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ProWare's latest products allow case-level traceability, along with portable tools for scanning and printing at the retail level.

Keeping Up Momentum In Produce Efficiency

Change is here with more on the way. For all the noise, we're simply changing the delivery and storage of documents. **BY MEREDITH AUERBACH**

It looks like a case of hurry up and wait. Produce industry software developers point out that excellent inventory management software tools to make the data flow of produce logistics fast and smooth are readily available and actually declining in cost. The Produce Traceability Initiative, now more than three years old, has provided a forum for the industry to make its preferences known. Retail customers are beginning to make serious demands for better information. Increasingly tech-savvy consumers point their cell phone cameras at labels to discover where and how the products they buy are grown and come to market.

And yet, most players say the industry is still years away from recognizing and benefiting from the evolution of party-to-party transactions from paper going through the fax machine or mail to a stream of electronic data.

Ease And Efficiency Begin With A Label

The choke point can occur at any point in the system, but it is frequently at the warehouse where problems become visible. "We spend a lot of time with distributors, looking at boxes from grower/shippers," reports John Carpenter, president of Silver Creek Software Ltd., producer of

Visual Software, in Boise, ID, "and we estimate that less than half of producers label cases consistently, in spite of having the capability to do it. For whatever reason, there's a big difference between being compliant in theory and actively implementing the process. The label has the ability to initiate everything: PO, invoice, location, lot, traceability, pick codes and more. It's how you know what and where each pallet is located."

Henri Morris, president and CEO of Edible Software, a division of Solid Software Solutions, based in Houston, TX, concurs with the participation estimate and goes on to point out, "Wholesale produce distributors and terminal markets have unique challenges including mixed inventory, the need to control constantly changing brands and specs and a faced-paced, highly competitive environment. Having an excellent inventory management system enables efficiency that goes beyond the need of traceability for food safety, and improves all the business aspects involved in the chain of logistics. In the past, for example, we may have had an accurate total number of cases, but perhaps not the further breakdown of size, pack or pick date," he continues. "Clients also want to avoid slowing down the process that is putting a label on every case on a pallet. The system can print

a pallet label, along with the required number of case labels that get applied to cases if the pallet is broken up for different orders as it might be for foodservice."

See What The Tools Can Do

"Today's Enterprise Resource Planning (ERP) software has everything available to handle inventory control, accounting, purchasing, sales, invoicing, accounts payable and accounts receivable, and it has been adapted and customized for the produce industry," declares Charles Shafae, founder and president of dProduce Man Software, in Half Moon Bay, CA. "For example, a regular customer has an account with individual pricing and unique structure. On site, the software can match specific purchase requirements to various products; a PO gets generated and accepted; the invoice is completed. The process cuts the amount of time of the whole transaction. Traceability is embedded throughout, and the software can assign picking tickets to simplify inventory management because precise locations are already stored as a record."

Even product temperature monitoring is being incorporated into ERP systems. Don Walborn, director of sales and marketing at

Plant City, FL-based ProWare Services LLC, explains, "AgWare is our ERP package for managing your business, including lot traceability for food safety. It works with our newest product, FreshAware, using case-level RFID tags to capture, monitor and report unit-level temperature throughout the supply channel for quality control, accountability and a calculator to help distributors judge remaining shelf-life. Every new development increases visibility of product through the supply chain."

Although the software programs available to the produce industry now basically do the same tasks, developers look at the issues from different points of view and build software and hardware with distinct points of difference. Fundamentally, their job is to make sure data can flow from system to system, whether it is in a warehouse with a broad range of requirements or sent to a data pool such as I-Trade, a provider of supply chain management and intelligence solutions. Screen views and reports must be easy to read and be intuitive to bring up. Languages other than English may be an issue. Successful developers seek long-term relationships handling all the individual variations and customizations just as buyers and sellers of produce do.

One result of the move into electronic data is the pure volume of data, and you still have to figure out where to put it. Similar to the items in your closets at home, data takes space — lots of space. How you deal with data storage is one of the factors in deciding which system to use.

Along with consumer software developers, some industry software developers are putting programs online and moving storage to the "Cloud." Others prefer the use of local servers — either the client's or their own. But to demonstrate the degree of change that's happening, Morris of Edible Software shares, "You can even rent space on Amazon's servers where they have plenty of spare capacity. We're less comfortable with pure Cloud storage, and believe it is important to know where your data is stored as a security measure."

Developers sell some systems outright. Courtney Heim, sales and marketing representative for Produce Pro Inc., in Woodridge, IL, describes her company's approach, "Produce Pro is a lot-based tracking system that grows with customers. They purchase the basic software to load on their servers and get annual maintenance and updates included. It's a software accounting solution for customers large and small. The next step up is Produce Pro Plus, adding a warehouse management component and portable tools for printing,

picking and scanning throughout the warehouse. All the parts tie together," she explains.

"Our goal," Heim continues, "is to help foodservice streamline produce sales to make up-selling more productive. Add-ons are web-based apps, available through the App Store to be used on IOS and Android devices; orders and information flow into the system and show order history, specs and availability to encourage one-to-one relationships between sales people and customers. Customers can order at anytime through their own devices."

While large groups could see start-up costs in the \$25,000 to \$30,000 range, small organizations can purchase and put a system in place for less than \$5,000. Morris states, "We believe in helping small clients get up and running. It's worth the investment based on their potential growth and, in a sense, is one way to give back to the industry. We have clients that started with a couple users and are now big companies. We also have a way to rent software."

Moving software online offers another solution. Charles Waud, president of Waudware

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Inc., in Brampton, Ontario, Canada, comments, "In Canada, we're somewhat behind the United States in full implementation of software-based inventory management solutions. Much of our produce work is in terminal markets. We do see more computer equipment in the hands of warehouse workers, and for us, the future is in online services, and our program is online supported by a very reliable business-grade Internet connection, robust for the area and your situation. Terminal markets are emergency-driven. If you are slow to fill an order, there's a guy next door who will. Situations like that tend to put holes in inventory management. As much as you need good equipment that can operate in quite rugged environments, you need people who get what inventory means, who understand that part of inventory control is lot control."

DProduce Man's Shafae encourages customers with a subscription business model. He says, "A subscription means no upfront outlay, which can be a barrier to use for smaller producers, terminal market businesses and foodservice distributors. We charge by the number of concurrent users, and for three, the subscription is as low as \$600. For that you get basic support, data security and updates."

"What's important," comments Silver Creek's Carpenter, "is to keep the value proposition top of mind. You can choose from a broad range of hardware, software and services to meet your specific needs. You need robust software, equipment and processes. That means everybody involved needs to study their own operations to see what works for them. You have to learn, invest and spend appropriately. Tech is key to success more than ever."

Information Is Power

Software developers express real concern about the reluctance of some industry companies to get involved. In a time of thin margins, they recognize financial constraints, and concern over whether all the changes will last or fall to the next big thing. At all levels, it sometimes seems that the process will slow down, rather than speed up, day-to-day work. Long-time practices will have to change. Labeling every case is a big task for grower/ shippers, local producers, importers, re-packers, terminal markets, produce and foodservice distributors. Waud comments, "These systems have to be consistently reliable for a large volume of data to be collected, stored and passed on, at speed, at all hours."


Carpenter takes a consumer perspective,

noting, "I'm convinced consumers want information and will continue to expect it to be immediately available. Such attitudes bode well for suppliers who provide it. We think expecting good information immediately may be somewhat generational in terms of comfort with tech devices such as Smart phones and iPads. We need to tell the whole story, from field to consumer, and tech provides the tools to do it well. Check the numbers: sales of Smart phones and tablets are up, while laptops are decreasing in importance."

Retailers, too, are providing their own form of incentive. Increasingly, they are demanding complete and compliant labeling for both case-level, and soon, package-level products. Theirs is the power hand because it holds the entry to the retail system and the dollars in payment. Losing a sale to a customer because of a label problem is a situation no one wants.

Other drivers will be future recalls, more regulation or penalties for non-compliance. Tech can make everything flow faster and more accurately, but produce will continue to be largely a trust-based business built on relationships and confidence. Still, it's clear the time for waiting is over and the time for more hurry-up is here.

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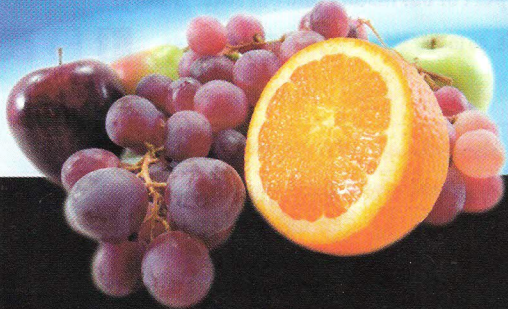
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