NCS Delivers Full Route Accounting Solution for McArthur Dairy in Just Seven Weeks

HIGHLIGHTS

- McArthur Dairy is a leading supplier of dairy products to South Florida and the Caribbean Islands.
- Originally part of the Dean Food's family and a vital distributor in the region, Cream-O-Land Dairy acquired managing control of McArthur Dairy During June, 2020.
- McArthur had been running Dean Food's proprietary systems on IBM I-Series (ne AS400) equipment. They liked the reliability and security of the IBM I-Series, but they wanted something that adapted better to their business and was less costly to maintain.
- The new system needed to be fully functional at McArthur Dairy by Aug 31st to avoid significant additional financial obligations.
- Cream-O-Land chose Numeric Computer Systems (NCS) because they already had a very solid relationship with the company, and they knew the NCS array of available applications included, in addition to the Order-To-Cash and mobile solutions that they were familiar with, state-of-the-art dairy manufacturing software as well as other modules. And, the NCS software runs equally well on IBM I-Series systems and Microsoft Windows-based servers.
- NCS converted McArthur's existing data and implemented the full route accounting system, including order-to-cash processing, e-commerce, manufacturing controls, and mobile applications for use by route managers, delivery drivers, and production personnel.

McArthur Dairy was founded in 1929 and acquired by Dean Foods in 1980. Despite the public's growing preference for alternatives, dairy products remain a staple of the American diet, and McArthur Dairy is a vital distributor for South Florida consumers as well as many Caribbean Islands off the Florida Coast.

When Dean Foods filed for Chapter 11 bankruptcy in November of 2019, many of the company's dairy producing properties were broken up and the assets sold, the land value being particularly attractive to investors. Cream-O-Land saw a different future for McArthur Dairy's assets and decided to expand its operations by snatching up the well-established dairy producer.

An Urgent Mandate

The first order of business was to assess the systems McArthur were using to run its business, from backend accounting including manufacturing controls to the tools the company's drivers used to manage their routes and serve customers. The backbone of McArthur's business systems was the Dean Foods proprietary systems running on IBM I-Series systems. The Dean Foods system was expensive to maintain, so Scott Stoner, Vice President of Operations at Cream-O-Land Dairy, wanted to evaluate the possibility of replacing it with NCS eRMS, a solution that had already been successfully implemented at other Cream-O-Land facilities. "The proprietary system was old and outdated. It wasn't functionally ready to support our strategy for McArthur Dairy, so the path was pretty clear. We could either continue to pay the upkeep of an obviously inferior system or bring in NCS to implement a state-of-the-art solution designed for the dairy industry – one that's worked well for us in other facilities."

Only one question remained. Could NCS implement the system by August 31st so McArthur Dairy could avoid the next round of maintenance payments? According to Stoner, "Missing the deadline by even a month or two would have been incredibly expensive."

This deadline gave NCS less than two months to get everything implemented, data converted from the old Dean Foods system, and users trained on the new solution. This was particularly challenging as no one involved in the project had experience with the way the Dean Foods proprietary system stored data.

"We estimated the data conversion was going to take at least three of the nine weeks available to us. And that included assigning multiple engineers to the task," said Wayne Hochberg, Executive Vice President and CFO at Numeric Computer Systems. "Even though McArthur was running on an I-Series and we could implement eRMS on their existing hardware, the format of the data was dissimilar in many ways."

The NCS team started the data phase of the project by assessing the quality of the data to determine what to import and what to recreate. Once that was complete, they would have to map the existing data to NCS eRMS. "Data migration is always complex, but we knew we could get it done in the time allotted," said Hochberg.

Then, 2020 threw another wrench in the works. A key member of the McArthur Dairy team contracted COVID-19. Thankfully, their illness wasn't severe, and it was caught before it spread to other team members. Nevertheless, this still set the project back by a couple of weeks. Now, the NCS team had just seven weeks to implement an entire route accounting system for McArthur Dairy.

The NCS team delivered thanks to their knowledge of the industry and a lot of very long days. "Wayne's people not only have extensive experience in our industry and with the software that was being installed, but their work ethic and commitment was just great," said Stoner. "There was nothing they wouldn't do, and they would work any hours necessary to get this project done successfully and on time."

A Complete Dairy Management System

NCS's ability to effectively implement a solution by August 31st is even more impressive when you consider the functional breadth of the implementation. NCS converted McArthur's existing data and implemented the full route accounting system, including order-to-cash processing, ecommerce, manufacturing controls, and mobile applications for use by route managers and delivery drivers.

When he spoke to us about the implementation, Stoner focused in on a few key areas.

Android-based mobile solution. With margins tight, dairy producers are very cost conscious. McArthur Dairy wanted a more modern system that could be used by its route managers. Many of the route accounting systems that offer mobile solutions are built for custom, ruggedized devices. These can cost a couple thousand dollars each, so installing them in a few dozen trucks would have offset any cost savings attained by the migration from the Dean Foods system to NCS eRMS.

"It's not just the initial cost of these devices that's a problem," explained Hochberg. "You also need to factor in maintenance costs. For years, one of our goals was to offer an application that could operate on inexpensive devices. It makes the most sense to offer a robust solution that could run equally well on inexpensive consumer-grade devices as well as on more durable rugged devices. McArthur Dairy chose the Samsung Tab A device along with Zebra 3-inch ZQ320 printers for its route drivers integrated with eRMS in all of its locations.

Omnichannel capabilities. McArthur Dairy serves a number of different types of customers, from retail chains to institutions. The ability to take orders through many different methods and in different formats was essential. eRMS handles standing orders and peddle stops, as well as scan-based trading with large retailers, call-center orders, EDI, and e-commerce.

Route-Balancing window. As in most dairy businesses, routes aren't static at McArthur Dairy. Operations managers needed the ability to balance routes to maximize efficiency and customer service. While this functionality may seem fairly basic, it's lacking and cumbersome in many route accounting systems. Stoner called this one of the "best parts of eRMS," adding that "eRMS Route Balancing allows me to finalize routes in minutes, whereby it might take days manually or with more generic software."

McArthur Dairy was already using Omnitracs for route optimization, and it was working well, so NCS created an integration to eRMS. "I rely on the integration between Omnitracs and eRMS every day," said Stoner. "We import our deliveries into Omnitracs, and it sends back the routes and stops. I can then manipulate these through eRMS Route Balancing."

Route versions. Stoner also appreciated the ability to easily set up route versions, which allow him to vary parameters such as the customers included on the route, the order of delivery, days of delivery, etc. Route versions can be set for a date range, making them especially useful during holidays or for addressing other seasonal changes, such as when school is in session vs. the summer break.

Route reconciliation. Like other delivery businesses, a great deal of McArthur's inventory at any given time is on the trucks. Without proper accounting, it'd be easy for that inventory to wind up in the wrong hands. Easy route reconciliation allows Stoner and his team to prevent inventory losses due to theft or mishandling from driving up costs.

Ability to integrate with existing systems. Not every business system at McArthur needed to be replaced, so the ability to easily integrate eRMS allowed the dairy to leverage existing investments. As already mentioned, the NCS team created an integration between eRMS and Omnitracs for route optimization. They created an integration to the Serti warehouse management application in use at McArthur Dairy as well.

It's About the People

At the end of the day, the dairy business is about serving people. Perhaps that's why Stoner and the rest of the team at McArthur Dairy and Cream-O-Land appreciate NCS so much. "We love that eRMS is designed for our industry, but its NCS's top-down commitment to our very challenging project that made it a success," said Stoner. "I'm just so pleased with the way this implementation turned out, and the ownership of my company is as well."

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