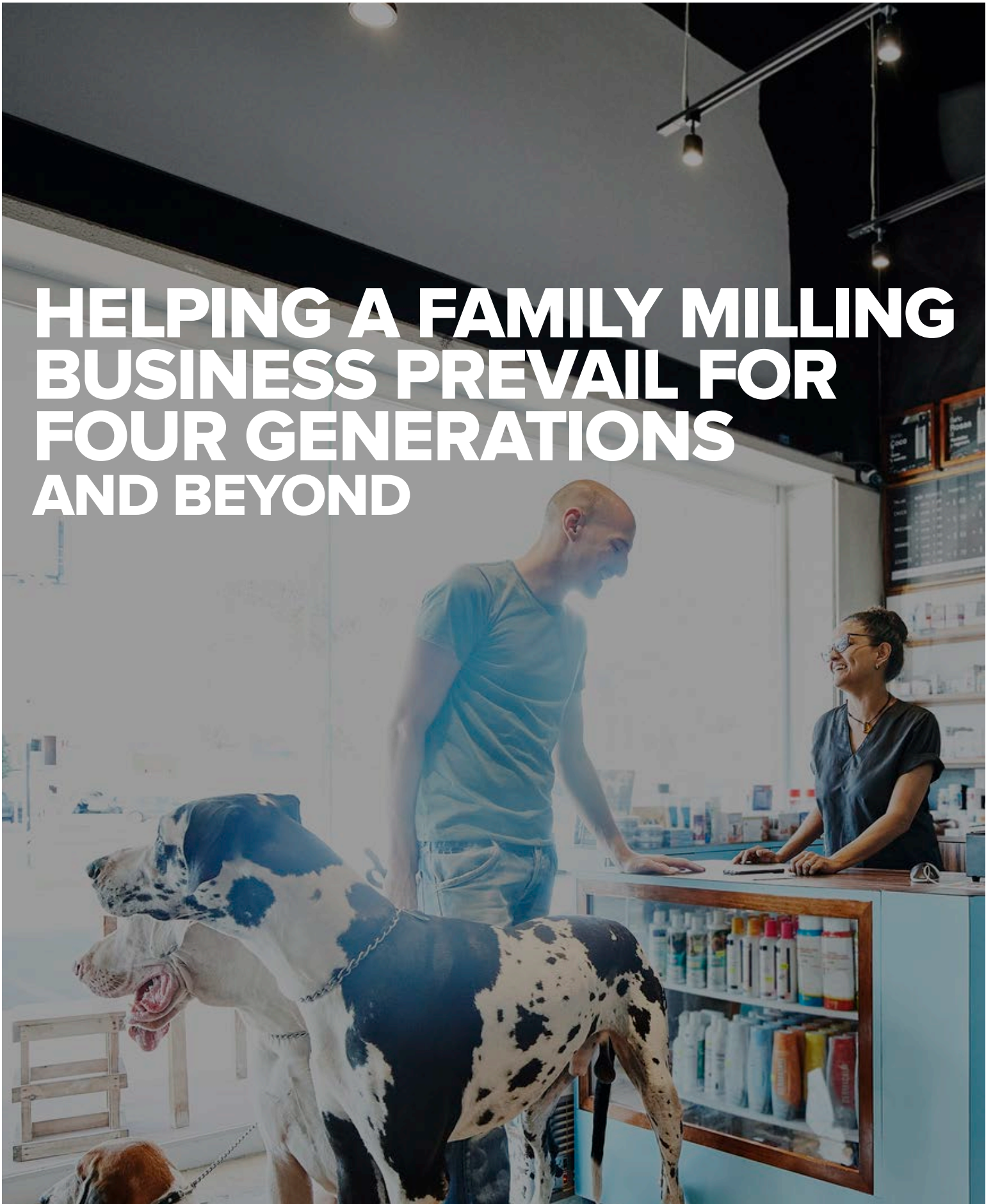


# HELPING A FAMILY MILLING BUSINESS PREVAIL FOR FOUR GENERATIONS AND BEYOND





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Read Time: 3 minutes

# HELPING A FAMILY MILLING BUSINESS PREVAIL FOR FOUR GENERATIONS AND BEYOND

*Just 3% of family-owned companies in the US make it to the third generation of ownership, but this fourth-generation family-owned manufacturer is bucking that trend by using technology to adapt.*

Family businesses make up the core of America's business landscape, accounting for 64% of gross domestic product (GDP) and generating 78% of all new jobs in the U.S. While more than 30% of them make the transition to the second generation of ownership, just 3% are still operating by the time they reach the fourth generation (and beyond), according to the [Conway Center for Family Business](#).

Muenster Milling is one company that's bucking that trend. Currently run by the fourth generation of the Felderhoff family, this Muenster, Texas-based pet food manufacturer

was founded in 1932 and continues to grow year after year. Using grains that are grown in Texas, the manufacturer's mission is to always "lead with integrity" along the way building lasting, impactful relationships with farmers, suppliers, customers, communities and animals.

## **A Long History of Success**

When Joe Felderhoff founded Muenster Milling, he was buying grains from local family farms (many of which the company still works with today) and milling their wheat into flour. When his son Arthur took over, he converted the company's flour mill into a feed mill. For the next 30 years, this second-generation owner focused on making high-quality livestock feeds for local farms and feedlots in North Texas.

In 1974, Ronnie Felderhoff took over as president of the company and continued to grow Muenster Milling into new areas, including show feeds and horse feeds. The company entered the pet food manufacturing space in 1989, when this third-generation owner put in a pet food extruder.

In 2007, Mitch Felderhoff joined the company to head the sales and marketing department, and his brother Chad Felderhoff joined in the summer of 2013. With the company now firmly in the 4th generation of Felderhoffs, its commitment to excellence is stronger than ever.

### **The Challenges**

As a maker of innovative animal food from locally sourced ingredients beneficial for the animals that eat it, Muenster Milling relied on Quickbooks and Agris, a specific solution for agriculture industry.

Auditing material usage and producing reports in the events of recalls were both time-consuming and cumbersome, as was tracking finished goods back to their raw material lot numbers. The latter process would often take up to two days to complete.

Processing SOWs and invoices for daily production and shipments, all of which was done manually on paper (and subsequently hand-keyed into a computer) presented challenges for the company.

Additionally, grain scale weighing or “scale ticket” was difficult to reconcile with financial transactions—yet another issue that consumed extra time and left the door open for even more errors. The Vested Group, an Oracle NetSuite partner was brought in to automate processes at the company particularly around receiving and inventory movements for grain purchases.

### **Finding the Right Solution**

Ready to take advantage of a unified, cloud enterprise resource planning (ERP) system, Muenster Milling initially attempted to implement a different system. When that didn't work out as planned, Muenster Milling selected NetSuite and worked with The Vested Group to implement it.

Muenster Milling uses NetSuite's Advanced Manufacturing (including Mobile), CRM, Lot Traceability, Scale Ticketing, and Grain Accounting functionality - built by The Vested Group.

### **Measuring the “Wins”**

For Muenster Milling, NetSuite enables greater visibility into purchased and storage grains. This, in turn, supports more real-time tracking of commodity positions—vital for a company whose price structure relies on that information being readily accessible.

The manufacturer can also track raw materials, production schedules and material transfers across multiple locations, thus allowing for greater insight into deficiencies and planned material requirements.



Through mobile scanning of finished good production and skid level license plate numbers, Muenster Milling now has real-time insights into its intra-warehouse product movement, providing visibility into the inventory of multiple company-owned facilities, none of which were previously producing reliable inventory data.

Muenster Milling is also using NetSuite's Advanced Bill of Materials functionality, which allows it to make single-ingredient changes across multiple finished goods. This is particularly useful when managing pet food formulas for small-scale, private-labeled goods.

Using a scale ticket process, the company: [Futures position reporting](#) – saved searches and reports defined to allow close analysis of commodity values to make hedging decisions.

[Mark to market](#) – a system process for revaluing grain inventory in bulk according to commodity market fluctuation.

[Units of measure conversions \(for example: pounds to bushels\)](#) – inbound and outbound scale measurements in pounds automatically converted to bushel counts and calculated grain contract discounts are translated to NetSuite transactions.



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[www.netsuite.com](http://www.netsuite.com)



[info@netsuite.com](mailto:info@netsuite.com)

877-638-7848