



# ATEECO: MRS. T'S PIEROGIES

## DISHING UP NEW EFFICIENCIES AT A FAMILY FOOD COMPANY

### QUICK FACTS

#### Industry

Consumer products – foods

#### Revenue

US\$49 million

#### Employees

200

#### Headquarters

Shenandoah, Pennsylvania

#### Web Site

[www.pierogies.com](http://www.pierogies.com)

#### SAP® Solution and Services

ARIS SmartPath for CPG Foods, a qualified SAP® Business All-in-One partner solution

#### Implementation Partner

IDS Scheer

#### Key Challenges

- Retire a heavily customized legacy system
- Establish a platform for future growth
- Provide better information for business decisions
- Reduce batch processing and manual tasks
- Improve inventory control at third-party warehouses
- Improve visibility into customer profitability

#### Implementation Best Practices

- Strong executive buy-in and support
- Solid project management that focused on requirements
- Focused project team including key players in all the vital functional areas of business
- Application of ASAP methodology
- Testing that involved many business scenarios
- “Learn by doing” training

#### Financial and Strategic Benefits

- Provided decision makers with accurate, real-time business data
- Improved customer profitability measurements and operating margins
- Enhanced coordination with warehouses through electronic data interchange (EDI) communications
- Improved tracking of return-to-vendor credits
- Freed \$20,000 per month for reinvestment by reducing inventory

#### Why SAP Was Selected

- Stable, future-proof, enterprise resource planning software
- Food and beverage experience
- Affordable, preconfigured industry-specific solution
- Support of best practices developed by industry leaders
- Rapid implementation

#### Low Total Cost of Ownership

- On-time, on-budget implementation
- Rapid 13-week implementation cycle that saved costs and minimized business disruption
- No customization
- Improved IT effectiveness and efficiency
- Ability to implement additional functionality easily
- Retirement of legacy system
- No additional staffing required

#### Operational Benefits

- Replaced manual tasks with automated processes
- Increased inventory accuracy (up to 98.9%)
- Reduced finished-goods inventory by 25% (on average)
- Reduced time to close monthly books by 70%
- Reduced invoice processing time (from hours/week to seconds/day)

Ateeco Inc. makes an Eastern European specialty food called pierogies – a crescent-shaped pasta shell traditionally filled with mashed potato and cheese. Under the Mrs. T's brand name, this family-owned company distributes literally millions of pierogies every week to retailers and distributors across the country. Ateeco recently replaced its legacy business system with a qualified SAP® Business All-in-One partner solution. The company is now dishing up new operating efficiencies along with its tasty pierogies.



“SAP software is not just for large companies. An SAP Business All-in-One solution is an affordable, exceptional product for any size company. I think we prove that.”

Tim Coyle, Director of Information Systems and Technology, Ateco Inc.

[www.sap.com/contactsap](http://www.sap.com/contactsap)

## Too Big for the Kitchen

Back in 1952 at a kitchen table in Shenandoah, Pennsylvania, Ted Twardzik took his mother's recipe and started making and selling pierogies – a local favorite at family get-togethers and church suppers. Business was good in this part of the state's eastern coal region, and it wasn't long before operations at Mrs. T's pierogies grew too big for the Twardzik kitchen. Today, operating as Ateco Inc., the family-owned company produces over 12 million of the stuffed pasta pockets each week for consumers across the United States.

Recently, the company also started outgrowing its business systems. Ateco's management saw the heavily customized infrastructure as “an anchor” to their vision for profitable growth. Ateco wanted an enterprise resource planning system tailored to the food industry that would deliver efficiencies in operations such as finance, supply chain, and sales. Moreover, the company of 200 employees needed a solution that was affordable.

## A Recipe for Success

After reviewing some 16 vendors, company executives selected ARIS SmartPath for CPG Foods, a qualified SAP® Business All-in-One partner solution from IDS Scheer. Ateco saw the preconfigured software as a cost-effective platform that could support future growth. And as Tim Coyle, the IT director at Ateco, points out, “The solution enabled Mrs. T's to benefit from best practices developed by the big boys of the food and beverage industry.”

Solid project management that focused on documented requirements helped ensure a successful rollout. And the company built a strong implementation team that included IDS Scheer functional consultants and top business managers from Ateco. Following the ASAP methodology, Ateco went live in just 13 weeks – on time and on budget.

## Big Benefits for a Small-Town Company

These days, automated processes are helping roll out Mrs. T's pierogies with greater efficiency – saving both time and money. In financials, for example, Ateco reduced invoice processing from several hours a week to just a few seconds a day. Time to close the monthly books dropped 70%. And the company now uses a closed-loop process to track credits due from return-to-vendor transactions.

Ateco managers also report significant improvements in supply chain operations. In the past, tracking inventory at the company's cross-country network of 13 third-party warehouses was a largely manual, and poorly timed, process. Inventory accuracy varied widely, and the figures were often unreliable. “As a planner,” Coyle says, “you couldn't really trust the system.” Today, warehouses send their invoices, customer orders, and shipment releases via electronic data interchange (EDI) every 15 minutes – and as a result, the company's total inventory accuracy rate is now 98.9%. Ateco's supply chain manager Pat Maloney cites another accomplishment. “We've drawn down finished-goods inventory about 25%,” he

says. “That translates to 47,000 fewer cases in our pipeline and about \$20,000 more a month to be invested elsewhere.”

There is a not-so-secret ingredient in many of Ateco's successes: real-time, accurate information. For example, sales reports are available on the first day of the month, so managers make business decisions based on the latest results and trends. In addition, the company now has the data and tools for better customer profitability analysis – such as accurately evaluating operating margins with specific retailers and distributors.

## The Next Course

Ateco is already implementing software to help manage promotional incentives and paybacks. And the company is planning additional workflow and business intelligence functionality as well. The folks at Ateco are passionate about their jobs. After all, business **is** personal when your product is a family recipe.

## Implementation Partner

IDS Scheer (IDS) is a software and consulting company engaged in developing business process management solutions for corporations and public authorities.



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