



Batch Control Software **Slashes** **Costs Up to 70%,** **Analyses Margins & Sales,** **Integrates with Shopify**



CUSTOMER PROFILE



Since 1995, Avaria has been formulating and manufacturing its Kalaya arthritis pain relief and Natural Elements professional massage products at its facilities in Waterloo and Cambridge, Ontario. The company also makes private label products.

- ✓ 300+ SKUs (raw materials, packaging)
- ✓ 30 formulations
- ✓ 27,000 sq. ft. warehouse/manufacturing
- ✓ 80 customers
- ✓ 25 employees

CHALLENGES

- Manual/paper-based standalone systems
- 20 admin hours daily (record-keeping, data-tracking)
- Lack of control (inventory, production, fulfillment)
- Inaccessible, inaccurate data in multiple locations
- Manually handle 600+ Shopify orders monthly

SOLUTION

Mar-Kov Batch Control & Inventory Management Software

RESULTS

- ✓ Single, integrated MRP, MES and ERP platform
- ✓ 80 to 95% decrease in admin time (1 to 4 vs 20 hours daily)
- ✓ Up to 70% savings on some raw materials
- ✓ 30% reduction on certain high-volume ingredients
- ✓ Up to 32% decrease in cost of goods
- ✓ Accurate, on-time production, fulfillment, delivery
- ✓ Integrates with Shopify



Cedric Jean-Charles
Project Engineer, Process Improvement
Avaria Health & Beauty Corp.

WITH MAR-KOV, AVARIA GOT THE CONTROL IT NEEDED to slash costs by up to 70% and get consumers the pain relief they crave!

"A centralized, integrated system supports Avaria's growth and puts us in control of our inventory, production and fulfillment," says Cedric Jean-Charles, project engineer - process improvement, Avaria. "Thanks to Mar-Kov, customers can trust us to deliver the products they've ordered to address arthritis pain and muscle soreness."

To scale, Avaria needed a fully integrated MRP, MES and ERP platform to get systematic tracking and transparency. Before Mar-Kov, inputting, locating and managing the data required to run Avaria was a challenge. Every day, Avaria's 25 employees spent 20 hours handling inventory, sales, production and shipping data. The endless admin was an inefficient, ineffective use of Avaria's people, its most valuable resource.

"With Mar-Kov's interconnected information, Avaria employees have the data as well as the time and energy needed to add value and help customers," says Cedric.

Mar-Kov lets employees know what customers have ordered and whether they have the raw materials and packaging needed to produce and deliver it on time. Before Mar-Kov, Avaria ordered, stored and paid for excessive inventory rather than risk the stock-outs and short shipments that could lead to customer dissatisfaction.

"We're able to better manage our cash flow," says Cedric. "Before Mar-Kov, we often over-bought or under-bought – now we buy exactly what we know we'll need."

With the manual systems, employees often reordered items they had in-stock rather than take the time to find them in the massive warehouse. Such scenarios were frustrating for everyone but particularly finance, sales and production.

"Mar-Kov matches what's on order with what's in the warehouse as well as production schedules," says Cedric. "Before Mar-Kov, we couldn't trust our data and knew there were discrepancies."

30 TO 70% MATERIAL COST REDUCTIONS

Since implementing Mar-Kov in the summer of 2022, Avaria has slashed material costs by 30 to 70% and freed up cash with just-in-time inventory and more strategic procurement. The company even hired a fulltime procurement specialist to further maximize savings on raw ingredients, packaging and shipping. Mar-Kov provides the information they need to find more affordable providers and negotiate better deals.

Avaria analyzes Mar-Kov reports to see which SKUs sell the most and which have the highest margins. The hard facts tell them which product lines warrant more attention and which items should be discontinued. Reports also highlight slow-moving products and finished goods that are approaching their best-before dates. Sales, for a limited time and while supplies last, can help increase demand and ensure products are sold before they expire.

"Thanks to Mar-Kov, we're in a better position because we recovered money we might otherwise have lost," says Cedric.

SHOPIFY INTEGRATION – A MUST-HAVE

Shopify integration was critical to Avaria whose sales are equally split between bricks-and-mortar and online retail, specifically Shopify. Before Mar-Kov, Avaria had to find, record and assess all of the order, production and procurement data manually, then create production schedules and top up raw material levels. It took time and effort to pull and track the data.



When Avaria needed Mar-Kov to handle more than a single Shopify store and one brand, Mar-Kov developed that capability. Mar-Kov now processes 600+ orders for Avaria's two brands and four Shopify stores every month. With Mar-Kov, Shopify uploads the orders to Mar-Kov in real time. Mar-Kov then checks the orders against finished product inventory levels. If there isn't enough in stock to fill that order, Mar-Kov alerts the production department so they can manufacture more product. Mar-Kov also looks at whether Avaria has enough raw materials and packages to make and pack the product. Employees have the Mar-Kov data they need to make fact-based production and procurement decisions.

"Mar-Kov is always innovating – in just one year, Mar-Kov has added new capabilities, such as the Shopify enhancements and new user-friendly, visually appealing dashboards," says Cedric.

AUDIT READINESS & COMPLIANCE

As Avaria prepares for its first FDA/CGMP audit, employees are relying on Mar-Kov for the process and manufacturing reports and documents they know the auditors will request. Mar-Kov's Electronic Batch Records will play a key role in their audit readiness and compliance.

"We're using Mar-Kov in the mock audits we're doing to prepare for the third-party auditors," says Cedric. "With Mar-Kov, we will be ready."

RESULTS DRIVE EMPLOYEE ACCEPTANCE

Employees readily adopted Mar-Kov because they saw how well it worked to make their lives easier. With just a few clicks, they can find everything they need in Mar-Kov's centralized, easy-access, highly searchable database.

"Everyone started using Mar-Kov when they experienced the benefits of Mar-Kov," says Cedric. "Employees were open to learning the new platform when they realized it did what we said it would do for them."