



CASE STUDY: HICKORY FOODS, INC. Hickory Foods Slashes The Time To Calculate And Pay Commissions By 90%



Target Company

Hickory Foods, Inc.

4339 Roosevelt Blvd.
Jacksonville, Fla. 32210
www.bubba-burger.com
Industry: Food Products
Manufacturing

Case Study Results

With the implementation of EthoTech Commission Plan:

- *Hickory Foods completely automated their entire commission system*
- *The time spent to calculate and pay commissions was reduced by 90%*
- *Morale and productivity increased for the entire sales force*

THE CHALLENGE

Since 1995, Hickory Foods, Inc. has been producing mouth-watering frozen meat products that go straight from the freezer to the grill or skillet—with no defrosting necessary. Hickory Foods sells its pre-formed, frozen BUBBA Burgers, America's #1 frozen burger, and Tom & Ted's Hickory Thick Sliced Bacon, through retail grocers across the U.S. and worldwide through the U.S. military commissary system.

Hickory Foods pays sales commissions to multiple brokers and many of its employees. According to industry practice, frozen meat products are sold by the pound, yet commissions are based on units sold. So, to calculate commissions, Hickory Foods needs to translate pounds into units in order to identify the units sold, and then identify the various brokers and salespeople who took part in each sale.

Complicating the task was that, as Hickory Foods grew, its commission structure evolved into a complex system that relied on intricate spreadsheets and customized reports. Since commissions were processed manually, data-entry errors occurred often. This resulted in miscalculations and additional time spent recalculating commissions. Salespeople and executives alike complained about the system. Finally, the morale of the sales staff slumped because they weren't sure that commissions were accurate and they lacked confidence that they would be paid on time.

Hickory Foods understands that commissions are the lifeblood of a salesperson's motivation. The company needed a way to accurately calculate commissions and pay them in a timely manner to their sales staff. This was especially difficult because Hickory Foods pays commissions only after their invoices have been paid. If a customer is late with their payment, commissions are held back until the payment is received. The customized reports Hickory Foods used to track this activity took a week—or longer—to generate. Due to this delay, the sales staff consistently lacked up-to-date information about their commissions.

THE SOLUTION

Hickory Foods needed an automated commission management solution for calculating and paying commissions that functioned directly within its Microsoft Dynamics GP accounting system. The company was adamant about finding a solution that was not a mere "add on" to its system. Rather, the new solution had to be seamlessly integrated with and have the same look and feel as Microsoft Dynamics GP so that the integration would be unnoticeable to all system users.

After an exhaustive review, Hickory Foods chose EthoTech Commission Plan from EthoTech, Inc. According to Clark Schaffer, Hickory Foods' CFO, the company was impressed not only with Commission Plan's functionality and tight integration with Microsoft Dynamics GP, but also with EthoTech's longevity in the Microsoft Dynamics GP channel and the quality and quantity of testimonials from satisfied EthoTech customers.

EthoTech dispatched an implementation consultant to Hickory Foods' Jacksonville, Fla., headquarters to perform the software implementation. "This was important to us" Clark says "because Commission Plan is such a unique product. We have specialized needs so we wanted this solution implemented by the experts in the field." The implementation process took about three days, and Clark was thrilled with the results. "EthoTech nailed the configuration for all of our complex commission structures, and commissions have been running flawlessly ever since."

“Commissions used to
be the squeaky wheel.
Now we have oiled it
well with EthoTech.”

— Clark Schaffer
CFO, Hickory Foods, Inc



CASE STUDY: HICKORY FOODS, INC. EthoTech Commission Plan Puts Profits Back Where They Belong: On Hickory Foods' Bottom Line.



THE RESULTS

Customized And Fully Automated Commission Processing

In the past, Clark says, Hickory Foods had to "jump through hoops" to manually calculate and pay commissions. The process required a staff member to use Crystal Reports to set up user-defined fields in Microsoft Dynamics GP to capture information about the various brokers associated with a customer. The information was then manually exported out of Microsoft Dynamics GP and into Microsoft Excel spreadsheets. From there, the staff member manually calculated the commission. With EthoTech Commission Plan, the entire process is automated and customized to meet Hickory Foods' unique business processes. Information about units sold and multiple brokers and salespeople automatically flow through the system, and commissions are quickly processed and paid accurately the first time.

Calculation Times Slashed 90%

In addition to being painstaking and often error-prone, Hickory Foods' previous method of handling commissions was time consuming. The process took nearly a full week of a staff member's time each pay period. By using EthoTech Commission Plan to automate the process, the same staff member is now able to calculate, request approval and pay commissions in just an hour. That has freed up the staff member to concentrate on other responsibilities.

Improved Morale Of Sales Staff

Perhaps the most important benefit EthoTech Commission Plan has provided is confidence among sales staff that commissions are correct and will be paid on time. Because of the painstaking nature of their old commission payment process and the fact that other projects sometimes interfered, the sales staff felt that Accounting was dropping the ball and that paying commissions wasn't a priority for the company. With EthoTech Commission Plan, commissions are processed smoothly on the 15th of every month, reviewed quickly and paid on the 20th. This included regularly identifying and reporting on

the amount that would be held back if customers had not paid their invoices.

The sales staff has enthusiastically welcomed all these changes, Clark says. "Being able to capture commission information and get it to our sales staff in a timely and accurate manner has made us shine in the eyes of our brokers and employees."

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Microsoft Dynamics™
President's Club Member



Microsoft Business Solutions
ISV/Software Solutions

About EthoTech, Inc.

EthoTech is recognized worldwide as the 'Gold Standard' in automated commission management systems. With seamless integration built into Microsoft Dynamics GP, EthoTech Commission Plan completely eliminates complex spreadsheets and error-prone manual processes. EthoTech products are used by customers in 100's of industries, while over 700 Microsoft Dynamics Partners recommend and sell our products in more than 24 countries around the globe.