

At a Glance

National Foods of Pakistan

Industry

Food Products

Headquarters

Pakistan

Solution

Epicor iScala

“We realized that if we could control costs by doing away with unnecessary expenses we could improve our balance sheet, giving our products an edge over our competitors.”

Mr. Abrar Hassan
CEO
National Foods of Pakistan

Gearing Up to Face Open Competition with the Help of Epicor iScala

With rapid trade liberalization taking place around the globe, prospects run high for enterprises in developing nations to substantially increase their share of trade in this post-liberalized era. But one of the key factors standing in the way is the high costs that force companies to lose their competitive edge.

Such was the challenge faced by Pakistan's largest food manufacturing company, National Foods of Pakistan, which was zeroing in on countries which are opening up markets by freeing up their economies. One of the challenges for National Foods, with over 90 products and 140 SKUs (Stock Keeping Units) for the domestic market and over 100 different products for international markets, was to get a total grip on stock maintenance as it was coming up with extras in maintaining such large volumes.

“We realized that if we could control costs by doing away with unnecessary expenses we could improve our balance sheet, giving our products an edge over our competitors,” said Abrar Hassan, CEO of National Foods.

Hassan predicted the scenario well in this post-liberalized era when his products will soon face open competition on both the international as well as the domestic front, coupled with less trade restrictions.

Although National Foods had achieved a considerable annual growth over the past several years, it felt the need to renew its focus on profitability in order to sustain long-term growth as the company was keen to increase its competitiveness for both the domestic and export markets.

Hassan realized that the only way to remain competitive was to control cost through proper planning of raw materials and scheduling of shop flooring in order to reduce item shortages and increase inventory turns.

In the face of such requirements, the company found it inevitable to adopt an ERP solution and accordingly contacted Technology Concepts (Pvt.) Limited, a local business partner to the global collaborative ERP vendor, Epicor Scala.

By leveraging extensive information technology knowledge combined with years of experience, Technology Concepts had already earned the reputation of helping its customers meet their goals and objectives and increase their competitive advantage.

Realizing the need to hone in on the issue and resolve it with full expertise and know-how, Technology Concepts suggested the appropriate solution — Just-in-Time methodology of stock maintenance — and for Epicor Scala's traditional ERP system to address the extra cost issue.

For National Foods, Epicor iScala was a perfect match meeting their immediate and long-term requirements. The company was looking to reduce costs by optimizing business processes, improving forecast accuracy and delivery performance to ensure availability of products and increase visibility of brand awareness in the market.

The introduction of the ERP system yielded tremendous results by helping to curb extra expenses substantially, through maintaining a smaller inventory by collecting real-time data from the shop floor. The data helped in scheduling, pricing, inventory management and payroll. Epicor iScala also ensured operational efficiencies in back-office operations and cash flow management by optimizing resources. The company could well determine the delivery dates by simulating different manufacturing scenarios prior to committing delivery dates to customers.

“Maintaining a smaller volume of stock meant saving expenses for the company which it incurred for borrowing funds and also in other related heads,” said Hassan. “So, by deploying Epicor iScala we were able to cut down cost from the stock maintenance head which resulted in increasing the profitability of the company.”

Following this first success, National Foods later opted to upgrade to the latest version of the Epicor iScala collaborative ERP system, with the financials, logistics, BI (business intelligence) tools and manufacturing modules which pushed the food company to greater heights.

Epicor iScala now provides a comprehensive solution for National Foods, enabling it to connect a number of Epicor iScala systems based on its open Extensible Markup Language (XML) interfaces which use technology that is flexible, modern and relatively cheap to implement. It also created the possibility of physical link-up with different warehouse units and regional sales offices throughout the country making it easier for the decision makers.

“The manufacturing and production control module helped the company to expedite work orders along with purchase orders, while at the same time identifying resource shortages and balancing production in all the points,” said Ziad Aqrabawi, regional managing director for Dubai-based Epicor Scala Business Solutions Middle East, which also covers Pakistan.

The Master Production Schedule within Epicor iScala processes the overall demand and prepares a realistic plan which helps in increased output with a reduced redundant process that ultimately results in a cost effective production.

Epicor iScala’s financial module helped the company to save time and money. Regardless of the type of transactions, Epicor iScala translates it into accounting terminology to the necessary requirements, removing the burden on the staff to manually feed in the data.

Hassan, explained, “With Epicor iScala in place we are now able to support our own business needs as we expand across the region, thanks to extended integration of the business processes and real-time monitoring of business performance both from strategic view point and daily operational activities, across the entire enterprise.”

“Without doubt, Epicor iScala is the best value for money of all the ERP solutions on the market at the moment,” he added.

The adoption of the new Epicor Scala technologies not only helped the company to cut cost but also helped them improve the quality of its employees as they were trained to cope with new, advanced systems that improved the overall quality of the workforce.

With reduced costs and a skilled workforce in place, the company’s balance sheet is all set to reflect an excellent result in its next financial statements. The company now eagerly awaits the day when trade will be fully liberalized and its products will cross all boundaries in, as well as beyond, the region.

About Epicor Scala

Serving over 20,000 customers in over 140 countries around the world, Epicor Scala is a global leader dedicated to providing integrated enterprise resource planning (ERP), customer relationship management (CRM) and supply chain management (SCM) software solutions to midmarket companies.



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