

# Banta Foods

Food Distributor Increases Profitability 40% +



Banta Foods is a full-line food distribution company headquartered in Springfield, MO, and operates primarily in Kansas, Arkansas, Missouri, Oklahoma and Texas.

Banta Foods has developed a strong reputation for customer commitment by providing a huge array of products and services. Bill Scorse, Director of Information Systems for Banta Foods, started working with Acorn because he wanted a solution that could give in-depth data on all financial aspects of his organization. "Getting financial data is one thing, but understanding how your data should be working to improve your profitability is quite another," said Scorse. In the past, Scorse had worked with traditional activity based costing (ABC) software, but could not put the stagnant, out-of-date data to good use.

“Acorn's software made sense to us, and we knew it would be very valuable to our company. We have been incredibly thankful for Acorn. We have been able to make many key financial decisions across the board using their analysis.”

– Bill Scorse  
Director of Information Systems

Acorn's solution was a perfect fit for Banta because it is automatically updated for new value-added services, products, customers or other cost objects. In addition to providing historical analysis, Acorn enables his team to run what-if profitability scenarios on planned products and new business. For instance, the profitability of new business was always in question. With Acorn net profit scenario planning, Banta now accurately projects the cost and profits of proposed business before the business is signed. This capability

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“With traditional ABC, we had huge ongoing maintenance costs to get results that were old and useless by the time we received them. Acorn's software separates itself from these companies by automatically providing real-time, mission critical profit analysis which can be used to make instant educated decisions that benefit the company.”

— Bill Scorse  
Director of Information Systems

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ity has delivered a 35% increase in revenue and 22% increase in net profits. “We have since obtained new business and the profits have been exactly what we projected through the model”, says Scorse. Contract planning is one thing, but taking profitable orders on an ongoing basis is

another. The Acorn solution has identified a by-order gross profit and revenue minimum for every customer based on their break-even point. This valuable information is being reviewed as part of a new order entry system, and is expected to yield a 22% increase in net operating profits.

Banta also tackled vendor profitability. The Acorn insight highlighted the high cost of processing customer rebates for vendors. Armed with this information, Banta renegotiated with its vendors to recover rebate processing costs with a resulting 10% annual

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“The overall implementation of this software has been remarkable in helping us increase our bottom line, educate our employees on the financial aspects of a business deal, and, ultimately, to better understand our own business and fully grasp the financial environment that surrounds Banta.”

— Bill Scorse  
Director of Information Systems

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increase in profits. In addition, Banta now has vendor net profitability scorecards and holds vendor performance reviews at a bi-annual basis. With indisputable numbers, Banta expects negotiations to increase net profits 2-5% per year. Next, Banta looked at customer profit-

ability. “We showed our salespeople the net profitability of their customers,” says Scorse. “This information shocked many of the sales staff, as they saw that a few of our top customers were actually losing us money. This knowledge allowed them to better grasp the thin margins that we deal with in the food distribution industry, and in turn they became more efficient and productive.” Banta now confidently bases sales employees' bonuses in part on net operating profits, resulting in an 11% annual increase in net profits. These actions alone have increased Banta's annual profits by 43%. Other identified plans will allow for an additional 25% increase.

#### About Acorn Systems, Inc.

Acorn solutions combines technology and methodology to improve profitability and increase shareholder value for Global 2000 companies in Financial Services, Retail, Consumer Products, Manufacturing, Distribution, Logistics, and Services. To learn more about improving your company's profitability call 1.800.982.2676, email [sales@acornsys.com](mailto:sales@acornsys.com), or visit [www.acornsys.com](http://www.acornsys.com)