

FoodMaven Taps Acumatica, Big Data to Transform the Food System



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– Greg Lems, Director of Engineering

OVERVIEW

FoodMaven is an innovative, investor-backed start-up that marries suppliers of high-quality local, oversupplied and imperfect foods with buyers, selling food once designated as waste at a significant discount. With an online marketplace powered by big data optimization and a logistics model they've perfected, they've saved millions of pounds of food lost in the U.S. system each year either by selling it or donating it to hunger relief organizations. The company launched on spreadsheets and then moved to QuickBooks. But as FoodMaven grew, it needed a much more powerful cloud-based solution. It deployed Acumatica to handle its sophisticated inventory, connect easily with custom software, and rapidly scale.

KEY RESULTS

- Connected disparate business systems, streamlining operations
- Eliminated on-site hardware technology infrastructure and associated costs, saving money
- Seamlessly connected third-party apps including ORO e-commerce, Hubspot CRM, WMS
- Easily pivoted its business during the pandemic from B2B to B2C, maintaining revenues
- Gained real-time visibility into financial operations to inform strategic business decisions
- Acquired cloud-based platform for nationwide growth to future-proof the business

CHALLENGES

FoodMaven is an innovative online marketplace and rapid logistics company bringing agility and flexibility to the U.S. food system. With a zero-landfill policy, the Denver-based company's goal is to recover the \$200 billion in lost revenue caused by wasted food each year by providing buyers and suppliers with a new avenue for sales and purchasing.

It solves this problem by buying high-quality local, oversupplied and imperfect food from distributors, manufacturers and producers and selling it to restaurants, institutional kitchens and consumers at a significant discount. They leverage an efficient online marketplace, big data optimization technology, and an agile logistics model to make sure the food gets sold, donated to help feed the hungry or sent to environmentally conscious alternatives.

QuickBooks Couldn't Handle Inventory

Like most start-ups, FoodMaven started on spreadsheets and then moved to QuickBooks. FoodMaven executives quickly realized they needed a much more powerful cloud-based solution that could handle its sophisticated inventory, data needs, and could connect to its custom software. They also needed technology that could rapidly scale to meet the company's goal of going national.

COMPANY

- **Location:** United States
- **Industry:** Food Distribution

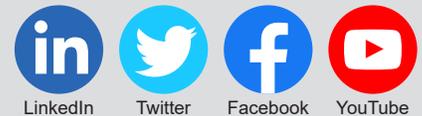
NO. OF EMPLOYEES

- Approx. 80 full time employees

PRODUCTS IN USE

- Acumatica Distribution Edition with: Advanced Financial Management, Order Management, Inventory Control, Fixed Assets and Acumatica Customer Management, Power BI

CUSTOMER SOCIAL SHARING DETAILS



PARTNER DETAILS



Premier Computing, South Jordan, Utah

As one can imagine, sourcing many types of food – meat, produce, dry goods, frozen – storing it and then distributing and selling it to restaurants, food service and hotels, can be very complex. “QuickBooks was not able to do the level of inventory tracking we needed,” says Greg Lems, director of engineering. “We had an ecommerce site, but it wasn’t integrated with QuickBooks, which made it difficult to understand when sales happened. Donations couldn’t be moved from a for-sale location to donation because that specific business functionality was not in QuickBooks. It didn’t have the level of sophistication we needed to grow our business.”

ERP Budget an Issue

Like many small business executives, Lems and his team were concerned about the enterprise-grade costs and headaches often associated with ERP systems. “Our challenge was around budget,” Lems says. “We received Series A funding, but not the kind that allows you to buy something like a big-name ERP brand. It’s not necessarily that we wanted that. We knew we needed a flexible system and something that integrated with other software.”

FoodMaven is introducing technology to a legacy food system that no one has seen before. They apply patent-pending intense algorithms so they can better understand pricing, the movement of food, and supply and demand. That sophisticated data “isn’t going to be any good if we can’t tie it through an ecommerce and financial system,” Lems says.

The team was concerned about finding the amount of flexibility they wanted and how much it would cost to implement those needs.

They evaluated Infor, JustFood ERP, and several others recommended by board members and investors. That list included Acumatica.

SOLUTION

Open API Key

FoodMaven chose Acumatica for its inventory visibility, innovative pricing, and the software’s ability to connect easily to third-party applications such as its e-commerce software. It provided “the amount of flexibility we wanted and the pricing we needed,” says Lems.

Acumatica’s pricing structure lets a company add short-term users, suppliers, and customers without paying for additional licenses. The cost is based on the features and resources used, not on the number of users who access the system.

“The pricing was very attractive,” Lems says. “One of the things we have to consider is our strategy to become a national player. As we look across the locations we want to move into, we won’t have to worry about the number of users and budget for that.”

“We love having Acumatica in the cloud,” he adds. “That means we don’t have to host it ourselves, have on-site hardware and redundant systems, or perform backups ourselves.”

Lems was also impressed with Acumatica’s ability to seamlessly connect to third party applications it uses, such as the e-commerce application OroCommerce, Hubspot, WMS TBO4, and its home-grown delivery application.

“Being able to make generic inquiries tie into specific APIs is super powerful,” he says.

BENEFITS

Business Intelligence Allowed Fast Pivot During Pandemic

Once Acumatica was up and running, FoodMaven had the deep visibility into every aspect of the business it desired because data was now all in one system. Having visibility into that real-time data was very important when the pandemic hit, and sales dropped 40 percent.

It allowed the company to quickly pivot and begin selling its impact food to consumers, bridging a huge gap that happened when meat distributors began to shut down. Meat and other food supplies became limited and restaurants, food service and hotel orders dropped.

“We started thinking about who might want to buy these products, which we can sell for 20 to 30 to 40 percent off,” Lems says. “We wondered whether consumers would be interested in buying a 50-pound bag of traditional flour or 40-pounds of frozen chicken breast. We quickly carved out new area in Acumatica and whipped up a web page to see if anyone was interested in 12 items to start.”

Very quickly, orders poured in, so much so that FoodMaven will evaluate plans to permanently add B2C sales in addition to its B2B sales. Some 700 consumers placed orders in the first week, and those customers, along with its acquisition of Jana Food Services in Dallas, Texas in March, allowed them to recover its lost revenue.

“Acumatica is a technology enabler, not a blocker,” Lems says.

Lems says shipping starts each day with a meeting to analyze the data in Acumatica. “It all starts with an Acumatica screen,” he explains. “We look at today’s orders, inventory issues, and dive into the Acumatica tool to talk about them. It’s a touchpoint across the organization – sales, accounting, finance, supply, operations – we all look at Acumatica to see what needs attention to ensure our success and our customers’ success.”

Having a single record for everything going on in the business is a huge benefit, he says. “We have a saying, ‘If it didn’t happen in Acumatica, it didn’t happen.’”

Acquisition Integrated Smoothly, Securely

FoodMaven expanded into Texas during the beginning of the Pandemic, acquiring Jana Foods, a largely halal meat distributor in Dallas. They quickly added Jana’s 12 users to Acumatica, its integration partner helped with some minor accounting issues, and Acumatica was up and running within a month. “That smooth process gives us confidence that, as we move forward into other cities, Acumatica is going to grow with us,” Lems says.

Because Acumatica is cloud based, FoodMaven didn’t have to make a large infrastructure investment when it purchased Jana Foods. Acumatica and Amazon Web Services keeps the company’s data secure, no matter what the location, and backups happen automatically. “If there is an intrusion or bad actors, Acumatica is there to help us,” Lems says. “We have redundancy, everything is backed up, and security is never a question.”

Platform for Rapid Growth

That peace of mind gives FoodMaven a solid foundation upon which to fulfill its mission of redistributing high-quality local, oversupplied and imperfect foods, and selling it in new ways, which became very evident during the Pandemic food shortages.

“Acumatica is a very flexible and affordable system for a growing company,” Lems says. “It supports scale in a way that allows you to enable growth rather than get in the way of it. Its API is flexible and, for small to mid-sized companies with an eye to getting much bigger, Acumatica is going to get you very far.”

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