

*"It's like the perfect dance. You can watch the people move fluidly from task to task, and it's all forward motion. There's purpose in their actions and they are all in step. Manhattan Associates did that for us."*

Glen Bunnell, IT Manager  
Sturm Foods



**Headquarters:** Manawa, Wisconsin

**Facilities:** Five distribution centers located throughout Manawa, cycle count 200 pallet locations each day

**Manhattan solutions:**

[Warehouse Management](#) for IBM i

## Sturm Foods serves up more accurate inventory picks with Manhattan solution

Sturm Foods started as a dairy farm operation in 1905, providing eggs and dairy products to friends and family in Manawa, Wisconsin, located just outside of Green Bay. This small business eventually expanded into additional commodities in the 1930s offering sugar, seed, flour and other necessities. It began to manufacture bulk amounts of dried foods for the first time during World War II, delivering dried eggs and powdered milk to American servicemen on the battle fronts.

The company entered the private label distribution market in the 1970s and continues this operating model today. As a global dry grocery manufacturer for both the retail and foodservice industries, Sturm produces healthy drink mixes, instant cereals and a line of organic foods. The business has flourished with the expanded product line and now has approximately 750 employees.

With continued growth and success, the company counts large retail chains among its customer base and must meet specific order and picking requirements. "Wal-Mart, one of our biggest customers, required us to meet a new case picking remix configuration," said Glen Bunnell, IT manager for Sturm Foods. "That presented us with some IT challenges."

Sturm needed to make the new picking specifications work, but its homegrown inventory management software package simply didn't have the features needed to make it work. "We wanted to find a more efficient way to control our inventory, report actual numbers and track our transition from full to partial pallets," said Bunnell. "More effective software definitely had to be part of the equation to help us case pick more accurately."

### A Recipe to Improve Pick, Pack and Productivity

Bunnell and his team put together a detailed strategy to find a warehouse management solution that would tighten-up Sturm's inventory, meet Wal-Mart's picking requirements, reduce costly damages and improve productivity. "It was a tall order, but it was time to get it done," said Mitch Anderson, shipping

### Challenge:

Sturm needed to meet case picking remix requirements for one of its largest customers. The company also wanted to improve inventory accuracy, reduce damaged goods costs, improve productivity and increase supply chain efficiency.

### Solution:

Sturm Foods installed Manhattan Associates' [Warehouse Management](#) in its DCs to improve inventory visibility and create more fluid movement throughout its supply chain.

### Results:

Boosted productivity by 50%, reduced costs associated with damages by 20% and met customer pick specifications; the system paid for itself within eight months.



*The benefits we've gained with case picking, functionality on our warehouse floor, and system-directed tasking have been vital to our manufacturing and distribution processes. But our CFO is more pleased with the fact that Warehouse Management paid for itself in just eight months.*

Glen Bunnell, IT Manager



supervisor. "Our five distribution centers required one viewpoint that tied our inventory together."

Sturm hired an outside consulting group, Cornerstone Solutions, to help the company develop an effective plan to select a solution provider. A list of priorities was created for the new warehouse management solution, including IBM i compatibility. The company also wanted the new solution to incorporate many of the latest WMS features right out of the box.

"We've been around for more than a hundred years and we felt that whoever we selected as our technology partner had to be financially sound and stable as well," said Bunnell. "We also wanted to team with a provider that had positive industry buzz."

RFPs were sent to eleven companies, and they were scored based on the organization and its solution offerings. The field narrowed to three, including Logimax, SSA Global and Manhattan Associates' [Warehouse Management](#) for IBM i. After each contender presented their solutions, Manhattan won the day. "Manhattan came out ahead with an offering that had standard features that were inherent in the solution," said Bunnell. "Other companies would have to write new code and do some pricey customization. We couldn't justify the costs."

Manhattan also took Sturm's IT team to a nearby customer in OshKosh, Wisconsin to see Warehouse Management in action. "Manhattan set up a visit to Hoffmaster, who also has a large manufacturing operation," said Bunnell. "We talked to them in length and visited the warehouse floor where we could actually see Warehouse Management case picking. It was impressive and gave us a real comfort level."

## Results that are Easy to Digest

Sturm installed the solution throughout its five warehouses as part of Phase 2 of the installation. Not only did the company easily comply with Wal-Mart and other customers' picking requirements, it's gathered some rather palatable results. "We were looking forward to pumping our productivity up by 30 or 40%," said Bunnell. "That didn't happen; it was more like 50%. Warehouse Management exceeded our expectations, dropping labor costs by 50% as productivity jumped 50%."

Improved inventory capabilities, including visibility and accuracy, were a significant gain for Sturm as well. "Before we partnered with Manhattan Associates, we couldn't really gauge our accuracy rate," said Anderson. "We cycle count 200 pallet locations every day at our distribution centers, and at that level our inventory accuracy is at 98.5%." The company has also cut damage costs by 20% and eliminated the need for a year-end physical inventory. Warehouse Management includes cycle counting capabilities and provides those numbers to Sturm twice per year.

"The benefits we've gained with case picking, functionality on our warehouse floor, and system-directed tasking have been vital to our manufacturing and distribution processes," said Bunnell. "But our CFO is more pleased with the fact that Warehouse Management paid for itself in just eight months."

## Shall we Dance?

Sturm Foods intends to expand its partnership with Manhattan Associates as the company continues to develop more products and grow its business. Bunnell and Anderson are interested in other Manhattan products that feature advanced labor management and voice activated case picking.

But for now, they are enjoying the easy flow of movement across their distribution floors as Sturm runs three shifts 24 hours a day. "It's like the perfect dance," explains Bunnell. "You can watch the people move fluidly from task to task, and it's all forward motion. There's purpose in their actions and they are all in step. Manhattan Associates did that for us."

Learn more about Manhattan Associates and our solutions:

North & South America + 1 877.596.9208 • Global + 44 (0)1344 318000 • [www.manh.com](http://www.manh.com)

© 2010 Manhattan Associates, Inc. All rights reserved.

 **Manhattan**  
Associates.

The Supply Chain People®