



CASE STUDY



THE PROBLEM

Not long ago, Litehouse Foods knew its margins had eroded, but where? And why? Change was imperative, but changing blindly was not in their nature. They thought that certain products and product lines were not delivering the desired margins, but couldn't figure out how to isolate those products and lines or how far they fell short. The needed data wasn't immediately visible and the amount of time and effort required to create and then analyze reports that would illuminate that data didn't seem reasonable.

Major Issues:

1. They were unsure of whether or not they could properly allocate total production and delivery expenses to calculate landed cost per product. This had been attempted before through supplemental reporting, but not linked in the General Ledger, so the data was unreliable.
2. Their reporting methods inhibited their ability to perform cost/benefit analysis on individual products within a product line. Because of this, entire product lines were in danger of being eliminated, since the individual underperforming products could not be isolated.

The need:

A solution to cover numerous product lines while maintaining the ability to drill down to the smallest financial detail.



“ We went from experiencing poor financial performance to last year being the **best year in Litehouse history**. ”

CHARITY HEGEL DIRECTOR OF FINANCE FOR LITEHOUSE FOODS

THE SOLUTION

Business Impact helped Litehouse Foods define a full business intelligence solution – across multiple data sources. This meant connecting the data and driving definitions from accounting to business to technical specifications. Then Business Impact performed the work including generating specific industry calculations and returning aggregated results that made reporting become quick, easy and on demand.

The details:

During the implementation process, it was revealed that different product lines and distribution channels required different accounting methodologies. With the versatility of a data warehouse structure, Litehouse was able to independently apply the necessary accounting methods to all components of their business and calculate the landed cost of each and every product. The solution that Business Impact provided for Litehouse allowed them a seamless interface experience and eliminated the need for a dedicated report-building resource.

The resolution:

Since the implementation, product line margins have increased an average of 8-10% and reporting automation saved Litehouse over \$50,000 in man-hours in just the first six months. The amount of waste and expired product has dropped dramatically, and Litehouse is reporting an all-time high in customer satisfaction. Litehouse credits their success to the visibility provided by Business Impact's software solution and the speed at which business decisions can now be made.

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