SALIENT® MANAGEMENT COMPANY

Interview with Kevin Sullivan,
CIO of HPC Foodservice

HPC Foodservice CIO, Kevin Sullivan, explains how integrating millions of records from the company's multiple data silos into Salient's data tmart, along with using Salient's lightning fast data discovery technology has helped them improve performance. The following interview was conducted by Jeff Roberts, CEO of Capstone Marketing Services to independently verify HPC Foodservice's level of satisfaction with Salient technology.

Capstone: Why don't we begin with some general background about HPC Foodservice

Kevin Sullivan: HPC Foodservices was founded in 1908. The original name of our business was the Hartford Provision Company which was later shortened to HPC Foodservice. HPC has roughly 200 employees. We service the entire northeast from Maine all the way down to Pennsylvania and New York. We also have a number of national customers as well.

Capstone: How long has HPC utilized Salient?

Kevin Sullivan: We've had Salient for about 3 ½ years.

Capstone: How many people at HPC use the Salient system?

Kevin Sullivan: We've got 40 "load and go" users out in the field. In addition, pretty much all of the decision makers in the company utilize Salient. We use Salient to manage about 11 million records a year.

Capstone: What challenges prompted you to acquire new software?

Kevin Sullivan: Prior to obtaining Salient, we really didn't have any type of business intelligence solution. We essentially had multiple ad hoc systems that didn't communicate with each other. For example, we had an AS400 that runs our warehouse operations on the ERP side, truck software for loading and routing our trucks, a cloud based solution

Interviewer's Note:

In 2009, prior to implementing Salient, HPC Foodservice revenues were $98 million. In 2012, the company's revenues had increased to $111 million… an increase of 12.25%. Certainly, not all of that increase can be attributed directly to Salient. However, without question, Salient has played a mission critical role in the enhanced growth and success of HPC Foodservice.

The Problem:

- 12-15 disparate data systems used to run operations
- None of it tied together
- Reporting was complex and time-consuming
- Problems not being solved in time
- Needed one system to bring everything together
- 2% of Sales coming back in Credits

Why HPC Chose Salient:

- Stunningly fast speed
- Ability to include sales people out in the field
- Easy integration of data from any source
- Salient's experience and strong reputation

that provides the GPS functionality for our trucks, etc. All in all, we had 12-15 disparate systems we used to run our operations. The problem was that although they all provided reporting none of it tied together. We realized we needed one system to bring everything together and provide one single source of the truth. This is how we refer to what Salient provides for us.

Prior to obtaining Salient, our reports were all run ad hoc through SQL queries, user Sharepoint services, and third party reporting tools. It was extremely painful and extremely complex. We couldn't get the answers we needed to questions easily or quickly. That was probably our biggest issue. For example, you'd go to a meeting and one person might have this week's sales based on all of the transactions. The person from operations would bring what he thought was this week's sales, but it only had information about products that were routed. A third person from finance would bring their numbers, but they didn't include credit information. We'd spend half of the meeting trying to figure out who's numbers we were going to work with. By the time we finally made that decision, we had wasted a lot of the meeting and it was time to move on to another problem. We felt like we weren't getting anywhere!

Capstone: Why did you select Salient?

Kevin Sullivan: In 2009, we started to look at different systems to address our needs. We looked at nine different companies that provided business intelligence type software. Ultimately we selected Salient. The main reason was speed. Salient's speed was really quite stunning to us and separated Salient from all the other packages we looked at. Salient also offered us the ability to include our laptop users in the field such as our sales representatives. Another key factor in our decision was Salient's experience and strong reputation.

Capstone: I've heard a lot of horror stories about problems associated with implementing new software. One developer is famous for installations that go on for years and end up way over budget. How was Salient in terms of implementation?

Kevin Sullivan: We elected to phase Salient in starting with sales. We started implementing the system in the middle of December and by the beginning of February we were up and running. The scope of our roll-out was sales data, inventory data, accounts payable, accounts receivable, GL, engineering, and then operating

The Salient Solution:

- 11 million records a year
- Data from sales, inventory, accounting, GL, engineering and operating standards
- All decision-makers utilize Salient
- 40 Load-n-Go users out in the field
- Implementation took less than eight weeks

The Results:

- Accurate answers as fast as you can click
- Sales and gross profit have increased
- Reduced credits to goal of .75% of sales within four months

standards. Salient made going live easy. Their developers are top notch and they understand the product very well. The training was excellent. Another important factor was how easily you can load data into Salient. We can bring data in from any source including, SQL, text, DB2, and Excel. If you have a system that can display information in a column and row format, you can easily get it into Salient.

Capstone: How has obtaining Salient changed the way HPC does business?

Kevin Sullivan: When we installed Salient, we did away with some of our ad hoc third party solutions. Now, all of the data we use to manage our business drives through Salient. Because of Salient, we now all have the same data, from the same place, displayed in the same way. We don't have the issue any more where we used to start our meetings unsure of what data to work from. We're all singing from the same hymnal so to speak. We start with accurate information rather than having to backtrack and figure out where all the correct data is. You can see where that makes a lot of sense.

Prior to Salient, it was really difficult to obtain the information we needed. For example, suppose we wanted to know what was going on regarding credits with one of our customers. Before Salient, we'd have to go and write a query to get the information and then wait to get the answer. Eventually, we'd find out what happened with that particular customer. But then, somebody would ask, how come that didn't happen with this other customer? So you'd end up going back and forth writing requests for data, getting data, and displaying data. A question would be asked. A day later you'd get an answer. By the time you finally got to the root cause of the issue, you'd already missed the boat. It was too late to fix the problem!

Capstone: So how are things different now that you have Salient?

Kevin Sullivan: Because Salient is so fast, and because it pulls together all of our data from all of our different data sources, now when we ask a question, we get an answer as fast as you can click the mouse button. This often leads to another question and you get that answered just as quickly. With Salient, it's less of a fact finding, data mining exercise, and more like a conversation you're having with the Salient system. You ask questions and Salient gives you the answers. Before you know it, not only have you solved one problem, but you've uncovered another, and you're on your way to solving that one as well.

> "All in all, we had 12-15 disparate systems we used to run our operations. The problem was that although they all provided reporting none of it tied together. We realized we needed one system to bring everything together and provide one single source of the truth. This is how we refer to what Salient provides for us."
>
> **Kevin Sullivan**
> CIO, HPC Foodservice

SALIENT MANAGEMENT COMPANY

Interview with Kevin Sullivan, CIO of HPC Foodservice

Capstone: Let me see if I can get my arms around all of this. I'm not sure if this is a good analogy, but when a company has different systems that don't communicate with each other, in a way, it's as if one part of a company speaks Swedish, another speaks Japanese, another English, and another only Russian. Because their disparate systems can't communicate with one another, the information they contain is in effect walled off, so the company is not realizing the full value of the information available to them. As I understand it, with Salient, because all information is maintained in one place, and Salient in essence speaks all of those languages, the company is able to take advantage of all of its information which Salient consolidates and presents it in real time. Is that correct?

Kevin Sullivan: That's a pretty good analogy. Salient cuts through the mountain of information and lets us get straight to the root of a problem from a data perspective. With Salient, although the information resides in a number of disparate systems, it's brought together in Salient into a single data mart. Salient doesn't have to go out and fetch the data. Instead, the data is collaborated in a single data mart which creates a single source for data which used to be maintained in 11 disparate systems that didn't communicate with each other.

> "Our sales have gone up and our gross profit has gone up. The bottom line is that Salient makes us a better company."

Capstone: You mentioned that you had 11 million records. With that massive amount of data I would think it would take a long time to get answers to your questions. Is it really true your users can get nearly instantaneous answers to questions that in the past either might have taken hours or days?

Kevin Sullivan: Absolutely. That's one of the most important things that Salient does for us.

Capstone: Suppose I type in a query, how long will it take me to get the answer back?

Kevin Sullivan: Seconds, if that. When you ask a question, you want an answer, and you want the answer quickly. When it's a business critical question you want the answer even faster. The number one thing with Salient is the accuracy of the data and the speed that you get it with. It answers your questions as quickly as you can ask them.

Capstone: Can you give me an example about how Salient makes a difference for HPC on a day to day basis?

Kevin Sullivan: Salient helps us uncover the root causes of problems. For example, our credits were too high as a percentage of sales.

SALIENT® MANAGEMENT COMPANY

Almost 2% of our sales resulted in credits coming back. Through the use of Salient, our credits were brought down to our goal of .75% within 4 months.

We run a lot of reports using Salient. Our financials come off of Salient, we pay our sales reps commissions through Salient, we use Salient to submit information to the bank, and a lot more. Salient takes the place of a lot of the rote manual things we used to have to do at month end. But first and foremost, we use Salient to help us solve problems.

Capstone: Do you feel having Salient provides HPC with a competitive advantage?

Kevin Sullivan: Unequivocally! We rely on Salient. With Salient, we're more nimble, we can identify and fix problems faster, and make better decisions. Salient makes our business more intelligent. It would be much more difficult to do the things we're doing today without Salient. I couldn't even imagine going back to how things were before we installed Salient.

Capstone: How has Salient impacted your bottom line?

Kevin Sullivan: Our sales have gone up and our gross profit has gone up. The bottom line is that Salient makes us a better company. Salient has accomplished everything that we wanted it to do.

SALIENT® MANAGEMENT COMPANY