CAT²

Egg Inventory Management System

CASE STUDY
ROSE ACRE FARMS

Real-Time Inventory Improves Efficiency across 16 Facilities

ROSE ACRE FARMS

ABSTRACT

Real-time data analysis saves time, which translates into saving money and increasing customer satisfaction. This study illustrates how CAT²'s Egg Inventory Management System improved operations for the fourth largest egg producer in the world.

COMPANY PROFILE

- Name: Rose Acre Farms
- Product Specialties: Shell eggs, specialty eggs, and egg products
- Primary Customers: Retail grocers, food service, and industrial sectors
- Size: 2nd largest egg producer in the United States
- Ownership: Privately-held and family-managed
- Corporate Office: Seymour, Indiana
- Business Type: Fully-integrated grower, processor, and marketer
- Production: Laying flock of 24.6 million hens

Rose Acre Farms is an innovative company dedicated to producing shell eggs and egg products of exceptional quality while protecting animal health and welfare. Their streamlined production systems create efficiencies that provide value to customers and help ensure a consistent supply of eggs, making them a trusted egg vendor.

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CHALLENGE

In 2009, Rose Acre Farms faced issues identifying product shortages due to their inability to accurately track the company's inventory in real time. According to IT Director Paul Wischmeier, "We were collecting data on paper and inputting it into spreadsheets at the end of the day. Management never knew the accurate number of eggs in each facility's coolers. So often, we had to rely on intercompany transfers between facilities to fill orders. This led to longer-than-anticipated fulfillment times."

Management began taking bids for a system that offered the following features:

- **Reliable electronic data collection compatible with the company's report system**
- **Real-time inventory reporting**

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SOLUTION

Rose Acre Farms had successfully completed a project with CAT² in 1996 when they implemented a flock production management system. Based on that relationship, Rose Acre knew that CAT² could provide a complete turn-key solution using their industry-leading Egg Inventory System, as well as all of the required hardware, training, project management, and support services. The solution involved:

- **Software: CAT²'s Dry Goods Module and Egg Inventory System, including Warehouse Management, Production Control, Case Labeling, and Receiving**

- **Hardware: Wireless RF handheld units and touchscreen PCs**

- **CAT² Professional Services: Onsite training, weekly status reports, and 24/7 support**

CAT²'s Egg Inventory System provides tracking and traceability for both inventory and shipping processes. Employees can create run sheets to fulfill orders and view inventory in real time as product is palletized and positioned into inventory locations. Companies can track containers, build loads to ship with pick lists that identify the location of the oldest product, and receive both transfers and returns into inventory.

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RESULTS

For the first time, Rose Acre could analyze extensive production data in real time. They immediately transformed their business practices in some very positive ways they hadn't anticipated.

Brian Tormoehlen, Rose Acre's inventory control systems manager, said, "Our quality department requires users to do mock recalls every so often. We have a three-hour time slot in which to complete an audit. Before Egg Inventory, it took between two-and-a-half to three hours to get it done. Now, we can do a material audit in a little less than one hour and a product audit in less than 15 minutes."

Specific benefits of the CAT² implementation:

• **Data collection is almost entirely paperless.**

• **Management can report real-time, detailed intelligence about their processes.**

• **Management can track product from the grader, entering and leaving each cooler, and through shipping and receiving from all 16 facilities in real time.**

• **The amount of time it takes to fulfill orders has dramatically decreased.**

• **The number of intercompany transfers between facilities have been reduced due to having real-time inventory on finished products & dry goods.**

RESULTS (cont.)

"The Dry Goods Module has many of the same benefits as the Egg Inventory Module. We now have the ability to see live reports of the date and time that dry good loads are unloaded and put into which specific warehouse," said Tormoehlen. "We now have live reports of inventory per warehouse at each site, we also have variance reports showing the quantity and kind of materials that were issued to the floor and can see the quantity and kind of each material that was actually used for packing each product every day. These benefits are helping our purchasing department control inventory at every location as well as helping our sales team cater to our customer needs."

Specific benefits of the CAT² Dry Goods Module implementation:

- The user can have dry good records sent from the CAT² system to the ERP system so those invoices can be paid.

- The purchasing department can now look at live reports to determine what materials need to be ordered for every site.

- The sales department has real-time reports to determine what egg products they can sell based on what materials are on hand.

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RESULTS (cont.)

"The system is so transparent and straight-forward that we've eliminated nearly every issue other than user error," says Tormoehlen. "On the rare occasion that an error does occur, we can look back at the data and see exactly what happened, and it usually reveals that an employee needs additional training on company procedure, and we're able to respond to that issue immediately and appropriately to ensure the error doesn't reoccur."

Additionally, according to Tormoehlen, "The installation was fairly simple considering the scope of the project. We started with just two of our 16 facilities to work out how the system will work with our specific protocols. I and one other Rose Acre employee (Mark Henley) worked alongside CAT[2] staff implementing the system at the first two facilities. After that, our IT department set up the servers, and Mark and I installed the rest of the equipment at the remaining 14 facilities. Looking back, the installation seemed fairly seamless."