Vital Farms

Cuts Operating Costs and Accelerates Orders-to-Cash, Achieving a 36% Reduction in Days Receivable Outstanding with TrueCommerce Integrated EDI for NetSuite ERP

BENEFITS
More Connected. More Supported. More Prepared for What's Next.

➤ Agile, intuitive EDI integration with NetSuite ERP simplifies business processes

➤ Order automation saves considerable time and has helped drive a 36% reduction in days receivable outstanding (DPO)

➤ Automation enables existing staff to handle an increasing EDI order volume to support rapid business growth

OBJECTIVE

➤ Replace an underperforming, standalone EDI system with an easy-to-use solution integrated with NetSuite ERP to automate accounts receivable processes

SOLUTION

➤ Quickly implement TrueCommerce EDI for NetSuite ERP to eliminate manual effort, streamline customer onboarding and boost overall productivity and responsiveness

BENEFITS

➤ Elimination of manual processes has improved order accuracy and greatly reduced chargebacks from major retailers

➤ Reliable, scalable EDI makes onboarding new trading partners straightforward and predictable

➤ Dependable, cloud-to-cloud connection between NetSuite and TrueCommerce's network means no software footprint to install or maintain

➤ Cloud-based EDI solution offers anytime/anywhere access

BACKGROUND

At Vital Farms, "pasture raised is what we do." In partnership with over 100 small family farms, this highly successful food supplier has quickly become America's largest producer of pasture raised eggs and butter, and is recognized as an industry leader in humane egg production.

While demand for Vital Farms' products has been soaring, its EDI vendor had seemingly "flown the coop." After almost two years of implementation efforts, they still could not achieve an acceptable integration level with the company's new NetSuite ERP environment.

As a result, Vital Farms' small Accounts Receivable department was forced to manually process an increasing volume of customer purchase orders (POs) and invoices—wasting precious time, introducing costly errors and incurring significant chargebacks from major grocery retailers.

Perhaps worst of all, "We were ending up with data in Accounts Receivable that wasn't valid," notes Theresa Owens, Vital Farms' Controller.

MORE CONNECTED. SMOOTH IMPLEMENTATION AND CUSTOMER ONBOARDING IN JUST OVER A MONTH—AS PROMISED!

Early in 2018, the company began searching for a replacement EDI solution that was easier to use, backed by solid customer service, and could integrate seamlessly with NetSuite to eliminate manual pain points.

After evaluating several vendors, Vital Farms chose TrueCommerce.

"As soon as we got going with TrueCommerce everything just came together and our new, integrated EDI was up-and-running in just over a month—as promised, which was awesome!" Ms. Owens reports. "Now everything we'd been doing by hand is automated."

"I find NetSuite user-friendly and it works well for us. The TrueCommerce EDI integration with NetSuite is seamless and works very well also. Both systems are still relatively new for us, so there are probably even more features we can eventually take advantage of."

Gina Fochesato
Accounting Manager
Vital Farms

At go-live in October 2018, the TrueCommerce EDI solution supported about 10 trading partners. Vital Farms has since added six more.

"From the time we started our implementation with TrueCommerce, everything related to EDI has been worlds easier than it ever was with our former provider," emphasizes Ms. Owens.

HANDLING MORE EDI ORDERS WITHOUT ADDING STAFF

By turning EDI from a time sink into a driver for efficiency and productivity improvements, Vital Farms saves significant operational cost.

"Our business has grown exponentially in the past two years," asserts Ms. Owens. "If we hadn't upgraded our EDI, we would have been looking at hiring more employees to handle the growing manual work volume."

Instead, Vital Farms' Accounts Receivable department can now easily process approximately 350 to 450 EDI sales orders per week, about 85% to 90% of their total order volume. POs sent by EDI trading partners flow automatically into NetSuite as sales orders. As orders are fulfilled, invoices automatically go back to customers via EDI.

FASTER ORDERS-TO-CASH

Eliminating manual processes has also allowed Vital Farms to significantly improve their cash flow situation.

"Now we're able to consistently invoice customers within a day after we ship," Ms. Owens explains. "We've cut our Days Receivable Outstanding from 36 days before TrueCommerce to 23 days now. I would attribute a lot of that to all the new EDI automation."

Lifting the burden of manual work has improved the department's overall productivity and effectiveness.

"When you don't have to retype PO and invoice data you have a lot more time to do other things!" laughs Ms. Owens. "And who wants to do data entry in the first place?"

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>
> **Theresa Owens**
> Controller
> Vital Farms

MORE PREPARED FOR WHAT'S NEXT. ADDING EVEN MORE VALUE WITH TRUECOMMERCE ORDER AUTOMATION CONNECTOR

Vital Farms is already looking to drive even more automation with its TrueCommerce EDI solution. One project just getting underway is to automate EDI 856 Advance Ship Notices (ASNs) and EDI 855 Purchase Order Acknowledgements.

"We are also looking to start a project to convert the POs we receive from non- EDI customers via email, fax or phone into EDI orders, so we can process them automatically also," says Ms. Owens. "The goal is to no longer process any incoming orders or outgoing invoices manually."

The benefits of automating this remaining 15% of the company's orders (currently about 50 to 100 per week) would be significant.

The web-based solution that makes this possible, called TrueCommerce Order Automation Connector, is unique in the industry. It automatically converts emailed (PDF, etc.), faxed or printed customer orders into sales orders in NetSuite or a wide range of other business system from Microsoft, Intuit, Sage, SAP, Acumatica and many more.

Customers also benefit from the improved responsiveness and accuracy that comes with automation, without needing to rekey their POs into a web portal or otherwise change their current ordering process.

MORE SUPPORTED. TIMELY, RELIABLE CUSTOMER SUPPORT

The EDI integration with NetSuite allows the food supplier to extract additional ROI from its NetSuite deployment.

"I find NetSuite user-friendly and it works well for us," states Gina Fochesato, Accounting Manager with Vital Farms. "The TrueCommerce EDI integration with NetSuite is seamless and works very well also. Both systems are still relatively new for us, so there are probably even more features we can eventually take advantage of."

Even the standard TrueCommerce support level turned out to be sufficient.

"We haven't had any problems or negative experiences with support," continues Ms. Fochesato. "Any issues are always resolved within the agreed timeframes. Overall I would recommend TrueCommerce EDI to other businesses in our industry."

ABOUT TRUECOMMERCE

TrueCommerce is the most complete way to integrate your business across the supply chain, integrating everything from EDI to inventory management, to fulfillment, to digital storefronts and marketplaces, to your business system and to whatever comes next. That's why thousands of companies across various industries rely on us.

**TrueCommerce.
Do business in every direction.**

THE TRUECOMMERCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce, or how our solutions apply to your business, our passionate, customer focused team is here for you.

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