Deluxe Packages delivers high quality, competitively-priced flexible packaging products to major food, pharmaceutical and industrial companies around the world. The company serves national and regional customers like Fresh Express, Ruiz Foods, American Licorice and Sun Maid. The company is committed to innovative product development, excellent graphic reproduction and on-time delivery. Deluxe Packages success is measured by its on-going investment in the latest pre-press technologies and inline manufacturing systems, its long-term client relationships and a culture of professionalism, integrity and honesty. The company manages all plant operations out of its 100,000 square foot facility located in Yuba City, CA.

Deluxe Packages Optimizes its Business and Competitive Advantage with EFI Radius

Challenge:

“We had access to bits and pieces of data, but it constantly needed to be updated. We would go to great efforts to manually piece together the information into something useful.”

— Tim Burri, CFO

Today’s customers have more control than ever over what products to buy and what vendors to choose. To attract and retain customers, companies must offer not only a superior product, but superior service as well.

Deluxe Packages believes quality to its customers starts with order entry, and ends with the consumer buying [and receiving] the product. Consequently, the company has made significant capital expenditures over the past few years in equipment, technology and information systems. Central to that investment was an upgrade of its business information management system to the EFI Radius ERP solution—a system designed to support the unique business processes of packaging operations.
Prior to implementing EFI Radius, Deluxe Packages relied on multiple, disparate systems to run its business, including an accounting package, a homegrown database for order entry and another database used on the production floor. The lack of system integration and a reliance on manual methods for inputting information significantly impacted the company’s ability to easily access and analyze comprehensive operational data.

“It was an enormous challenge,” explains Tim Burri, CFO of Deluxe Packages. “We had access to bits and pieces of data, but it constantly needed to be updated. We would go to great efforts to manually piece together the information into something useful. But inevitably the data was incomplete and outdated, hindering our ability to analyze business performance. If there was an issue we needed to examine, it could take upwards of a month until we had a full understanding of what had happened and why.”

Limited access to information also affected the company’s ability to optimize job costing. “It could take four weeks to do an adequate costing of jobs,” says Burri. “Without clear insight into the data, we relied on guesswork and were often overly conservative when it came to pricing. This impacted our ability to take advantage of new opportunities as well as our ability to maintain a competitive advantage in our marketplace.”

Solution:

Deluxe Packages conducted a thorough evaluation of potential software systems before choosing Radius. “We looked for some time for a product that could manage our entire operation, but just didn’t find anything that could meet all of our needs,” explains Burri. “When we found Radius we quickly knew it was the right solution for us. The product encompassed all of the functionality we required without needing a lot of customization.”

EFI Radius is the world’s largest ERP/MIS software provider focused exclusively on the packaging and printing industry. Based on the Progress® OpenEdge® business platform, the EFI Radius ERP solution offers packaging companies the comprehensive capabilities of a world class ERP system, while fitting the unique business processes of packaging operations producing labels, flexible packaging, folding cartons and extruded materials.
“Radius’ business intelligence (BI) capability was something we absolutely needed to optimize our business,” explains Lisa Cunningham, IT manager for Deluxe Packages. “It brought all of the data together for us so we can now make sound management decisions, and do so on a daily versus monthly basis. It has also given our managers the tools and information needed to run their departments far more efficiently.”

The Radius system was implemented simultaneously across both of Deluxe Packages’ facilities. “The implementation process was very smooth,” says Burri. “We not only met the go live date, but we were able to process jobs immediately and ship product the very first day.” Since then, the company has consolidated those two locations into just one facility, due in part to the efficiency and automation afforded by the Radius system. Today, Radius is used by every employee within the organization.

Because the product is specific to Deluxe Packages’ industry, it required no customization prior to the implementation. “The only changes we made were within the options of the package itself. We didn’t have anything built just for us, and we still don’t,” says Burri. “Those factors allowed us to implement quickly and cost effectively, as well as to maintain our system over time at a very low total cost of ownership (TCO).”

Deluxe Packages and Radius have formed a collaborative relationship. “The consultants that Radius has on staff are very knowledgeable
about the printing industry, at both a business and operational level. But they are also very tech-savvy, able to answer any of our questions and ensure our system works to meet the needs of our business,” says Cunningham. “I have nothing but good things to say about the management and sales team at Radius. And the IT support professionals are always available and make a great extension of our team.”

Results:
Immediate Access to Comprehensive, Real-time Information

The company has gained a number of advantages leveraging Radius, including process improvements, improved data management, and immediate access to essential business information. “The Radius system enables key data to be readily available and allows us to maintain
our strategic goals of high quality and superior customer service,” says Tom Brehm, vice president of Deluxe Packages.

“We now have access to information we never imagined before the implementation. We have much more confidence in the numbers that we produce,” says Burri. “Today, I can look at every single product on a daily basis if I want to. I can look at each job as it is completed and compare it to our initial estimate to determine if we are running on or close to budget. Also, over time our variances on the production cycle have continued to decrease as we have fine-tuned our operations to maximize our processes.”

The ability to track production is also a key benefit, particularly since most of Deluxe Packages’ products go into food products. “We can look at every product that goes out the door and, if necessary, track it back to the exact raw materials that we use coming in,” says Burri.

Cunningham attributes some of Radius’ most significant benefits to the system’s BI functionality. “The business intelligence within Radius has really brought the whole system together for us and made it a very visual, real-time experience. Our General Manager can sit down in the mornings and look through all of the specifics of what he thinks should be happening out on the floor as far as our numbers go. And if the numbers aren’t where he thinks they should be, he can work with the other managers to quickly make adjustments.”

Results:

“We now have access to information we never imagined before the implementation. We have much more confidence in the numbers that we produce. We keep finding opportunities to further leverage this system to drive more business results — more than we ever expected.”

— Tim Burri, CFO
Increased Competitive Advantage

Despite the recent down economy, Deluxe Packages has steadily increased its competitive advantage. For example, the company can be far more concise when it comes to job costing. "We used to be known as the high-priced, high-quality competitor," explains Burri. "But today, we have become as competitive as anyone out there—delivering both the best quality and the best price. The system delivers information that is so timely we no longer have to make educated guesses, but we can make job costing, business and operational decisions based on solid facts. Even during a downturn in business, we have been able to maintain our profitability because we are so concise with our pricing."

Improved Efficiency and Communication across the Organization

Cunningham says the Radius system has also significantly improved communication across the entire company—from estimating into planning and then into production and shipping. "Before, we really struggled with our communication, but today our information is timely and readily available for all employees. We are working better as a team to produce our products instead of isolated inside of our own separate bubbles."

Increased Customer Service and Satisfaction

With the flexibility to meet the evolving needs of its customers, Deluxe Packages is upholding its high standards for customer service. "If a customer has a special request we can now accommodate that through Radius without it having a severe impact on our efficiency levels or cost," says Cunningham. "And with access to real-time information, our customer reps can quickly provide our customers with the information they are looking for and definite answers to their questions."

Doing More with Less

Increased operational efficiency levels enabled Deluxe Packages to consolidate its previous two facilities into just one. "I don’t think we could have consolidated without access to the information Radius provides," says Burri. "We were able to announce the closing of that plant, move all the equipment, and be up and running in a period of just over two months."
Today, the company is thriving and more competitive than ever—despite having 50 percent fewer staff than it had prior to Radius. “In addition to the investments we made into new production equipment, our Radius system significantly contributed to that staff reduction because it enabled us to consolidate departments and duplicate functions without impacting customer service,” says Burri.

Deluxe Packages continues to find new ways to deliver even greater efficiency using Radius. “We keep finding opportunities to further leverage this system to drive more business results—more than we ever expected,” said Burri. And Deluxe Packages plans to take advantage of other existing Radius capabilities in the future, particularly those that will allow the company to better interface with its customers, such as a customer portal. Cunningham says they are also looking at the possibility of using the quality module and the tooling library.

“One of the key benefits of the Radius system is that it has freed up our time to actually look for ways to drive new efficiency and innovation across our company versus just trying to maintain our current level of business,” says Cunningham. “We now have the luxury to investigate potential new projects, figure out what is going to be the next big thing and what we can do to become an even better, more competitive business. That is a great place to be.”
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