



HEART HEALTHY AND BUSINESS SAVVY



LA TORTILLA FACTORY KICKS PRODUCT INNOVATION AND EFFICIENCY UP A NOTCH WITH NEW BUSINESS SOFTWARE

Three decades ago, the Tamayo family imported a piece of its Mexican heritage to the rolling hills of Sonoma County, CA, with the start of La Tortilla Factory®. Today, the business flourishes by the vision of a new generation, and traditional flour tortillas – the company’s longstanding staple product – are just a small fraction of its many specialty baked goods. Second-generation owners Carlos and Willie Tamayo and third-generation owner Sam Tamayo have cultivated the business by creating products that appeal to contemporary consumers’ ever-changing eating habits; the company established itself as an industry leader when it was the first to introduce fat-free and low carbohydrate tortillas to the national market in 1997.

But before La Tortilla Factory’s products hit national food stores, the company delivered to local grocers exclusively. CFO Stan Mead explained that business back then involved a high volume of sales transactions with small-quantity orders. For that, the company employed three separate software systems to manage its business: one for invoices, accounts receivable, and sales reporting; another for financial reporting; and a third for formulation, inventory, and purchasing. This multi-system setup supported a regional direct-store-delivery operation, but began to break down as the company took on larger-scale customers with fewer sales transactions and orders with greater quantities.

“Each software system in itself was functional, but the systems together were fairly rigid and couldn’t handle our entire business once we went national,” Mead said.

Because purchasing, sales orders, and inventory entries weren’t integrated, everything had to be journal entered into the system. Sales orders processing systems were too flexible; reports on the same data within a two-week time period

often produced different results. In addition, the company’s recall procedure “was that of a paper trail located in several areas.” According to Mead, it could take several people the better part of a day to locate a particular batch and track it through inventory and distribution.

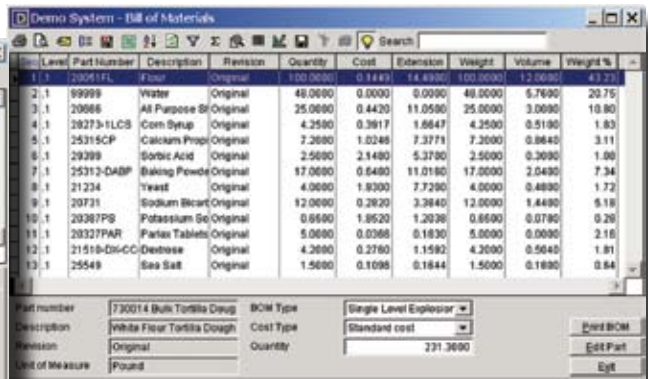
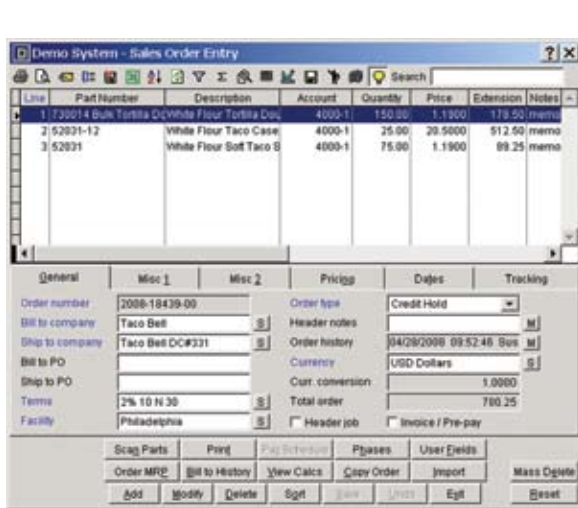
“Without integration – without that system-wide impact – we had difficulty importing data from one database and entering it into another to actually use it. Manufacturing and distributing food on a national scale demanded business software that used less paper and allowed us to have better control and understanding of our business data,” Mead said.

Leading the Low-carb Revolution

When La Tortilla Factory launched its low-carb tortilla line, the company knew it had the tiger by the tail. Despite widespread demand for diet-friendly food, their tortillas were the only low-carb, grain-based product on the market at the time. The company pitched the product to markets beyond California and the northwestern United States and entered the national scene, and began the development of other flavorful, healthy tortillas, such as its organic and extra virgin olive oil product lines.

“We had grown so much, so fast,” Mead said. “This change in business necessitated a change in business software. We had to establish process controls, and we knew we could do that with a user-friendly, Internet-accessible software system that integrates sales, purchasing, production, inventory control, accounting, and reporting.” Those were the critical needs, but the company wanted a system that could handle formulation and lab management, and provide a web portal for customer and remote sales access, as well.

So Mead organized a team of 10 employees from each area



Having one system to drill down from actual sales orders to raw material receipts means the length of La Tortilla Factory's recall process is cut in half with DEACOM. *Courtesy of Deacom, Inc.*

of the company to evaluate Enterprise Resource Planning (ERP) software systems designed for the food manufacturing industry. The initial software search began with 56 ERP vendors. Each La Tortilla Factory team member evaluated five or six ERP systems and cut the list down to 26 vendors, then again to 17. In the next round, the team rated the remaining systems based on four critical functions: invoicing, accounts receivable, accounts payable, and general ledger management. Using a company-created questionnaire, the team narrowed the field to four vendors. Each of the four finalists presented on-site demonstrations of their ERP systems at La Tortilla Factory's headquarters in Santa Rosa, CA. At that point, Mead said, seamless integration and intuitive design were among the final deciding factors.

"When it came down to decision time, we wanted an ERP system that accepts data and reproduces it repetitively, accurately, and consistently," Mead said. "We also wanted a system that could be used quickly by an unsophisticated user. As a whole, we needed a software system that would allow us to apply what we had been doing, and also help us learn how a good manufacturer should do things as we grow."

The company selected the DEACOM ERP Software System in June of 2006. "It was a conscious decision to find the best package to help us move to the next level without getting ahead of ourselves," Mead said. "Our level of sophistication from an IT standpoint was very primitive." The company knew how to invoice, take

orders, and pay the bills. "Other programs made the assumption that we already knew how things should work on a larger scale. For us, that was foreign."

That's a Wrap

In order to make their software transition a gradual process, La Tortilla Factory chose to implement DEACOM in two phases. Finance, purchasing, and sales order entry were installed at the company three months after DEACOM was selected; production, inventory, lab and formulation functionality went live in early 2008.

Today Mead reports that the company has noticed a sharp increase in efficiency with the use of a single, integrated software system. "Our receiving and purchasing processes have become very precise," he said. "With DEACOM, there's a requirement for accuracy and consistency in those processes. Because of that, we've been able to better define our employees' jobs. Workers now have more specific knowledge of their job responsibilities because they are fulfilling the needs of a system." Having one system to drill down from actual sales orders to raw material receipts means the length of La Tortilla Factory's recall process is cut in half. "In a matter of hours we were able to trace back sources of ingredients," Mead said. "The improvement was a matter of how data is stored in DEACOM, how it is retrieved, and the speed in which those two things are done."

But the most valuable aspect of implementing DEACOM, according to Mead, has been the resolution of data

integrity and visibility issues. "It comes down to precise, effective communication," Mead said. "DEACOM allows us to pull out the right amount of information at the right time to make the right decisions. And with all our data stored in a single system, we know we're dealing with dependable, current information. That dependability helps drive us forward."

JAY DEAKINS PRESIDENT, DEACOM, INC.

Jay Deakins is the President of Deacom, Inc., the producer of an integrated accounting and ERP software package for food, beverage, specialty chemical, cosmetic, pharmaceutical, paint, ink, adhesive, sealant, and coatings manufacturers. By making complex issues simple, Deacom helps manufacturers streamline business processes to maximize productivity and profitability.

Contact Jay at marketing@deacom.net or visit www.deacom.net for more information about the DEACOM ERP System.