

# Distribution Software Discoveries & Innovations

*What it does, how it is used, what to look for and what is on the horizon*

BY DUANE CRAIG

**Software continues to dominate in the race to improve product distribution. Some of this is being driven by large volume buyers who are looking for more efficiency in handling, tracking and cost control.**

Other pressure comes from governmental agencies, such as the Food and Drug Administration (FDA), in their efforts to ensure the safety of the nation's food supply.

"The most important thing is that when you track the product, you are compliant with the Food and Drug Administration's anti-bioterrorism efforts," says Henri Morris, president of Houston TX-based Solid Software Solutions, makers of Edible Software for the produce industry. "To be in compliance, our clients have to be able to track product all the way from the original source to the end user and back again."

Another prime motivation for tracking produce distribution using software is the promise of improved efficiencies once the system is in place.

"My out-of-stock rate has dropped 45 percent, and my warehouse shrink has dropped 120 percent," relates Patrick Metheaux, pricing director for Indianapolis, IN-based Indianapolis Fruit Company, Inc., an independent pro-

duce distributor with in-house processing of custom cuts.

Produce packers and distributors are aggressively adopting this software because their primary business is all about the physical movement of the product. Growers are adopting the technology to a lesser degree since they more often fit their tracking practices to their packer's systems.

Regardless of their place in the supply chain, those who are using this software are finding more and varied ways to incorporate it into their operations. It appears the only requirements for determining a new use are imagination and the needs of the users.

"It initially get set up to use a program like the one we have does not take long," relates Erik Larsen, information technology director for Global Berry Farms, which markets the Naturipe brand of berries and is based in Naples, FL. "It takes about a month, and you're assisted by the vendor. It really get it to where it's a huge change for the business would probably take six months. The vendor gets you off to a good start and then what happens is, as people work with it, they start finding new uses."

"From the distributors' perspective, our software facilitates every step of their business," explains Steve Reilly, national sales manager for Produce Pro, Inc., a produce industry software developer based in Woodridge, IL.

"Everything that gets done to the produce they handle - everything - is tracked very rigorously and easily, and reported on with the touch of a button. We have lot-tracking behavior in the software. They can look at a product in inventory real-time, see when they got it, from whom they got it, how much they got, what they paid for it, what they did to it, how much of it they've sold, who they sold it to, and then they can get all of that in a report," Reilly continues.

## BENEFITS BEYOND EFFICIENCY

Supply chain improvements associated with



software include increasing efficiency, reducing errors, aiding traceability and improving produce quality in general.

"By automating the process of tracking and identifying," says Don Walborn, vice president of sales and technical services for Kirkey Products Group of Longwood, FL, an enterprise resource planning software development company, "not only are you taking some of the manual inefficiencies out of the supply chain but you're also adding value to the product by being able to identify its age. That means delivering a better product to the end consumer."

"It allows us to analyze the profitability of our deliveries better," explains Len Moskowitz chief financial officer for Testa Produce, Inc. a Chicago, IL-based produce distributor specializing in foodservice.

"For example, if we have four customers who are going to take only five boxes, we could look and see if we need to place those on routes with bigger customers," Moskowitz adds. "The other thing the software has helped us do is reduce our administrative overhead costs because we can take more orders more quickly and with a greater degree of accuracy.

"We also use an online interface with our software system that allows our customers

greater flexibility in placing their orders, and it saves time and money for us in the

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order taking," Moskowitz continues.

According to Produce Pro's Reilly,

"The computer can track things for you as opposed to you having to go dig through paper and handwritten notes and trying to decipher if something is the number two or the letter z."

"Many of our clients use radio frequency forklifts and/or hand-held radio frequency terminals," notes Tim Smith, president, Spokane Software Systems Inc of Spokane, WA. "They can get a pick list from the computer that tells them which pallets to pull for an order. A customer may order No. 1 grade, but the person on the dock may pull the No. 2 grade. When the pallet tag is scanned, the error will be caught."

"One way we use it is we analyze any quality rejections or claim rejections we have by different transportation types and companies, whether it be trucking firms or air carriers," says Global Berry's Larsen. "And we do a lot of after-the-sale analysis."

"At your fingertips you'll have the ability to see where your product went," adds Ray Connelly, sales manager for Famous Software LLC, a Fresno, GA-based company specializing in business management software for the produce industry. "There may be a quality issue or a need to track where that product came from."

"Software like ours tracks the time

# The Future And RFID

**"R** RFID [radio frequency identification] is bar codes on steroids," according to Don Walborn, vice president of sales and technical services for Kirkey Products Group of Longwood, FL. "They're taking the manual processes out of the bar code. RFID will be here; probably not as quickly as some of the big buyers would want it to be, but it will be here."

"I can remember a conversation 10 years ago where RFID was imminent," recalls Tim Smith, president, Spokane Software Systems Inc of Spokane, WA, "so my best guess is that it's not closer than two years and not further than five. The buyers are demanding it. If you want to sell to Wal-Mart, you do it Wal-Mart's way, and if you want to sell to Ralph's, you do it Ralph's way. There are a great many demands on the packer/shipper today that weren't there even five years ago."

RFID is a challenge for the produce business partly because of the unique characteristics of produce. There is a lot of water in produce and water tends to affect the readability of the devices. There are issues with placement of the devices on the product and within pallets that can make the devices unreadable. The speed of a forklift passing through a portal where the RFID tags should be read can affect the readability as well.

There is also the issue of non-standard nomenclatures that will require either standardization of terms or software solutions like conversion tables that will automatically resolve nomenclature differences. But the biggest hurdle seems to be cost.

"Until RFID becomes cost effective enough to be able to utilize, they're just not able to get it into the produce industry," says Henri Morris, president of Solid Software

Solutions, Houston TX. "RFID chips are so prohibitively expensive that there's no way you could use them for a packet of herbs."

All new automation tools for recognition, validation, movement and quality raise the ante in the ever-increasing battle to provide produce at the highest rate of freshness and quality," adds Thomas Bissett, consulting services director for Rockville, MD-based Manugistics Group Inc., a global provider of synchronized supply chain and revenue management solutions, which is currently under acquisition by JDA Software of Scottsdale, AZ.

"RFID certainly is the wave of the future in regards to adding enhanced levels of intelligence to the order process, but the in-house warehouse management tools for order flow are still a requisite to benefit from RFID," continues Bissett.

Many in the produce industry are taking a cautious approach to RFID.

"We have made the decision to wait and see which way the industry shakes out," says Patrick Metheaux, pricing director, Indianapolis Fruit Company, Inc., Indianapolis, IN.

Others are putting one foot in at a time and testing the abilities of the technology.

"We have RFID temp tags and probes at the field level," says Erik Larsen, information technology director for Global Berry Farms in Naples, FL, "where someone can drive around with a laptop in his or her vehicle and retrieve input from RFID tags that store temperature information over the past few days and weeks. Another use for RFID we're getting into is more as a customer service item on the retail side so retailers can track a case through their system. It's a complicated technology and we're using it, but you really have to weigh the cost versus the benefit." **pb**

between when the produce was taken out of inventory and staged for delivery," explains F. Charles Waud, president of software developer WaudWare Inc. of Brampton, ON. "This way companies can ensure that the produce is delivered in a timely fashion. Different customers order produce at different stages of ripeness, and this tracking method verifies that the product is delivered in a manner appropriate to the customers' needs."

There are times when users of these sys-

tems find they need to accommodate others in the supply chain with specialized documents, identifiers and services.

"If we have a large chain that wants every box going to it to have a 3x5 pink label laid out in a specific way, we would need to be able to do that," says Moskowitz of Rsta Produce. "We, of course, would probably push it, to a degree, down the supply chain to our suppliers as well."

"If the distributor wants to allow its own customers to manage their own accounts



and place their own orders and look up their own histories, they can do that," adds Produce Pro's Reilly.

### SOFTWARE MUST-HAVES

When shopping for systems there are many things to consider, from whether to integrate distribution with current systems to whether to get into a complete turn-key package that handles everything about the business. Whatever way is chosen, there are features that are requisites when making a selection.

"Look for a company with a history," says Testa Produce's Moskowitz. "There are plenty of people who can write a software package for you in their basement but the question is, 'Do they have other customers with similar demographics as yours?'"

"It's got to be a complete system so it's got to tie into your accounting package, your transportation package or routing package, your fleet management program, your warehouse management system – and you have to make sure it also will tie into any extranet you have," he continues.

"And very importantly, it's got to have excellent technical support. We're a 24/7 operation so it does me no good if the only time they're available is Monday through Friday from 9:00 AM to 4:00 PM. If we have a catastrophic failure on Saturday at 2:00 PM or at 1:00 AM on Tuesday, we need to be able to get in touch with them," he concludes.

"One of the biggest things is always the ease of use for users," says Indianapolis Fruit's Metheaux. "We may have 45 to 55 users at any given time, and that makes support and training that much more important. It may be the best system in the world, but if nobody can use it, it's not going to do anything."

"The key things you should look for first of all is support," adds Global Berry's Larsen. "The second thing that's important is the ease of use for the end users, even if they have little or no computer knowledge. The

third point is adaptability. That means being able to gather information from disparate sources for analysis."

"You're only going to be as competitive as the tools your software company gives you," continues Kirkey's Walborn.

"It's extremely important for the software company that you select to not only have the vision in terms of looking into new technologies for you, but also to have the ability to implement them. I don't mean only monetary resources but also the technical resources in the skilled developers who not only know how to develop software but also know your industry."

Others in the industry point to ensuring that accurate and real-time information display is available and software upgrades are included so your package will not become obsolete as technology chang-

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es. One big change on the horizon is the switch from bar codes to radio frequency identification (RFID).

Distribution software relies upon some type of input before it can be of any use. Many times that input is via keyboard or other manual type of entry device. Other times hand-held bar code scanners or radio frequency scanners are used. Regardless of the input method, some type of identifier must be attached to the product. These identifiers can be tags, bar codes or even RFID chips.

Where the identifier is attached varies widely, but all involved agree that the closer to the origin of the produce, the more functionality there will be and the more options available for use throughout the chain.

In most cases, the identifiers are being attached when the product reaches the packer. At the distributor's warehouse, the product may be re-identified if the original pallet is broken down to facilitate smaller quantity deliveries.

Most in the industry cite volume buyers as the driving forces behind the type of identifier that is ultimately used.

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