



USING AI TO TRANSFORM THE FOOD SUPPLY CHAIN

AI INNOVATIONS AND REAL-WORLD SUCCESS

EXECUTIVE SUMMARY

The food distribution industry stands at a critical point, where embracing digital technology is not just an option but a necessity for survival and growth.

1. This case study covers the challenges faced by distributors, especially in implementing new digital solutions, and illustrates the transformative journey of Krystal Produce with Choco AI.
2. Through this case study, we aim to provide insights for distributors looking to navigate the complexities of digital transformation.

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ABOUT CHOCO AI

Choco AI is a leading solution designed to optimize supply chain operations in the food industry. It offers automated order processing, seamless system integration, and enhanced efficiency. Tailored to address the unique challenges of food distributors, Choco AI is paving the way for a more efficient, sustainable future in food distribution.

INDUSTRY CHALLENGES

INTRODUCTION

Food distributors are under significant pressure to innovate in an industry characterized by tight margins, high competition, and increasing demand for efficiency and sustainability. The implementation of Artificial Intelligence (AI) and digital solutions offers a path forward. However, the transition to digital can be filled with challenges, from choosing the right technology to ensuring seamless integration and adoption within existing operations.



CUTTING-EDGE SOLUTIONS

Traditional habits are deeply ingrained in the food distribution industry, with suppliers both embracing and resisting new technology in certain areas.



INTEGRATION COMPLEXITIES

Seamlessly integrating digital solutions with existing ERP systems and workflows is a critical challenge that requires careful planning and execution.



LABOR SHORTAGES

The industry faces labor shortages, especially in order entry roles, showcasing the need for automation to maintain service quality.



KRYSTAL PRODUCE SUCCESS STORY

Krystal Produce, a leading distributor of fruits and vegetables based in Long Island (NY), exemplifies how to overcome these challenges through the strategic implementation of Choco AI. Krystal Produce turned to AI for a solution to labor shortages and inefficiencies in manual order processing.

STEP

1

SOLUTION & IMPLEMENTATION

Automated Order Processing: 24/7 automated processing of orders from various channels, including emails, voicemails, and SMS, directly into Krystal Produce's ERP system.

Seamless Integration: AI orders were seamlessly integrated with Krystal Produce's existing systems, ensuring minimal disruption and smooth employee transition.

Operational Efficiency: The implementation of AI significantly reduced the time required to process orders, from minutes to seconds, enabling substantial labor cost savings and error reduction.

STEP

2

IMPACT & RESULTS

Krystal Produce achieved incredible time saving results, processing large orders in just 13 seconds (previously 10 minutes) for orders with more than 50 items.

This translates into 15 hours saved weekly, processing orders 14 times faster than usual, and a savings of \$23,000 in annual labor costs for a major customer.

13 SECONDS

To process every order (+50 items)

15 HOURS

Saved in order processing

\$23,000

Annually saved with one client

The success of AI implementation positioned Krystal Produce ahead in a competitive landscape, addressing labor shortages effectively and enhancing overall service quality.

STEP

3

CONCLUSION

Krystal Produce serves as a captivating example for other distributors in the food industry. The strategic implementation of AI and digital technologies, such as Choco AI, can address critical operational challenges, improve efficiency, and provide a competitive edge. As the industry continues to evolve, embracing digital transformation will be key to navigating future challenges and seizing opportunities for growth.

IMPLEMENTATION EFFORT

IDENTIFYING ALL YOUR NEEDS

The food distribution sector is ripe for digital innovation, yet the transition to AI can seem like a giant leap. The success story of Krystal Produce with Choco AI underscores the critical importance of selecting the right AI partner to navigate this transition effectively.

Before diving into AI, assessing your organization's specific needs is crucial. This assessment involves a retrospective look at areas requiring improvement—be it staffing challenges, inventory management, or order processing inefficiencies. Prioritizing these needs helps streamline the selection process, ensuring the chosen AI solution addresses your most pressing challenges.

ESTABLISHING CRITERIA FOR AI

With numerous AI solutions available, establishing clear criteria for evaluation is vital. Considerations include:

1

INTEGRATION CAPABILITY

How well does the AI solution integrate with existing software and workflows?

2

IMPLEMENTATION EFFORT

Is your team or your digital tech team carrying most of the work? How big of an effort is the initial setup for your team?

3

STAFF TRAINING

What training support does the AI provider offer, and how will it impact your team's workflow?

4

ONGOING SUPPORT

What type of technical support is provided after implementation?

5

ROI EXPECTATIONS

What is the potential cost and time savings return on investment?

6

CASE STUDIES

Look for success stories or references from similar-sized companies to ensure the solution's applicability to your needs.

Krystal Produce's choice to integrate AI with Choco was not just about automating order processing; it was a strategic decision to enhance operational efficiency and customer satisfaction while addressing labor shortages.



ENSURING SMOOTH IMPLEMENTATION

A smooth transition to AI-powered operations requires precise planning and open communication. A reputable AI partner will assist in evaluating your current data's quality, suggest necessary updates to support the new system and provide a detailed timeline for implementation milestones. For Krystal Produce, this process involved technological integration and preparing their team for the new system, ensuring that the transition was as seamless as possible.

MONITORING PROGRESS AND RESULTS

After implementation, tracking key performance indicators (KPIs) is essential to measuring the AI solution's impact. For Krystal Produce, significant metrics included order processing time, labor cost savings, and order error reduction. Continuous communication with the AI provider ensures ongoing optimization and adjustment to maximize the AI solution's benefits.

CONCLUSION

The digital transformation journey offers unprecedented opportunities for efficiency and growth in the food distribution industry. Krystal Produce's successful adoption of Choco AI serves as a testament to AI's potential to address fundamental industry challenges. By carefully selecting an AI partner that understands your business's unique needs and follows a structured approach to integration and adoption, food distributors can overcome current obstacles and position themselves for future success.

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