

**margin** manager

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profitability



# margin manager

## The Problem

Having full control and understanding of costs is essential in such a price-sensitive sector. Unfortunately, businesses find it difficult to account for all the fluctuations, complexities and variants associated with food processing.

Analysing costs when supplying different specifications to a number of customers can often leave processors guessing their margin. The tracking of credit back values need to be considered, as well as other factors, including waste, promotional activity, price adjustments, new product development and specification changes. This leaves little time for cost analysis, meaning problems are often identified when it's too late and profits are dented, or losses have been made.

## The Solution

**Integrator®** provides a detailed breakdown of costs, automating calculations to ensure that processors have continuous, accurate and up-to-date information.

Product specific benchmarks can also be set to measure and compare results against. This helps processors to avoid overspending, allowing them to understand if and where they can make cost savings.

The application works by using a hierarchal structure to include prices from the initial raw material, right through to multiple finished products. This incorporates each stage of the processing flow, as well as credit back values.

Ingredient prices, packaging prices and product specifications are simply imported. This allows users to view existing price and cost, matched to actual and forecast sales volumes. Additional specifications or costing models can be easily created and users can also view margin by product and product group. Sales price, costs and margins for both their actual or forecast sales volume can also be easily analysed. This gives the overall weighted average margin of the business, as well as the weighted average margin by customer and product group.

**Integrator®** allows users to easily adjust margins to their desired position, enabling them to view the sales price that will need to be charged in order to achieve their goal.

## The Result

Management gain complete understanding and control of all their costs. They are able to identify where they are making a profit or loss and understand the reasons why. **Integrator®** provides a total understanding of the implications that any changes will have on overall margin. This is particularly useful when negotiating prices and planning promotional activity.

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## Product Features

- electronic data management
- automated analysis and calculations
- specification set-up
- raw material price maintenance
- yield set-up
- secondary price maintenance
- cost centre set-up
- throughput maintenance
- breakdown of costs by product and process
- hierarchical building of specifications
- links to bill of materials
- goal seeking analysis

## Major Benefits

- dynamic view of product costs and margin
- complete understanding during price negotiations
- finger tip control of margin changes
- understanding of best/worst performing customers and products
- increased profitability

## Cost Update Automation

Keying in updated raw material prices each week is time consuming and inaccuracies can occur with manual data entry. With this in mind, we have developed our software to automatically import product codes and prices at set intervals to suit each individual business.

## Goal Seeking

One of the most powerful features of our software is that it is possible to reverse engineer costs based on sales/profit margin goals.

The application enables operators to enter a target margin and view what sales price is needed to achieve it. Similarly, they can enter a sales price and see what margin will be achieved if this amount is charged. This function can be performed against weight and price for an individual item, or an entire product group.

## What is Integrator®?

**Integrator®** is an **enterprise manufacturing execution system**, also known as an **e-MES**. The unique solution works by ensuring that management have the visibility to achieve greater accuracy, efficiency and traceability. It effectively holds a magnifying glass up to your processing cycle, so that you can see exactly what's going on and identify where you need to make improvements.

**integrator**   
food productivity systems

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