

CASE STUDY: FOOD & BEVERAGE

Dietz & Watson

PERFECTION AND ORIGINALITY HAS BEEN THE MISSION FOR DIETZ AND WATSON SINCE ITS ORIGIN IN 1939. Gottlieb Dietz, a talented young German sausage maker, whose primary goal was to produce the most flavorful, highest quality deli meats in the marketplace to please even the most discriminating palate. His old-world recipes and commitment to “quality above all,” demanded nothing less than the freshest lean beef, ham, pork, turkey breast, and chicken breast. He then added only the finest all-natural spices and seasonings gathered from around the world.

Today, at Dietz and Watson, the third generation continues Gottlieb Dietz’s dedication and commitment to preparing and distributing premium deli meats and artisan cheeses. It is in this relentless pursuit of excellence that they realized the need for a world class technology solution that could meet their growing distribution needs.

Dietz & Watson partnered with Black Bear Distribution, their third party logistics provider in Delanco, New Jersey, to install Softeon’s supply chain execution (SCE) solutions. They were very impressed with Softeon’s solution offering significant core (out-of-the-box) features that normally require costly enhancements to solutions from other leading vendors.

The distribution center is approximately 300,000 square feet with several different temperature controlled areas ranging from 28 to 34 degrees all the way down to freezers kept at minus 10. Having many product lines and variables to manage, Dietz & Watson wanted a strategic implementation plan that had the lowest impact on their daily operations while continuing to provide a high level of service to their customers. They decided on a phased approach of implementing *one product line at a time over a period of 4 months*, minimizing operational impact and reducing overall risk. This implementation strategy combined with Softeon’s experienced team ensured *zero downtime* during the implementation.



Dietz & Watson truck entering yard at the New Jersey Distribution Center.

We now have the ability to gather information and start benchmarking, which takes us to another level of efficiency.

Wayne Henry
Senior Vice President of
Finance and Technology



 **Softeon**
Innovative Supply Chain Solutions



Shipping doors ready and available for the morning loading process.

TRAINING AND GO LIVE

Softeon trained the entire staff, of approximately 100 associates, over a three week period. The entire facility went completely operational over a weekend. Mike Wiese, System Administrator and Technical Program Manager for Dietz and Watson recalled, “This was a hot transition from our home grown system. We went from moving product physically to electronically moving product.” Product is received from the manufacturing facilities in Philadelphia, Baltimore, and Corfu, NY. Orders are downloaded from the corporate AS400 system. Softeon developed an interface to bridge the gap in order to achieve complete real-time order and inventory synchronization.

RETURN ON INVESTMENT

One of the main objectives of the new system was to gain efficiency throughout the facility at a justifiable cost of ownership. Prior to the implementation of Softeon’s system, Dietz & Watson associates were working with a non-directed put away method. As a result, they were physically out of storage space. Black Bear Distribution installed a state of the art cold storage facility, and in conjunction with Dietz and Watson distribution, took full advantage of the technology solution driving the facility to achieve significant efficiency in supporting distribution, fulfillment and inventory control for Dietz and Watson. In addition, they were able to achieve the same efficiency and performance for all of Black Bear Distribution’s 3PL customers. Dietz & Watson went from zero visibility when operating with error-prone paper reports to 100% visibility in all aspects of their distribution operations. This was enabled by the comprehensive capability set of Softeon’s solution for end-to-end WMS processes—advanced receiving, rule-based putaway, advanced wave management, optimized pick path sequencing to real time replenishment to shipping, with full control and visibility at every process stage. During the implementation customer orders were never impacted, and today, their customers are enjoying full on-time support. Their order turnaround time was reduced by 25% from 8 hours to 6 hours. “We now have the ability to gather information and start benchmarking which takes us to another level of efficiency” said Wayne Henry, Senior Vice President of Finance and Technology.



Pallet storage in the facility.

Dietz & Watson associates quickly went from strict picking to batch picking and wave planning while maintaining full work audit trail. Their DSD (Direct to Store Distribution) shipments, which were very time consuming and labor intensive, are now shipped seamlessly and on time.

FOR MORE INFORMATION:

Dietz and Watson: www.dietzandwatson.com

Black Bear Distribution: www.blackbeardistribution.com

Softeon: www.softeon.com



Guard check in for trucks before entering the yard.

UNIQUE REQUIREMENTS

Softeon's advanced solution is 100% serialized down to the case, offering a complete tracking and trace functionality. RF technology is used for all shipping transactions and each order is tracked in real-time. The system has the ability to capture catch weights, by product, to ensure order and billing accuracy. For customers that have special requirements, such as special "sale by dates," the system handles those requirements automatically. The system fully supports any recall functionality that may be needed along with QA holds and incubation time holds. "Our people have adapted nicely from the 10 year old out of date technology. The busier we are, the faster we go and the more we get done. It is amazing," said Mike Wiese.

CUSTOMER SERVICE

Customer service has also been enhanced greatly with Softeon's supply chain execution solution. Previously, when a customer called with a question, an answer could not be provided immediately. It had to be researched and then the customer was called back. Now, the answer is at the finger tips of any associate. The second phase of the system will include a visibility portal for the customer. Manufacturing also has complete visibility which allows production to coordinate closely with distributors who sell and take orders for Dietz & Watson products. The system has impacted and improved their complete supply chain. Not only was the highly complicated solution installed on time, but it was a less than six month install from selection in September 2006 to being live in January 2007.



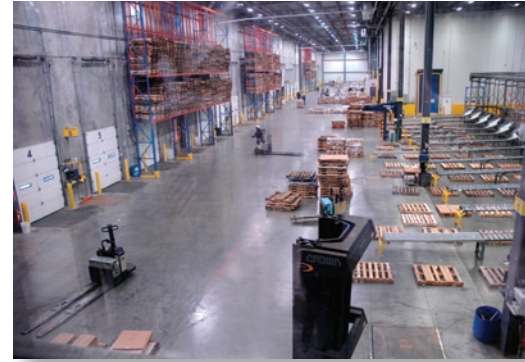
Storage in minus 10 freezer area.

Softeon's team came in and immediately rolled up their sleeves. They became members of our team and wanted our goals to be met. They are an example of a true partnership. The Softeon team added value with their knowledge and were always concerned about giving us superior service. It was like they were an extension of our company.

Mike Wiese
System Administrator,
Technical Program Manager

SECURING THE RIGHT PARTNERS

Transtech Consulting helped Dietz & Watson decide on a total solution offering a combination of functionality, technology, and long-term support and a relatively low cost of ownership. “We knew that Dietz & Watson needed a vendor that would give them superior customer support, because when you are talking about cold storage, down time gets expensive.” said Jim Butler, Senior Vice President, Transtech Consulting. “We wanted to make sure that the functionality was there but also wanted non-proprietary and current technology. Unfortunately, a lot of systems out there still are based on legacy programming languages and/or platforms, which we felt would not be a wise investment for our client.”



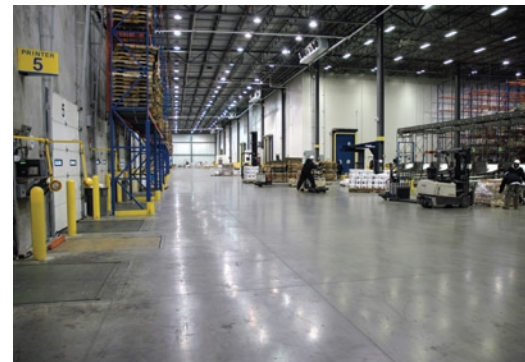
Preparing for the start of the day.



Incoming freight received and staged for putaway.

The RFP was initially sent to 14 vendors. Transtech evaluated the total solution offering – functionality, technology and customer support – from each vendor. The key decision drivers were cost of ownership, strength of the vendor, ability to compliment future growth with operational efficiencies and robust ancillary functionality. While Dietz & Watson was initially only interested in the WMS, they wanted a solution that positions them to easily integrate complementing functions in the future. The selection was narrowed down to two companies and finally Softeon was selected for their state of the art architecture, robust functionality, and customer service/support reputation. As significant was Softeon’s suite of robust solutions that included Order Management, Labor Management, Transportation, and Slotting, which could be easily integrated at a later time.

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Staging begins as orders are sorted by lane.

Your Partner in Success

Softeon’s customers are the most satisfied in the industry. This high level of satisfaction results from the combination of our rich functionality, high level of software quality, ease

of deployment, and perhaps most importantly, our intense focus on partnering with each customer to deliver the expected result. Others say it – we do it. Ask our customers, and they’ll explain the Softeon difference.



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