

How Tailored ERP Systems Are Transforming Food & Beverage Operations



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Manufacturing and the use of Enterprise Resource Planning (ERP) systems have a long history of improving efficiency and streamlining operations.



By automating and unifying various operational, supply chain, and accounting functions, manufacturers can focus on improving and growing their core business. Food and beverage manufacturers, however, are increasingly facing new challenges that are unique to them, where a traditional, non-industry-specific ERP simply won't cut it.

From improving traceability in the food supply chain to complying with changing regulations to keeping up with changing consumer demands, food and beverage manufacturers need a better option for managing their business. An ERP tailored to the industry's needs not only ensures that the product being made is safe but also considers the complexity of a highly regulated industry that demands traceability.

“An ERP system built for food and beverage understands the complexity of working in those regulated industries, understanding when those checks need to happen, and can certainly give manufacturers guidance and information back when they're going through audits,” says Sharon Fuchs, solution architect manager, NexTec Group.

The ability to have that information and data available in one platform rather than in pillared or disconnected systems—or, in some cases, the back of the warehouse in a filing cabinet—is moving the industry forward. Choosing an industry-specific ERP will be pivotal for a food and beverage industry challenged by regulations, disconnected business operations, and a waning workforce.

Traceability is the cornerstone of food and beverage supply chains

The food and beverage industry entered a new era of food safety in 2011 when the Food and Drug Administration (FDA) introduced the Food Safety Modernization Act (FSMA), a law intended to reform the safety of the country's food supply chain. The goal of the law is to prevent contamination within the supply chain rather than responding to it after the fact, forcing food and beverage companies to really understand their supply chain and where their product is coming from.

To do this and comply with regulations, those within the industry must have visibility into their entire supply chain that allows them to track and trace the movement of products and ingredients. Manufacturers must be able to document each part of the process, which not only allows them to ensure safe manufacturing practices but also enables faster removal of contaminated products in the case of a recall.



With the FSMA's final rule on requirements for additional traceability records taking effect in January 2026, the importance of traceability for food and beverage manufacturers is more top of mind than ever. While many manufacturers already have systems in place to aid in their traceability efforts, they are often outdated, manual solutions. And if they do have an ERP or software solution in place, it may not be one designed specifically for their needs. Implementing a food-specific solution is just a starting point to compliance, with a host of untapped benefits at the ready. With the right solution, manufacturers improve overall efficiencies through greater visibility into inventory and production, quality assurance, and the reduction of time-consuming, manual processes.

"The Food Safety Modernization Act is making sure that the supply chain is tight, that they've got the traceability, that they've got the checks in place with production," says Fuchs. "Preparing for that, you can start to gain a number of efficiencies as long as your ERP supports it."



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Solution Architect Manager, NexTec Group



Automating production and inventory management

One way food and beverage manufacturers stand apart from other manufacturers is that they are process manufacturers. Once the ingredients needed for the end product are combined, they can't be disassembled like a bicycle. Manufacturers have to take into account many different factors when assembling each ingredient, and not just any ERP can navigate this.

"You need a system that understands the complexity of process manufacturing," says Fuchs. "Just because it's an ERP system doesn't mean that they all manage that type of functionality."

Food waste, for example, is an expensive problem for food manufacturers that is also relatively preventable with the right solutions. An ERP designed with the needs of food and beverage companies in mind, such as Sage X3, can help in production planning to create formulas that account for shrink and loss, aid in quality tracking, and maintain the integrity of the traceability.

Say you need 100 pounds of carrots for a recipe. When you peel a carrot, there's yield loss in that peel. The right ERP can account for a standard loss and recommend that you pull 110 pounds of carrots instead, which ensures your recipe is accurate from the ingredients you're starting with. It can also help you recognize the value of the byproduct in those carrot peels.

“You can take that sort of byproduct, which was traditionally waste, and convert that into a saleable unit that now has revenue potential,” says Fuchs. “An ERP system could actually help you manage your recipes based on the yield that you’re expecting from the product that you’re using.”

For food manufacturer Brookside Flavors & Ingredients, unnecessary waste is a real concern for its bottom line as many of its ingredients have a defined shelf-life. Brookside relies on Sage X3 to provide full, real-time visibility into its inventory holdings to ensure the highest quality end product with the least amount of waste. As the company grew organically and through acquisitions, it knew it needed a software solution to provide visibility across its entire business—from finance to inventory management to manufacturing and quality control.

“We also have insight into our production process that we never had before,” says Dean Karkazis, director of operational analytics and strategic initiatives at Brookside. “Previously, we might have to call the shop floor to understand where in the cycle a particular order was. Now we have that information available in Sage X3. It enables us to give customers more accurate information about their order status.”

FoodBusiness ERP, powered by Sage X3 and delivered by NexTec, has helped leading plantain chip manufacturer ARA Food Corp implement highly accurate and detailed cost tracking.



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Director of Operational Analytics and
Strategic Initiatives at Brookside



“We’re now able to track scrap and waste in ways that weren’t feasible before,” says Marta De Varona, VP of Finance and Administration, ARA Food Corp. “It’s been very helpful both in honing our own practices and matching scrap and waste back to the source of the plantains. We’ve identified suppliers from which we receive a higher amount of scrap and waste and work with them to help them improve their handling procedures.”

As the warehouse workforce continues to shrink, ERPs will only become more essential in the everyday operations of food and beverage manufacturers. Automating certain tasks helps manufacturers standardize processes and maintain records, such as monitoring and validating that inspections and audits are completed. This lessens the reliance on your workforce while improving efficiency.

“It helps ensure that those checks are being done; otherwise, they’re doing it in Excel or on paper, and it makes it more difficult, and it’s prone to error,” says Fuchs.

Milo’s Tea Company, which manufactures sweet tea, implemented Sage X3 as part of a large-scale operational automation effort to improve efficiency, benefiting from features like time zone conversion and multi-currency support.

“Having to manage those conversions manually left a lot of room for error, and with time zone conversion, it’s particularly important if you’re producing a perishable product,” says Darlyne Hagood, director of administration, Milo’s Tea Company.

Accounting for catch weight is another difficult and costly challenge unique to food manufacturers. Catch weight is used for items whose value is driven by their weight. For process manufacturers, catch weight is used to accurately price products and maintain inventory levels.

For example, if you have 1,000 turkeys in a bin and a customer orders 10, each will have a different value based on their weight.

“I need to be able to capture the weight of each of those turkeys so that my costs are right, my margins are right, my inventory is right,” says Fuchs. “So not only is it sort of true enough pricing, but it aligns with my inventory position.”

The process can be error-prone and labor-intensive and, if not managed correctly, can directly affect costs and customer satisfaction. An ERP with catch weight functionality should be able to capture weight and price and track a product throughout the supply chain. Creating a singular record of an ingredient or product’s weight throughout its lifecycle allows for greater transparency and catch weight control.

The right catch weight management solution should be flexible enough to accommodate multiple units of measure, such as by pallet, case, or piece.





Speaking a common language

Industry-specific features can help food and beverage manufacturers overcome many of the industry's biggest challenges, but ultimately, working with a team that speaks a common language can make or break an ERP implementation's success.

This was crucial for Milo's Tea Company, which acknowledged the technology learning curve its staff would go through when getting an ERP system off the ground. Understanding these challenges, NextTec adopted an innovative way to keep their lines of communication open and transparent. By integrating Milo's team into NextTec's collaborative project management platform, the communication process became a partnership. NextTec's service-driven approach fostered real-time support, efficient collaboration, and clear communication, empowering Milo's staff to feel actively engaged throughout the implementation. This hands-on collaboration set NextTec apart, creating a standout customer experience that went beyond technology to truly meet Milo's unique needs.

"We knew we needed a technology partner that would be able to understand our technology limitations and the learning curve that our staff would need to go through," says Hagood.

Much like the ERP you choose for your business, a consistent and transparent team should set the tone for the goals you are trying to achieve.

"Having a team that understands and can speak the language makes ERP adoption much, much easier on the manufacturer," says Fuchs. "It gives them the confidence that this product is the right one for them, and you can speak to experience and what you've seen. Having somebody who can implement and who understands your business really goes a long way."



Make Food Better with NexTec

When it comes to implementing a food and beverage-specific ERP system, experience matters. With seasoned consultants from coast to coast, and a premium portfolio of innovative business management solutions including Sage X3, NexTec Group is one of North America's largest and most experienced ERP consulting teams.

Combining deep technical knowledge and food industry expertise, NexTec has been helping process manufacturers get the most out of their technology investments for nearly thirty years. Our FoodBusiness ERP solution, powered by Sage X3, delivers a single solution to manage your entire business including production and operations, finance, food safety, compliance, quality, traceability, and more. NexTec is a Diamond-certified Sage X3 business partner.

Trusted by many of the most respected brands in food and beverage manufacturing, our over 90% customer retention rate is a testament to the lasting, impactful relationships we build with our clients.

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