

Herr's unifies operations in Dynamics 365 to power next era of growth

Industry-focused RSM solutions increase visibility, scalability and confidence

KEY TAKEAWAYS

1. After decades of growth, Herr's faced concerns with manual processes and disparate systems.
2. RSM unified Herr's operations in a consolidated, modern Dynamics 365 ERP platform.
3. Herr's streamlined and strengthened processes while maintaining product quality and authenticity.

Nearly 80 years ago, James S. Herr bought a small potato chip company, quickly developing and implementing innovative cooking processes that increased demand for his snack products and laid the foundation for a global snack food icon. Today, Herr Foods still has that same spirit for innovation and process improvement, as evidenced by a technology and operational transformation initiative with RSM US.

Now in their third generation of Herr family leadership and based in Nottingham, Pennsylvania, the company continues to thrive with snacks that make people smile. Herr's sells a wide variety of products in all 50 states and more than 40 countries, with nearly 1,600 employees and eight plants across the U.S.

The challenge: Disparate systems create multiple obstacles to growth

After many years of expansion and success, the company's increased scale and business complexity led to mounting challenges from aging systems that relied heavily on spreadsheets, manual processes and fragmented workflows across plants.

Specifically, Herr's began to encounter many issues common to food and beverage companies with multiplant operations, complex supply chains and evolving requirements, including:

- **Legacy technology and processes:** Aging systems and manual, spreadsheet-based work limited visibility and traceability.
- **Efficiency and accuracy questions:** Existing costing and production planning solutions raised productivity and tracking concerns.
- **Maintenance and scalability challenges:** The company's technology was hard to maintain, update and scale.
- **Siloed systems:** Finance and supply chain systems lacked integration across plants and geographies.
- **Declining trust in financial metrics:** Leaders had diminishing confidence in profitability numbers.
- **Difficult close processes:** The month-end close was slow and manual for the accounting team.

To establish a framework for continued growth, Herr's leadership sought to modernize their critical technology and processes to support their complex manufacturing environment while staying true to their mission of delivering exceptional, authentic products.

"I don't know if there was a singular moment in which we realized that having disparate systems was going to make it challenging for us to grow our business," says Herr's Chief Information Officer and Vice President of IT John Moricone.



"But we knew if we wanted to continue to grow and be agile and make decisions quickly, we would have to have an enterprise-grade system that was a single source of truth and that would bring all that data together in a timely fashion in order to report effectively."

Herr's worked with RSM to replace their aging, spreadsheet-based systems with a cloud-based enterprise resource planning (ERP) platform built on Microsoft Dynamics 365 Finance and Dynamics 365 Supply Chain Management.

"We went through a pretty robust evaluation process—and I'll tell you, RSM won hands down," says Herr's Chief Financial Officer Scott Bailey. "I think a couple of reasons come to mind. One, they demonstrated good experience in our industry—good food experience and good manufacturing experience. I'd also say that they were a culture fit."

The solution: Dynamics 365 optimizes operations and increases visibility

The RSM team unified Herr's disconnected systems into a single, consolidated ERP platform to support modern manufacturing and supply chain operations. RSM leveraged industry-specific process modeling for food and beverage manufacturing companies to accelerate the Dynamics 365 Finance and Supply Chain Management implementation and align the systems to the specific needs of the business.

The project focused on standardizing processes across plants, enabling real time visibility into key functions and costs, and creating a scalable platform to support future acquisitions and geographic expansion.



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John Moricone, Chief Information Officer and Vice President of IT, Herr Foods



In collaboration with the Herr's team, RSM advisors modernized Herr's data and reporting to replace existing spreadsheet-driven finance and planning processes, delivering a deeper perspective into business operations with more dynamic, actionable insights. In addition, the implementation project enabled real-time production planning and cost tracking, as well as on-demand visibility and traceability for inventory.

"Having real-time visibility into our data and organizational information will allow our leaders to have accurate and timely information at their fingertips," says Moricone. "Having one single source of truth will also allow us to report effectively on information that typically took us days and weeks to bring together. Now we can do it quickly, and report on not only inventory, not only on production, but also on financials."

Change management can be a significant challenge when implementing a new ERP solution, especially in a situation like Herr's, where employees used the same processes for nearly 30 years. However, RSM has eased the transition, providing detailed guidance at every step of the implementation to support user adoption, minimize disruptions and create lasting value within the new operational framework.

With Dynamics 365 Finance and Supply Chain Management in place and creating process improvements at Herr's, RSM continues to provide advisory and managed application services support.

Results: Integrated processes elevate efficiency and growth potential

Dynamics 365 Finance and Supply Chain Management have transformed Herr's day-to-day operations. Today, the company operates on a unified platform that delivers real-time insights, improves financial confidence, streamlines processes and provides a strong foundation for future growth.

"I think there's a lot of growth opportunity that we're exploring here at Herr's, obviously, as we work across the country and around the world," says Bailey. "And just having that ability to be able to integrate and scale with our business is a great benefit that this system is going to provide for us."



With RSM at their side, Herr's has successfully modernized and centralized their operations while maintaining the product quality and authenticity that sets the company apart and better positioning themselves for future growth. Most importantly, Herr's gained a trusted advisor in RSM to help guide complex decisions, support a phased rollout approach and continue providing critical advice as the organization evolves.

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"We've built a good relationship with RSM," Bailey adds. "And I think that's a relationship that's going to extend beyond this project."

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