

Alpine Confections Finds SYSPRO a Sweet Choice

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■ The Company

Alpine Confections Inc. epitomizes the classic American success story. The company began as a hobby in the kitchen of Marlene Matheson in Salt Lake City in 1969. She made novelty sugar items, such as hollow Easter eggs with figures inside, and started selling these to local candy and department stores under the company name Kenkraft. The growing popularity of the treats prompted the Mathesons to move production to a commercial building in Alpine, Utah, in 1974. The original product line of hollow Easter eggs and Christmas decorations was expanded to include royal icing flowers and other decorations for candy and bakery products. By 1993, the company was making over 800 different products.

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- Val Custer

CEO/Controller, Alpine Confections

In 1994, Kenkraft’s success attracted a group of active candy-industry investors, who bought the business and joined it with Maxfield Candy Company – and, later, Harry London Candy, Inc., and Dynamic and Fannie May Confections – under the umbrella Alpine Confections. The infusion of financial and management strength became a catalyst for further expansion. In 1996, for example, Alpine Confections became a Disney licensee, enabling it to produce candy in the form of Disney characters.

Today, Alpine Confections employs nearly 400 individuals and maintains manufacturing operations in Salt Lake City, Provo and Alpine, Utah. The product line has expanded significantly to include several varieties of hard-candy products (suckers, canes, sticks), hand-formed chocolate figures, small cookie and cracker houses and various handmade gifts.

Most of Alpine Confections’ candies are hand-decorated. The company’s customers include some of the world’s most exclusive department stores, well-known candy companies, top-quality gift shops and bakeries. In 2002, the company was honored with being the exclusive candy maker for the 2002 winter Olympics in Salt Lake City, Utah. Alpine Confections sells worldwide through sales brokers as well as mail order catalogs. Additionally, the company maintains its own retail outlets, called the Peppermint Place, in both Alpine and Provo, Utah. Alpine Confections is also a license manufacturer for United Media (Peanuts) and several other licensors. The company packages and manufactures private-label products for customers ranging from restaurants to major theme parks.

■ AT A GLANCE ■

COMPANY

Alpine Confections

INDUSTRY

Candy Manufacturing

NUMBER OF EMPLOYEES

400

THE CHALLENGE

- Multiple companies
- High-volume manufacturing
- Rudimentary accounting software
- Rapidly expanding product lines
- Insufficient technical support
- Limited visibility into inventory

SOLUTION & SERVICES

- Fully-integrated ERP solution
- Customized reports
- User-defined, roles-based interfaces
- Scalable to company growth
- Process-control functionality
- Superior support

THE BENEFITS

- Increased productivity
- 360-degree view into operations
- Maximization of resources
- Reliable sales history
- Accurate visibility into inventory
- Better decision-making abilities

Alpine Confections, Inc.



■ The Challenge

Until early '98, Alpine Confections was fairly satisfied with its accounting, order entry and inventory management software package. However, when the software supplier was sold, Alpine Confections encountered support problems. Faced by the need for Y2K compliance, Alpine Confections' only choice was to seek a new ERP software solution. The company enlisted the services of SoftSelect, a Washington-based research firm specializing in matching clients with the appropriate software. Alpine Confections outlined its software requirements, including a GUI environment, networking capabilities and, of course, outstanding support. With an ever-expanding product line and sales volume, streamlining the day-to-day operations was imperative.

■ The Solution

SoftSelect came up with an initial list of ten suppliers. The list was narrowed, and, after a series of demonstrations from the five finalists, Alpine Confection's choice was SYSPRO enterprise business software. "We liked the way it operated and the complete nature of the offering. Functionally, it was really there. Also, our order entry staff preferred it over the other software packages," says Val Custer, Alpine Confections CFO/Controller. Today, twenty-eight users at Alpine Confections' Alpine facility rely on SYSPRO to control everything from accounting to order entry and manufacturing. The system runs in a client/server environment on Windows NT and is tied into the Salt Lake City plant via a T1 line.

Order entry is done both in Salt Lake City and Alpine. Both standard and custom orders are entered into the system. The only differentiation in the sales order process is that custom orders require a special requisition, which is produced at the time the order is entered.

Alpine Confections' standard products fall into eight major classifications and are produced to stock using batch

processing manufacturing methods. Inventory requirements are calculated based on the projected number of cases of product required by each department per day, whether the product is made to stock or custom. Chocolate-based lines are produced in Salt Lake City, while all others are produced in Alpine.

While SYSPRO focuses on the control needs of Alpine Confections, it is also utilized to manage office and manufacturing functions for the Maxfield Candy division. According to Custer, Alpine Confection products are geared towards the high-end of the market. This market includes specialty gift and top line department stores. The Maxfield Candy line is oriented towards the "mass market" and is found in most national department stores. Each line has its own distribution network. Occasionally, products of one line may fit the distribution criteria of the other and provide additional marketing opportunities, says Custer. SYSPRO supports the management of both divisions.

■ The Result

"The software is really exceptional," Custer says. "It expedites entry of our high volume of orders. Additionally, it provides the flexibility to extract the data we need for better decision-making purposes. We can customize reports, flag items that need to be looked at and readily calculate re-order levels to maximize inventory levels. We can manipulate data and project forward. This is very important for a company such as Alpine Confections that does a high volume of business."

Custer reports that Alpine Confections is currently implementing the SYSPRO plant floor control system. He expects this addition will enable the company to exercise even better control over processes as well as further reduce costs and increase efficiency and productivity.