



## DAVE'S GOURMET

### FOOD MANUFACTURER USES SAP® BUSINESS ONE TO DRIVE FACT-BASED SELLING

“SAP Business One was reasonably priced and offered full functionality, great flexibility, and excellent stability.”

**Dave Hirschkop**, Owner and President,  
Dave's Gourmet Inc.

#### QUICK FACTS

##### Company

- Name: Dave's Gourmet Inc.
- Headquarters: San Francisco
- Industry: Consumer products
- Products and services: Specialty foods, with a focus on sauces and spices
- Employees: 9
- Web site: [www.davesgourmet.com](http://www.davesgourmet.com)
- Implementation partner: Apollo Consulting LLC (San Francisco)

##### Challenges and Opportunities

- Automatically generate reports for fact-based business decisions and sales calls
- Manage growth and increase in revenue while maintaining a lean staff to keep costs low

##### Objectives

Install business management solution to improve information visibility and support growth

##### SAP® Solutions and Services

SAP® Business One application

##### Implementation Highlights

- Rapid, 6-week implementation
- Full reexamination of business processes
- Automated data migration from legacy system

##### Why SAP

- Full-function solution at a competitive cost
- Flexible, stable, and scalable functionality
- Preconfigured to support best practices

##### Benefits

- Accelerated order flow and shipping times by 35%
- Reduced inventory by 15%
- Lowered incidence of out-of-stock items by 75%
- Improved order accuracy
- Improved visibility into customer profitability
- Achieved transparency of promotion effectiveness
- Provided salespeople with information to increase sales
- Realized good corporate governance through role-based user authorizations

##### Existing Environment

Non-SAP accounting software

##### Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: Dell
- Operating system: Microsoft Windows



Dave's Gourmet Inc. likes it hot: witness product names like Dave's Insanity Salsa and Olives in Pain. Dave Hirschkop, owner and president – or “chief spice meister” as he is often called – likes his information hot as well. Hot, in this case, means current and incisive, which allows him and his staff to make good business decisions and convincing sales calls. That's why he selected the SAP® Business One application.

“SAP Business One lets us set up automated alerts and e-mail reports so we can be proactive,” says Hirschkop. “A service log report shows us all customer issues, including status and resolution. An open-items report lets us see if something is hung up somewhere and needs attention. With SAP Business One, we know where orders are at all times. We know if the orders are profitable or not. We can predict cash flow. We can see what's selling and what's not, so we know where to change pricing and promotions or adjust inventory.”

San Francisco-based Dave's Gourmet implemented SAP Business One in only six weeks. The SAP software is an affordable and integrated business-management solution designed specifically for small and midsize businesses. Dave's Gourmet uses SAP Business One across its operations – for financials, sales, purchasing, inventory control, and logistics and for service management, corporate governance, customer relationship management, and reporting.

Customer orders come in via e-mail, phone, mail, or from the Web shop and are entered as quotes. An employee

then checks customer information and product availability; if all requirements are met, the order – with customer-specific pricing – is packed and shipped. Integration of SAP Business One with UPS WorldShip software enables automated e-mail notification of shipment along with a tracking number for customer self-service; invoices go out the next morning. Dave's Gourmet configured the software's flexible role-based authorizations so only approved personnel access the software, ensuring good corporate governance.

The benefits are hot, too. “We accelerated order flow and shipping times by 35%,” Hirschkop says. “We reduced inventory by 15%. We lowered the incidence of out-of-stock items by 75%, which boosted sales, profits, and customer satisfaction. Product cost and customer profitability information enables us to optimize pricing and meet our margin targets. We can see which promotions are driving volume and which are a waste of time. Previously, we had no way to get salespeople information on the best prospects and strategies. Now we do, and that will be the difference between doubling and almost quadrupling our business over the next three years.”

The company will be able to handle that growth without dramatically increasing its administrative expenses. Today, nine people run an operation that sells 65 products and manages hundreds of inventory items like packaging, labels, and ingredients. The lean staff develops the product recipes, orchestrates a supply chain of global outsource partners for ingredients and finished goods, and distributes products across the United States, Australia, Canada, England, Germany, Japan, and Korea.

“We have very high revenue per employee,” Hirschkop says. “Using SAP Business One, we're confident that we can meet our goal of quintupling sales revenue in the next five years with only 14 people.”

## Growth Demands Better Software

That wasn't possible with the previous software. “As the company got bigger, we were challenged by system instability and data corruption; we didn't know if we could trust the numbers,” Hirschkop says. “We didn't have the tools to support integrated contact management, which made it almost impossible to track our sales pipeline. We also couldn't track ingredients and packaging in the supply chain. The system lacked features and flexibility. Personnel were always putting out fires in operational areas; that affected morale and distracted us from focusing on growth. And reporting was less than ideal. Because we couldn't get the information we needed, we couldn't sell intelligently, and we couldn't sell as much.”



“With SAP Business One, we know where orders are at all times. We know if the orders are profitable or not. We can predict cash flow. We can see what’s selling and what’s not, so we know where to change pricing and promotions or adjust inventory.”

Dave Hirschkop, Owner and President, Dave's Gourmet Inc.

Intelligent, fact-based selling is now a hallmark of Dave's Gourmet. “Business is not just about selling a lot of stuff – it's about selling a lot of stuff to the right people at a price that makes money,” Hirschkop says. “We need to track profit and loss to see if we are making or losing money on a customer. Before, we couldn't do this effectively. With SAP Business One, we can now say, with customer X, we make this much money. So do we need to raise prices? Do we need to reduce promotions? Do we need to stop doing business with that customer? This helps us focus our resources on areas where we make money or see growth.”

Hirschkop says the software selection process was straightforward. “When we looked at the market for full-featured business solutions, other software

Consulting has offices throughout North and South America and is focused on implementations of SAP Business One. The service provider's methodology enables clients to see total project expenditures up front to control costs.

“We were very focused on cost,” Hirschkop says. “We set incredibly tight time and budget targets. We came in way below where we would have been had we tried to implement another solution. We're very happy with the results. We're growing rapidly; this year is going to take us to another level. We didn't want to be distracted for too long by the implementation.”

Apollo Consulting helped speed things up; for example, with data migration. “Apollo was able to automate the migration of our legacy data – customer and

financial accounting and reporting and helped us set up preconfigured best practices to improve our business.”

### Next Initiatives Will Sharpen Operations

Dave's Gourmet next plans to integrate its Web shop with SAP Business One so online orders will flow quickly and seamlessly into the software. It wants to take advantage of SAP Business One and Microsoft Outlook integration to synchronize calendars, meetings, and reminders. Says Hirschkop, “I also want integration with handheld devices, so if I'm traveling in Vietnam, China, or somewhere else in the world, I can log in and check reports to see what orders have gone out, what payments have come in, and other key business updates.”

Hirschkop also seeks more sophisticated reporting. “We want to use the pipeline management functionality in SAP Business One to help us predict where our business is going, so we know what to order from our suppliers and when. We want to understand what information our sales network needs and get that information out faster.”

That's the kind of intelligence that will help the company thrive in today's business environment. “In our industry, and indeed in others, there is a movement from relationship-based to fact-based selling,” Hirschkop says. “We need more information on products – their turnover, their profitability, the effectiveness of promotions. This will allow us to go to a customer and say, your competitors are doing well with our product; we can then show them the data and

“Using SAP Business One, we're confident that we can meet our goal of quintupling sales revenue in the next five years with only 14 people.”

Dave Hirschkop, Owner and President, Dave's Gourmet Inc.

packages cost as much as five times what SAP Business One cost. SAP Business One was reasonably priced and offered full functionality, great flexibility, and excellent stability. It is also scalable. We know that our software is not going to hinder our growth.”

### Cost Focus Drives Rapid Rollout

Dave's Gourmet worked with Apollo Consulting LLC (San Francisco), an SAP gold partner and value-added reseller, to install the solution. Apollo

vendor lists, contact and inventory information, and notes – so there was very little manual effort involved,” Hirschkop says.

The rollout also enabled Dave's Gourmet to reexamine its business. “We started from scratch, so we got to look at the way we were doing things,” Hirschkop says. “We simplified our chart of accounts and made it more intuitive. We reengineered the shipping process to get orders out faster. Apollo's project manager gave us a lot of insight into

the promotional support program that we know is effective. At the same time, behind the scenes, we will have a clear view of our profitability and know how much room we have to negotiate."

### Software Positions Growing Companies for Success

For a growing company like Dave's Gourmet, SAP Business One is the right choice. "If you're just getting into business and you're a one-man band, simple accounting software works fine," Hirschkop says. "But as you get to a certain stage, you keep bumping up against roadblocks. SAP Business One, however, provides the right combination of affordability and functionality and supports you along the way."

The company president then mentions critical features like automated e-mail reports: "In an age of fact-based selling, if you don't understand your margins, you're likely to go out of business. SAP Business One gets you the information you need when you need it."

That's what allows Dave's Gourmet to innovate at a fast rate, which is at the core of its business strategy. Says Hirschkop, "We'll be creating products that are game changers. But if we can't produce profitable, high-quality products, and if we can't get them out to market on time, it's all for naught. SAP Business One is the linchpin of our operational success; it enables us to compete more effectively."



50 097 140 (09/10) Printed in USA.

©2009 by SAP AG.

All rights reserved. SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects S.A. in the United States and in other countries. Business Objects is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.