Halenda's Meats

Meat Processor deploys real time 'costing', slashing its costs while improving accuracy and customer satisfaction.

Halenda's Meats manufactures premium meats in Oshawa, Ontario and distributes throughout the province. The company wanted to expand without dramatically impacting labour costs or quality. They implemented the Minotaur Business System, an integrated configurable solution, and have realized a tremendous ROI; improving accuracy, product quality and service levels to their customers.

Overview:

Country/Region
Ontario, Canada

Industry
Food Manufacturing-Meat

Customer Profile
Halenda's Meats, of Oshawa, Ontario, provides premium meats within Ontario and has over 100 employees between their head office, distribution centre and five meat specialty stores.

Business Situation
Halenda's Meats needed to expand operations, automate labour intensive tasks, reduce costly errors in product shipments and ensure traceability of raw materials through production and out to their customers.

Solution
Halenda's Meats implemented Minotaur Software's integrated suite for manufacturing and financials. Shipping and receiving is streamlined with bar-code scanners. Real time costing has been added along with end to end traceability of products.

Benefits
» Elimination of labour intensive data entry and costly errors using bar code scanning & EDI.

» Increased production 8 fold since deployment with no appreciable increase in labour cost.

» Improved customer service & profits and real time costing were benefits of improved accuracy

Partner
Minotaur Software Ltd.

> *"We're now doing eight times the volume we did seven years ago, with little to no increase in people cost. My investment in this solution was an absolute bargain!"*

Richard Halenda
CEO of Halenda's Meats in Oshawa, Ontario

Situation/Problem:

Halenda's Meats began its operations in 1979 but it was not until 2004 when Halenda's decided to expand by starting a distribution division. After all, Halenda's Meats was also beginning to expand into specialty stores, additional processing and now a distribution centre to provide improved service for their customers. Richard Halenda knew this growth would require some help in several areas.

Richard is President & CEO of Halenda's Meats which is headquartered in Oshawa, Ontario, and is a premier meat processor employing over 100 people at five meat specialty stores, two processing plants and a distribution centre. Halenda's Meats has won many awards for its quality meats in Ontario.

While expansion was on Richard's radar, there was little to no automation internally and all inventory was handled manually. Halenda's was utilizing two full time employees to enter orders into QuickBooks, then filled and completed the entire process manually. It was labour Intensive, mistakes were common and this was clearly affecting bottom line margins (ie. industry margins are lean). The process was quite laborious and slow to say the least. There was no means of integrating their manual inventory system with QuickBooks! The only way Halenda's could imagine keeping up with the orders was to throw more bodies at the problem (ie. hiring more data entry clerks), which was a very unattractive option.

If the order processing challenge wasn't enough, Halenda's also did not have any actual 'costing' method or means of assessing cost at various stages of meat production. This was of particular concern because all of Halenda's products are received in 'raw materials' and subject to

'shrinkage'. Meat processors need to understand the condition and weight of meat through the entire manufacturing process up to distribution. Halenda's needed to know exactly what's being received as raw materials and precisely what was being sold as final product. Finally, Halenda's had no real means of product traceability. Government agencies in Ontario and its retail customers were mandating that processors adopt a method of tracking precisely where raw materials came from and where finished goods were shipped to, to pass 'recall audits' and be ready should there ever be a recall. Halenda's needed to be prepared for a critical audit of this type.

Solution:

Halenda's Meats turned to food industry experts, Minotaur Software, out of Brampton, Ontario, as their Solutions Provider. Richard Halenda was impressed that Minotaur's solution understood and catered to his business niche (meat processing), addressed all of his business issues and left little requirement for further customization. Minotaur's solution conveniently runs in a Microsoft Windows environment.

Halenda's deployed Minotaur's integrated solution for inventory, financials and manufacturing. Minotaur automates the labour intensive receiving, production and shipping processes via bar code scanning, EDI and production equipment integration; reducing the need for manual data entry employees. The new system also allows Halenda's to perform 'live costing' in real time ensuring maximum accuracy for products and pricing. This capability also provided a granular view into exactly where and when shrinkage (meat) occurred in order to decrease it and further ensure accurate order fulfillment and pricing.

Executive Biography:

Richard Halenda, as CEO of Halenda's Meats, has been owner/operator since 1979 and was recently awarded the 2011 "Meat Industry Achievement Award" in addition to 10 Product Awards for the year.

Halenda's Meats can now determine where within the processing stage things may not function optimally, based on yield information derived from the system, and are able to enact changes quickly to correct these serious issues.

Traceability of products is made possible with Minotaur's manufacturing (production) module which provides complete tracking of the process from raw materials, and their suppliers, to finished goods and in any direction! The solution provides traceability as to what lots of raw materials made up which finished goods and what finished goods went to each customer. This would all be pertinent information in the event of a recall audit.

EDI was another capability that was deployed by Halenda's which facilitates the exchange of data between Halenda's distribution company and their manufacturing company. EDI eliminated a significant amount of additional data entry.

Benefits:

By implementing Minotaur Software's integrated solution, Halenda's Meats has been able to greatly expand its business with little increase in costs. CEO Richard Halenda says, "We're now doing eight times the volume we did seven years ago, with little to no increase in people cost. My investment in this solution was an absolute bargain! "

With orders now shipped using bar code scanners, Halenda's eliminated the cost of two skilled data entry employees, and more importantly has avoided adding significant head count to their payroll, which is what 'manual data entry' would have dictated. The new automated system has also reduced errors which had been common and all but eliminated

shipment errors, making for happier customers! Richard says with a smile, "Minotaur Software paid for itself easily within the first year and has done this exponentially over the past seven years. By now, my ROI on this is likely over 500%".

Through Minotaur's live costing capability, Halenda's was able to determine that a 'smoke house' at a newly purchased facility was not working optimally by using the yield data he had originally collected on the items at his main location. By integrating a scale system at his smoke house, he was able to track exactly where the process was faltering. This enabled Halenda's to immediately be pro-active and correct the problems that were creating the shrinkage. Fixing the shrinkage issue meant better accuracy, higher profits and satisfied customers.

Halenda's manufacturing company was indeed a separate entity from their distribution company, yet both had requirements for the same customer order information. This was easily addressed with Minotaur's EDI support that facilitated inter-company data exchange, eliminating the need for additional scanning or data entry. This represented a huge labour savings (ie scanning & people).

Finally, Halenda's now enjoys a strong solution for 'risk mitigation' with its' ability to trace any and all products, be it from supplier or out to the customer, and addresses the Government requirements to respond accordingly in the event of a 'recall audit'. This is truly an invaluable capability for meat processing/distribution products provided to the public.

Says Richard Halenda, "the Minotaur Solution has provided us the confidence to grow and expand that we didn't have before. Minotaur really manages my company now.

> *"Minotaur really manages my company now. I just review the management reports which offer superior visibility into all aspects of my business".*
>
> **Richard Halenda**
> CEO Halenda's Meats

I just review the management reports, which offer superior visibility into all aspects of my business".

In fact, Halenda's currently plans to expand their system further by integrating a new time & attendance system to their payroll. They have great confidence that Minotaur will execute their new application smoothly.

It may be no surprise that in 2011, Halenda's Meats was the winner of 10 product awards and also received the prestigious '2011 Meat Industry Achievement Award'. It seems Halenda's Meats is doing more than a few things right!