



CUSTOMER CASE STUDY:

## **FreshPack Produce Wins New Business with Produce Pro**



When CEO Chris Wisekal came on board at FreshPack Produce in September 2012, his goal was to grow the company at a rate of 20% per year. In his first year, FreshPack actually grew 30%. The first quarter 2014 numbers were 40% over the previous year. "Last year, we had unprecedented sales growth," he told us. "Huge numbers. It was all new growth and it was from several different categories of business, foodservice, organics and schools." At the same time they opened a second warehouse, adding a New Mexico facility to their home base in Colorado, significantly increasing their capacity.

Wisekal succeeded in taking a talented, dedicated staff to new levels of efficiency by matching them with a new set of tools. They have reduced their costs of doing business while vastly increasing the level of service they provide customers. It has paid off handsomely by positioning FreshPack as a supplier that the most demanding customers prefer.

What allowed Wisekal and FreshPack to achieve such unprecedented growth was a fully integrated Enterprise Resource Planning (ERP) system from Produce Pro Software that worked in ways FreshPack's previous systems had not.

## Making Sales Is All About Service

Before installing the new system, FreshPack had supplied almost entirely to the retail produce market. “We simply could not take our business outside the retail sphere with the old system,” FreshPack COO Jim Hagen told us. Their warehouse procedures and accounting procedures did not have the efficiencies to allow them to expand what they were doing. Nor could they provide the EDI reporting in the ways these new customer groups would demand.

Bringing in the new system changed all that. “Produce Pro enables us to handle every category of customer, including retail, wholesale, food processors and food service. We are now serving big, multi-concept food service accounts and several national chains. Produce Pro allows us to customize and automate and serve them in the way they want to be served. We have greatly increased our sales to food service over the past 12 months.” Part of that success has come from allowing customers to order what they want, how they want, using intuitive online ordering systems.

“With Produce Pro, we got a full e-commerce solution that we didn’t have before.” Chris Wisekal told us. “This included both online and a mobile app for customers to put in orders with their phones. A lot of chefs and Food & Beverage guys put in unbelievable hours, so any technology that saves them time, they want it. The mobile app was huge. They also want to be able to select precisely what they want--not just a generic category. And they need to know that what they order is what they will get, on-time and fresh and in the full quantity.”

“Four years ago we had less than 800 product codes,” COO Jim Hagen told us. “Now we have more than 3,000, including a full selection of organics. Customers used to be able to order red delicious apples. Now they can get red delicious apple US extra fancy. Or red delicious apple Washington extra fancy. And they can get it in various sizes. Anything from a 48 count to a 138 count in various grades to provide exactly what they want.”

## Traceability and Safety

With fresh produce, public safety is a huge concern. Should a commodity prove to be tainted, all the produce from the source needs to be quickly located and identified for a recall. Produce Pro ensures FreshPack can trace every piece of produce, even those that have been repackaged or otherwise processed, back to their original source and original receiving date. “The Produce Pro team keeps ahead of all these issues,” FreshPack IT Manager Bill Keating told us. “Walmart was one of the companies promoting the Produce Traceability Initiative. I called Produce Pro to see what they thought we’d need to do about this, and they were already putting together a presentation on what Walmart might require. They are always up on what is in the works. And we are prepared. We are able to track that and notify customers, so we are ready for anything.”

“Repacking product is essential for many of our customers,” Jim Hagen said. “You buy something that comes in a 24-count case and a smaller customer wants you to break it down into 6 pack cases. Schools and military and many of the smaller restaurants use product like that. We

can maintain traceability through the repack of product back to the original vendor. Food safety is a huge concern for us and every one else. It provides us a comfort level we didn’t have before, knowing how easy it is to trace a product.”

## Servicing the Business Side

Providing effective Electronic Data Interchange (EDI) in the format desired by high-end customers is essential to becoming an approved supplier. CEO Chris Wisekal found that having a Produce Pro system installed became a sales tool, giving new customers the confidence to purchase from FreshPack. “Some of our new customers know Produce Pro so well, they ask us to get a specific person they’ve worked with at Produce Pro to set up the EDI,” Wisekal said. “Whether you are selling to retail or food service chains, they all want their own style of EDI reporting. Most of them want to download it directly into their systems. Normally we’d have to hire someone to come in and make our system talk to their system. Produce Pro does all that for us.”

With the new system, FreshPack is able to help its customers be more profitable, which is a huge selling point. “If you’re our customer,” Wisekal said, “we can show you what you purchase, break it down by store, by year, month, week and day. You can see where you are spending your money, how you can save, how you can improve efficiency. We help you improve your bottom line through the reporting. From a tracking perspective, our customers can quickly find who bought what, when, for how much. We have the flexibility to set up a customer’s program to handle whatever they need, however they need it. Nobody is standardized.”

## Depth of Industry Knowledge

One of the elements Wisekal and Hagen both appreciate is the on-going growth of the Produce Pro system. Whenever any user requests an upgrade or a new reporting capability, it is built into the system for all users. For instance a new reporting option that gives sales per case can be customized for a group of customers or a single customer. The base line of programming is there to be tweaked as needed.

FreshPack has an array of fully automated reporting that run at night. Every morning reports are delivered for sales, procurement, operations, transportation, etc., to the people accountable for those areas. They start the day by viewing the reports on computers, smart phones, or however they prefer. It’s a quick and easy way to get a snapshot of what’s going on with the company.

“I know a company that does over \$100 million in sales, and they have a large IT staff to accomplish this kind of reporting,” Wisekal told us. “I can do the same thing, and it’s done automatically with Produce Pro. What happens if some key staff leaves you and you have nobody in house who knows how to do what they did? I’m never going have that problem. Produce Pro has such a large staff of trained people that if they lose one, they have somebody else to pick it up.”

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## The Decision to Implement

In a twenty-eight year career in produce, Chris Wisekal had worked with six different ERP systems. One of the first things he noticed when taking the reins at FreshPack was that the system in use did not accommodate the company's needs. The system required multitudes of work-arounds and jury-rigging to operate. Even though FreshPack was focused almost exclusively on the retail market with a more uniform set of requirements than it does today, meeting the daily IT needs was extremely time-consuming. FreshPack's IT Manager Bill Keating arrived at work around 3am daily to take the system down, deal with the accumulated errors, reboot and get it ready to run another day. Creating reports, accounting, and many other functions were nightmarishly labor-intensive and fraught with system crashes.

Colleen Frizzell, Business Process Manager/Special Projects, told us: "In our previous system, we'd have to shut it down three or four times a day because the system would hang up. We'd have to clear everything out and re-index and reboot. Everybody would have to exit the system for half hour or more. If someone got hung up while taking a sales order, the data would be lost. If something should happen for an individual now in Produce Pro, say their laptop crashed or they lost power, the data is not lost. The time saved is phenomenal. It's all because of the way this system handles data."

"This system is lightning fast," Bill Keating said. "The network availability is better than I could have hoped for. All the processing is done on the server."

**"Employees can increase efficiency easily. It's very user friendly. That's big because people who've been doing something the same way for ten years don't want to change."** -Chris Wisekal C.E.O Freshpack Produce

## The New Efficiency

"Four years ago, our pickers averaged less than fifty cases per hour," COO Jim Hagen told us. "Now we are over one hundred sixty cases per hour. These efficiencies have made us much more profitable. Everything is paperless. Our pickers work with handheld infrared scanners attached to their wrist. They scan barcodes on the product and move through the system much faster than they could with pen and paper. The system allowed us to see which picker was doing what, and that allowed us to set up an incentive program. We pay our picking staff 50% more than a year ago. We've been able to increase wages dramatically and share the wealth with our picking, receiving and shipping crews."

To Hagen's way of thinking, the Produce Pro Warehouse Management System provided the largest benefit. Suddenly both sales and operations could see the entire inventory in real time. Over-solds, out-of-stocks and mistaken sales entries plummeted as a result of working from a real-time inventory.

In addition to increased efficiency, the system allowed them to reduce waste and enhance freshness. They had easy access to expiration dates and best-if-used-by dates to make sure they were rotating product optimally. It keeps track of every item in every slot in inventory, including all the back stock.

## Return on Investment

"Just with savings on the operational side we are 100% paid back already," Hagen told us. "We were paid off after eight months of having Produce Pro in operation. You can add to that what it's allowed us to do on the sales side--there's all that business it enabled us to go after. Sales are up 40%. We never would have been able to do that without Produce Pro. It allows us to execute our business much better on a day to day basis. Our in-stock ratios are higher. The quality of product is better because we are turning it faster. We can enter orders more efficiently which allows us to provide better customer service. We can spend more time with the customer rather than just entering orders and getting product out the door. We have time to talk and listen and address their needs. That's a huge boon to us. Suddenly we have time on our hands rather than needing to manually create all these processes every day."

"Our people have a lot of knowledge to share with customers," Colleen Frizzell said. "Our people are dedicated to produce. It's not just a job. It's a career. Produce Pro has made a difference all through the company. The accounting people are spoiled now," she added. "The month-end and year-end reports run automatically. It's an unbelievable amount of time savings and efficiency. And the best thing is: we can actually trust the numbers."

"What I like best about this system is the ease of use," Wisekal said. "Employees can increase efficiency easily. It's very user friendly. That's big because people who've been doing something the same way for ten years don't want to change."

"Next is the transparency of the system. Everything is time stamped. I can go in and see who changed something in an invoice. If an accidental keystroke happens, it tracks it and we can measure everything. And you can lock things down so people can only get into what is appropriate to them. We had 100 employees when I came on board, we have 170 now. You want them to access just what they need."



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## The Start-Up

“I was pleasantly surprised by the level of staff that came out and did our install,” Hagen said. “I’ve not seen that level of staff at any of the other software companies I’ve used in the past. It’s an intense time, but they made it easy. We had six of them for a week. There was somebody here 24 hours a day seven days a week during the install just to make sure everything was running smoothly and to solve issues that might come up. That’s a large investment on their part.”

“I’ve worked with four other software systems,” Hagen continued. “The Produce Pro people are top notch, and they give a very rapid service response, and they are very knowledgeable about the produce business. The system they’ve built is simply more robust. Any bell or whistle you want, they’ve already thought of. It gives you options to do business the way you want. They made it an experience rather than a drudgery to install the new software system.”

The admiration went in both directions. “FreshPack is a great organization,” Marc Hatfield, Produce Pro’s National Sales Manager said. “They have layers of solid people. We advised a piece-by-piece roll out of the software implementation, but they opted to do it all at once. And they did it with the full Warehouse Management System, the hand-held scanners and portable label-printers, the entire system. That was a lot to take on all at once, but it worked because they have a great team.”

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## Into the Future

During this same time frame, FreshPack opened a second warehouse in New Mexico (November, 2013) giving themselves a location closer to the major produce sources in California and Mexico. By tying the new warehouse into the same system, they are able to see all their inventory on a single screen. This allows them to carry very little excess inventory and to achieve a truly Just-in-Time (JIT) operation.

“We have trucks rolling seven days a week,” Wisekal said. “We’d have to carry a lot more inventory if we couldn’t see live JIT inventory. You want to turn produce as quickly as possible because it’s so perishable. Also, the produce market is volatile. Lettuce can drop from \$15 today to \$10 tomorrow. We’ve had limes at \$100 a case when usually they’re \$14. Having too much inventory can be a big problem if the price drops. You can’t sell it for \$10 when everyone else is selling for \$5.”

With the increasing agility and service capabilities of their business, FreshPack has been able to expand its footprint, expanding to service sixteen states from the eleven states it served last year. As of this writing, they were contemplating opening a third warehouse to expand their capacity even further.

“What I am most pleased with is our ability to grow,” Wisekal said. “A lot of systems don’t have the tools that will allow you to grow as quickly and as much as you want. The Produce Pro system has allowed us to become very nimble and flexible. We can turn on a dime to serve a customer in real time, because we can see our inventory in real time and there’s so much customer information we can analyze. Not many people can react as quickly as we can react. We can put up an RFP and be in operation in a new warehouse two months later. You match our good people with good technology and good accounting. It’s pretty amazing how quickly we can find and summarize where our money is going. Our sales team can sell all day long, but if you don’t have somebody watching the shop at home and making sure that you are making profits and making sure the efficiencies are there, making sure that you are getting paid on time, it doesn’t matter. I know companies that do \$100 million in sales and put 1% to the bottom line. That’s an awful lot of work for 1%. Having the system and being able to see all those pieces is really big to us.”



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