products. PFI has one manufacturing facility, three administrative and sales branches, and 20 warehouses spread across all nine provinces in South Africa. The company has grown from a small business in Alrode South to a prominent company situated in City Deep. As a provider of food, it's a given that stock needed to be managed efficiently. Coupled with this is the need to know at all times precisely what ingredients go into what products so that if there was a recall PFI would know exactly what products would be affected.

With SAP Business One, that information was available at a click of a button. Riaan Vorster, Financial Manager at PFI, says that SAP Business One began delivering benefits from day one. They found that with the drill down functionality they spend less time looking for documents and transactions in the system and there is a simple trace of all activities that lead to the invoice. All of the information is available at their fingertips allowing them to provide better service to customers by reducing response times to queries and customer requests

According to Vorster, PFI's return on investment in SAP Business One was less than 8 months. This came about through the ability to increase turnover, maintain margins and grow profitability. "In the last year alone our turnover increased by 110%. And we managed to achieve this without recruitment. In fact we actually reduced our administrative costs by not replacing staff as they left." In real terms, the company reduced accounting staff from three to one, invoicing staff declined from five to three and office admin staff from two to zero. "In total we realised a saving of six salaries while substantially growing the business - and providing higher levels of customer service", says Vorster.

The processing time alone was dramatically faster than the previous system, particularly on the production side of the business. These efficiencies have filtered through to the rest of the business. Staff now spend fewer hours at work and are far more productive than before, which has also reduced the overtime cost to the company. They also find the system easy to use and the overall design is streamlined and simplified, so training times have also been reduced. Vorster concludes that staff now do more in less time, which reduces workload and stress. PFI also sought to reduce ongoing costs. "Customization is done by us and not by developers which is an enormous cost saving, and the reporting tools in SAP Business One allowed us to create reports without having to incur the costs of having a consultant on site. Even though we have experienced huge growth, the system handles the number of transactions with ease."

"This makes us feel comfortable that we will not have to implement another solution for many years to come - so the cost savings and benefits will still be felt for many years."