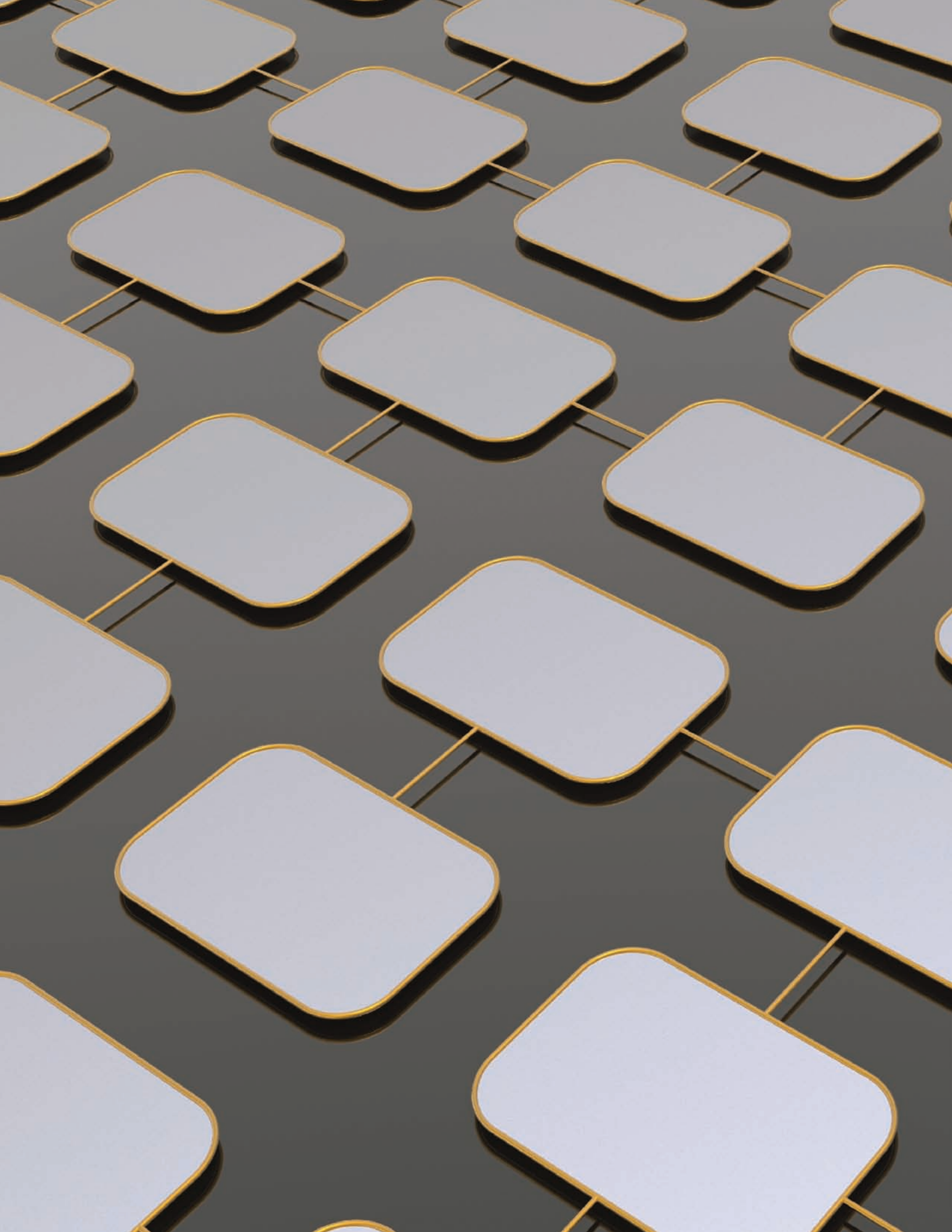# EPICOR®

Focused on Growth

Epicor Distribution
Customer Success Stories

Distribution

Epicor distribution solutions are designed to provide complete visibility across a complex supply chain, provide faster access to information, accelerate the order–to–delivery cycle, increase inventory turns, improve customer service and drive profitability. The extended value chain is supported by comprehensive supply chain management (SCM) capabilities for order entry, purchasing and inventory, plus advanced supply chain execution (SCE) capabilities such as warehouse management. The extended value chain includes both customer and supplier relationship management (CRM/SRM). Integrated performance reporting and analytics are supported through operational business intelligence and the robust, global financials capability provides full visibility and regulatory reporting. The following pages include just of few of our many success stories.

"The reduction in the time required to perform selection and matching with Epicor for Distribution has provided dramatic time and cost savings, making it possible to accomodate our rapid growth with only a minimal staffing increase."

— Steve Revere
Wild Planet Toy, Inc.

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Anderson-Tully Company

Industry
Timber and Land Management

Headquarters
Memphis, TN

Employees
350 Employees

Epicor solution
Epicor for Distribution

Business Challenge
Current tier one system was too complex—could not be customized it to fit their needs

Solution
Easy to use, flexible enterprise soution that scaled scaled to fit their needs
and is customizable

Business Benefits
- Customization capabilities and easier faster reporting
- More effective plan implementation
- IT staff reduced 80% while providing better all-around service to users
- Paperwork is processed in one-tenth the time
- ROI achieved less than two years after software implementation
- Lower operating cost

"We love our Epicor solution because it is easy to use, has a huge cost savings for us; we can run a much leaner staff and have a lower overhead."

— Mike Gross
IT Director
The Anderson-Tully Company

The Anderson-Tully Company was incorporated in Michigan in 1889. They began producing egg cases in 1896, purchasing the Vicksburg Box Company in 1899. In1900 they built the first bandmill in Vicksburg which produced lumber averaging 14 million board feet per year. As Anderson-Tully continued to grow both organically and through acquisitions, they began to focus their production on high-quality, hard wood lumber, phasing out other operations. The Anderson-Tully Company maintains a balance through careful selection of trees and in which tracks to harvest making protection and management of their timberlands as important as producing the highest quality lumber. The Anderson-Tully Forestry Department manages this balance along with practicing wildlife andhabitat management. Over the past 100 plus years Anderson-Tully has built and acquired numerous mills, becoming one of the largest lumber suppliers in the renewable resources business.

Bigger Isn't Always Better (or Customizable)

"The tier one system we were running was just too big," said Mike Gross, IT director for Anderson-Tully. "The lack of flexibility in the software became so unmanageable that we knew we had to find something that better suited our business needs." Anderson-Tully could not customize the solution to get the information they needed. On top of the customization struggle was the fact that the system was very expensive to run, over $1 million each year. After looking at several other midmarket enterprise systems and industry specific products, Anderson-Tully concluded that Epicor best met their unique business needs. Implementation was complete in three months creating an environment to see an immediate return on investment. Now, with the implementation of Epicor for Distribution, they are better able to manage their precious natural resource.

Operating at 100% with a Streamlined Organization

Since the implementation of Epicor their business process has improved incrementally. Anderson-Tully will continue to see the benefits of Epicor for Distribution through lower cost of operation and lower overhead.

Because of the ease of use with Epicor for Distribution, their IT department has shed 80% of its staff. Now, a team of two people manage 150 users successfully. They are able to implement management's plans more efficiently, reporting results much faster and giving answers in hours instead of days. "We love our Epicor solution because it is easy to use, has a huge cost savings for us; we can run a much leaner staff and have a lower overhead," said Gross.

Unique Business Practice Requires A Unique Enterprise Solution

Because Anderson-Tully is operating in such a dynamic business setting they are not able to operate as a typical manufacturer distributor, putting orders together and shipping them out. They use the distribution module to look down their order pipeline 30, 60, 90 days at what Mother Nature will be supplying them.

Product changes with each tree cut and processed. Depending on what track has been selected for harvest they can determine what types of wood will be will be available for their hardwood flooring products. Working closely with production, the sales team reserves the product through Epicor for Distribution linking up customers and product. Keeping an eye on the real-time availability and meeting weekly, the production and sales teams keep a good grasp of their ever changing product and inventory.

Good Business Process is a Beautiful Thing

The switch to Epicor was completed before the set deadline. Being in the renewable resources business, Anderson-Tully has very unique business needs. The paperwork for international deals alone is stifling. With Epicor for Distribution they now have a manageable business process which reduces processing time by one-tenth the time.

Compliance with the Smart Wood Initiative and the Forest Stewardship Counsel is demonstrated with ease. Epicor for Distribution utilizes a highly flexible Microsoft framework, including an integrated platform for custom reporting. With access to all the information they need within the enterprise system, Anderson-Tully has full-visibility of business decisions and compliance.

Anderson-Tully Company

BC Hot House Foods, Inc.

Industry
Produce Grower/Distributor

Headquarters
British Columbia, Canada

Employees
500 During Peak Season

Epicor solution
Epicor for Distribution

Business Challenge
Continued growth led to higher volumes of produce to ship, requiring sophisticated distribution solution that could integrate with the proprietary software at the plant sites

Solution
Robust solution that could integrate with financials with distribution management,enable inventory mirroring for several sites and provide complex tracking information

Business Benefits
- Able to produce fundamental transactions for growers on a more timely basis
- Greater confidence in accuracy of financial information
- Ability to mirror inventory against distributor sites
- More accurate inventory tracking through improved visibility

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"Since implementing the Epicor solution, we have seen a number of benefits. In addition, the board has more confidence that our financial information is accurate, so they can better understand wherethe business is growing."

— Peter Cummings
Vice President of Finance
BC Hot House Foods, Inc.

Twenty years ago, BC Hot House Foods Inc. (BC Hot House) was known as the Western Green House Growers co-operative, and its primary value-add was grading and packing—the produce sold itself. As the hot house industry evolved through the years, BC Hot House—with over 500 acres of greenhouse today—progressed as well, becoming more of a sales,marketing and distribution company in addition to a grading and packing operation, filling orders on its hydroponically grown vegetables, including several varieties oftomatoes, sweet bell peppers and long English cucumbers.

Due to the growing expansion and, consequently, higher volumes of produce to ship, BC Hot House sought a distribution solution that could match its company strategy moving forward, as well as integrate with the proprietary software that ran their plant controls. "We got into a level of complexity that really demanded a more sophisticated software solution," said Peter Cummings, Vice President of Finance for BC Hot House.

BC Hot House already used Epicor Financials and turned to Epicor again for a solutions that would meet its warehousing and distribution needs. "Because Epicor Supply Chain Execution was already part of the Epicor for Distribution application suite, it was our lowest cost approach," said Lance Duthie, director of IT, BC Hot House.

Epicor for Distribution Helps Meet Unique Needs

The Epicor Supply Chain Execution module in Epicor for Distribution enables BC Hot House to efficiently capture real-time inventory transactions and maintain a complete transaction event history for analysis and reporting. It also integrates seamlessly to Epicor Financials. BC Hot House has several unique needs due to the nature of its industry. The grading and packing line itself is essentially a manufacturing operation. Therefore, it was also important that Epicor Supply Chain Execution could integrate with the systems that run the packing and distribution equipment. "We have five different interfaces that need to work with

Epicor, since we are really running a micro supply chain. The product has been very stable with the integration," said Cummings. In addition, BC Hot House works with vendors, or growers, who sell produce to them, and suppliers, such as freight and corrugated box companies. Managing the grower purchases is the most complicated part of their operation. BC Hot House receives bulk, ungraded product from numerous growers and has to manage the entire process. This consists of getting bulk ungraded products into bins, onto the packing line, grading out the number ones and two, sorting by size, dropping the produce into packing boxes, then palletizing the finished product and loading it into inventory. The process is especially complex since many growers send in the same product.

BC Hot House also has two dominant distribution channels—a direct sell to retailers and through distributor partners. The distributors work with replenishment transactions for major customers and handle the billing. Using Epicor for Distribution, BC Hot House is able to capture billing information in its books and maintain visibility into who bought the product and at what price.

BC Hot House has three major distribution partners each with different processes. With the Epicor solution, BC Hot House is able to track what is on site, who they sold it to and for what price. They can also capture adjustment transactions and observe activity at these sites through the Epicor solution. "Epicor for Distribution has enabled us to mirror our inventory in those remote locations, and we have automated the process of the shipping and receiving of that data," said Cummings.

Integration Drives Efficiency

Since implementing Epicor for Distribution, BC Hot House has seen improved efficiency throughout its distribution and warehouse operations. According to Duthie, "We are in a position now where we have a slick integration process with Epicor for Distribution."

BC Hot House transfers product out and creates an EDI transfer document which goes to the distributors so they can receive against the EDI transaction. Once received, they send back a confirmed EDI transaction receipt, which BC Hot House uses to update the mirrored inventory. The distributor ships the product and sends BC Hot House a shipping EDI transaction, which allows them to document the inventory. When the customer has been billed, the distributor sends BC Hot House a final billing document, which they use to clear the billing process. Duthie said, "Epicor for Distribution is great because we are able to fully mirror the inventory and, at the same time, capture the file customer selling transaction."

BC Hot House is pleased with its more tightly integrated system, which tracks shipping on hundreds of thousands of cases of produce every week. "With Epicor for Distribution, we now know where they are going and where they end up," said Cummings. "We do have improved data and a finer service level from the system's performance."

BC Hot House is also able to get fundamental transactions out to its growers on amore timely basis and with better precision. "Since implementing Epicor for Distribution, the board has more confidence that our financial information is accurate, so they can better understand where the business is growing," said Cummings.

BC Hot House Foods, Inc.

Rev-A-Shelf

Industry
Manufacturing

Headquarters
Louisville, KY

Employees
245 Employees

Epicor solution
Epicor for Distribution

Business Challenge
Outdated paper-based system created inventory accuracy issues including lost inventory and shipping errors resulting in charge backs from customers

Solution
An end-to-end enterprise resource planning (ERP) and warehouse management system (WMS) with business intelligence for strategic decision-making and e-commerce capabilities including storefront and supplier relationship management (SRM)

Business Benefits
- Improved inventory accuracy, increased productivity and reduced warehouse space
- Significant reduction in charge backs through greater shipping accuracy
- Real-time tracking has increased warehouse inventory accuracy from 85% to almost 99%
- Inventory count time cut from one full weekend to 6 ½ hours
- Productivity up by 25% because picking is more efficient and less time is wasted searching for material
- Daily shipments have increased from 75 skids each day to 250
- Inventory turns are up from two times each year to eight

"With our plans for future growth, we need to have the right partner. We feel very comfortable that Epicor is that right partner and we are on the right track to meet our goals together."

— David Noe
GM and Vice President
Sales and Marketing
Rev-A-Shelf

As a leading manufacturer of custom storage organization products, Rev-A-Shelf offers both the professional and the homeowner the finest storage solutions available today. The product line consists of wood, polymer, wire, and stainless steel components, manufactured and marketed globally to kitchen dealers, cabinet shops, and large OEM cabinet manufacturers, hardware distributors, and retail home centers. Rev-A-Shelf, a family-owned business since 1978, began with a product line consisting of metal and polymer Lazy Susan components. Today, they are the leading market innovators of quality, functional residential cabinet storage and organizational products.

Rev-A-Shelf is currently implementing a comprehensive "Lean Manufacturing" initiative throughout the corporation. This has required the company to integrate in order to achieve real-time visibility of inventory and finished goods. "With the implementation of lean manufacturing, we needed to ensure real-time visibility," says Michael Rodgers, information systems manager at Rev-A-Shelf. "Now all information we get on inventory is in real-time. That makes a huge difference. If something is moved, it's shown and accounted for," says Rodgers. Operating with 'lean' manufacturing means you have to make changes to production and material flow frequently. With Epicor for Distribution, Rev-A-Shelf has the information they need to make those changes.

"We chose Epicor for several reasons. Epicor provides strong functionality. It is a one-stop-shop with embedded WMS and ERP and a low total cost of ownership," said Rick Moreschi, database administrator for Rev-A-Shelf. "In-house expertise on technology played a big role as well. Finally, we already had a relationship with Epicor and its employees. They knew us and our specific needs."

"The assistance we have gotten from Epicor systems has been an enormous help in growth in the past five years," said Don Bramer, production manager for Rev-A-Shelf. "We have grown tremendously and it is going to continue."

Becoming Lean

For Rev-A-Shelf to become 'lean' they had to make some changes in operations. After implementation, the company moved from a "build-to-stock" to a "build-to-order" philosophy. With build-to-order in place, they set a company goal of shipping OEM/retail customer orders in three business days and distributor orders in four business days.

While the three buildings Rev-A-Shelf occupies are close in proximity, they are separated by city streets. Geographic constraints required that material be shipped from another warehouse just-in-time (JIT) for manufacturing, then finishing the manufactured goods in time to meet the shipping schedules.

One hurdle was identifying demand against the available inventory by matching bills of materials (BOMs) for all open orders against current raw material inventory. However, the biggest challenge was doing all of this with a paper-based inventory system. "We used to do everything in the warehouse by paper; we then followed up by manually inputting the data into our systems each night," says Rodgers. "As a result, we had errors and inventory problems. We also spent a lot of time on cycle counts, and sending people out to locate product." The paper system offered no real-time visibility.

With the move to "Lean Manufacturing," integration has become critical for inventory accuracy and productivity. "With the Epicor system we have put in place, we now have excellent control over where product is," says Rodgers. "Rev-A-Shelf surpassed its shipping goals and now ships orders in two days."

Keeping Lean

Epicor for Distribution is now used by everyone to access the information they need to keep Rev-A-Shelf running 'lean'. Using a wireless network scanning system, personnel perform a variety of inventory transactions updating the system in real-time. At computer work stations, users examine requirements and schedule work orders, report production and print labels, allocate inventory to sales and work orders, and pack out orders and printing lists.

Crystal Reports and automated e-mails keep users informed of inventory and manufacturing status. Effectively leveraging the real-time ERP data tracked through Epicor for Distribution, kanban replenishment, now automated, is sending inventory alerts to a handful of suppliers.

The result: "Productivity has increased in every work cell, and has reduced the warehouse space in the building by one half," said Rodgers.

Clear View Creates Success

Real-time data forms the foundation that is essential for Rev-A-Shelf enabling it to operate as a successful 'lean' manufacturer. Further benefits of the Epicor solution are seen in immediate internal performance reporting with goal tracking throughout the day. The ability to manage materials, geographically separated, are now available at time of demand.

Through real integration with Epicor for Distribution, Rev-A-Shelf has gained a competitive advantage, and as they continue to grow, will be able to keep that advantage. "With our plans for future growth, we need to have the right partner. We feel very comfortable that Epicor is that right partner and we are on the right track to meet our goals together," said David Noe, GM and vice president of sales and marketing for Rev-A-Shelf.

Rev-a-Shelf

Rugs Direct

Industry
Floor Covering Stores

Headquarters
Winchester, VA

Employees
53 Employees

Epicor solution
Epicor for Distribution

Business Challenge
Dramatic growth required more robust ERP solution that could be tailored to fit unique business needs

Solution
Highly functional, flexible and scalable accounting and distribution management solution with flexible platform and strong customization capabilities

Business Benefits
- Real-time visibility into drop-shipments
- Ability to provide customers, staff and suppliers with high level order detail and tracking
- Improved efficiency through interface between core application and line-of-business solutions
- Ability make business-critical customizations
- Improved efficiency and automated processes enables more than 400% increase in number of daily shipments
- Tighter order tracking enables reduced burden on its customer service center

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> "In our competitive industry, it's essential that we operate efficiently with minimal overhead in order to generate profitability and that is where Epicor for Distribution is really helping—to drive profitability and enable us to expand our market."
>
> — Randy Kremer
> President
> Rugs Direct

As a leading supplier of rugs from around the world, Rugs Direct offers a selection, style and value that are unmatched. A multi-channel retailer, Rugs Direct offers a collection of more than 60,000 rugs from synthetic to hand-made, Oriental to Persian, contemporary to traditional, through its e-commerce site www.rugsdirect.com, two brick and mortar stores and a mail order business. Since its founding in 1999, the company experienced tremendous growth and realized its current financial system would not support recent or future growth.

"We were doubling, sometimes quadrupling our business every year. The technology system we had became obsolete, and our staff was not able to utilize it to get their jobs done effectively," said Randy Kremer, president of Rugs Direct. "We needed to find a solution that was robust enough to meet our needs, but we were also looking for a technology partner that we could develop and grow with in the future." Rugs Direct evaluated solutions from Microsoft Business Solutions (Great Plains), Best Software (ACCPAC and MAS 200), Icode, and Epicor, ultimately selecting Epicor for Distribution.

"We selected Epicor for three key reasons: first because its Microsoft SQL Server platform would provide us the flexibility we required; second it was affordable in comparison to the other solutions we evaluated; and finally for Epicor's willingness to partner with us to create the customizations that best fit our business needs," said Kremer.

Creating Business-Critical Functionality

For Rugs Direct, the ability to make customizations was essential since its multi-channel operations require integration with several line-of-business solutions. The company already had a robust e-commerce system that needed to interface with Epicor, and integration was also required with the company's homegrown systems for its call center and a point-of-sale (POS) system used in the retail stores.

Since the initial implementation, Rugs Direct has found further ways to leverage the flexibility of Epicor for Distribution, which serves as the hub for all transactional and financial information. The company worked with UPS Business Solutions to implement a solution that allows order data from Epicor to be put in the format needed to advance the order cycle. "We've taken the inventory picking functionality in Epicor for Distribution and created our own triggers to push select data into the UPS system which enables us to print shipping labels over the Web," said Greg Culler, CIO for Rugs Direct. "This integration also enables us to get the shipping and tracking information back into Epicor for order resolution."

The integration is critical to Rugs Direct, which processes about 80 percent of its orders as drop-shipments. "Working with just-in-time inventory, we have critical business needs in terms of order tracking," said Kremer. "The integration between UPS and Epicor gives us real time visibility into our shipments as they leave our various suppliers." Rugs Direct has also created an interface between Epicor and VeriSign, which it uses for its online payment processing, and is working with Epicor partner eBridge to implement electronic data interchange (EDI) capabilities.

A Company-Wide Resource

Today, Epicor for Distribution is used at every level and in every function of Rugs Direct. The solution's company-wide footprint has created efficiencies in many areas, including dramatically elevating the company's order processing capabilities. "Previously, we were lucky if we could ship 70 packages a day because of all the manual processes," said David Craig, CEO for Rugs Direct. "With Epicor for Distribution and the integration to the UPS solution, we've had days where we've shipped over 300."

Rugs Direct has also seen a reduced burden on its customer service center by developing a front-end customer service and POS interface to provide staff with access to all mission critical information from one screen. "With Epicor for Distribution, we are able to provide a high level of order detail and tracking which has significantly reduced the number of calls from customers and suppliers on order status," said Kremer. "This translates to a significant cost savings as well as contributing to our overall efficiency."

Flexibility Drives Success

According to Kremer, the increased efficiency enabled by the functionality in Epicor for Distribution as well as the integration capabilities is a great asset. "In our competitive industry, it's essential that we operate efficiently with minimal overhead in order to generate profitability and that is where Epicor for Distribution is really helping—to drive profitability and enable us to expand our market," said Kremer.

Further benefits are seen from the ability to manage Rugs Direct's multiple line-of business systems in house, enabling the company to have almost instant access to data and providing a competitive advantage. "The Epicor solution has enabled my department to create a level of efficiency within our own systems that I don't believe our competitors are able to do," said Culler.

Rugs Direct continues to strategize on how to leverage the technology solution to create further efficiencies. "Implementing a solution like Epicor for Distribution with a flexible platform that allows us to make key integrations as needed is a major benefit," said Craig. "As far as the potential for the operational efficiencies enabled through Epicor, we haven't even scratched the surface yet."

Wild Planet Toys, Inc.

Industry
Toy Manufacturer

Headquarters
San Francisco, CA

Employees
50 Employees

Epicor solution
Epicor for Distribution

Business Challenge
Inefficient manual ship-fill process was error-prone, created inefficiencies and wasted resources

Solution
Integrated distribution solution providing improved order fulfillment, support for EDI, and more accurate reporting

Business Benefits
- Increased the accuracy and reduced the cycle time of the ship-fill process
- Improved cash flow through next day invoicing
- Reduction in the time required to perform selection and matching of stock to orders
- Improved management decision-making process by greatly increasing the volume, accuracy and timeliness of the available information
- Saving one to three man-hours per day in ship-fill process
- Reduced the elapsed time of receipt of order to distribution from over a day to one to two hours

"The reduction in the time required to perform selection and matching with Epicor for Distribution has provided dramatic time and cost savings, making it possible to accommodate our rapid growth with only a minimal staffing increase."

— Steve Revere
Wild Planet Toys, Inc.

Wild Planet Toys, Inc. was founded in 1993 with the mission to create quality products that spark the imagination and provide positive experiences without relying on violence. During its busy season, which runs from August through January, the company typically receives 300 orders a day from large retailers such as Wal-Mart, Toys'R'Us, and Target as well as a wide range of smaller stores. The company needed an integrated distribution solution that would provide improved order fulfillment, support for electronic data interchange (EDI) and more accurate reporting.

In the past, orders were entered and then a report was printed of all outstanding orders, including those that had been held over from previous days because stock wasn't available. Another report was then printed with available inventory at Orion Logistics, Wild Planet's 3PL. A group of clerks would compare the reports, select orders for shipment and enter them into the distribution module manually. The same manual, multi-person task had to be completed the next day, when the shipment report came back from the 3PL. Errors frequently arose during this manual process, especially when two clerks accidentally each prepared the same order for shipment.

According to Steve Revere, vice president of information technology, the most critical criteria for the new solution was that it be equally strong in both accounting and distribution functionality. "I looked at all the major midmarket brands, and Epicor was the only one that met our needs in both areas," he said. "Epicor for Distribution offers capabilities far beyond what I saw in other packages such as the ability to automate the entire order entry process, including orders, shipping and returns. Epicor also offered the services of their consulting team to meet several company specific requirements that no packages were able to handle off the shelf."

Increasing Accuracy and Reducing Cycle Time

According to Revere, Epicor for Distribution has streamlined every aspect of the ship-fill process. Now, the process begins by sorting orders according to specified criteria. Epicor for Distribution matches the orders to available inventory according to the selected criteria, for example, customers that don't meet Wild Planet's credit requirements are automatically avoided.

Once satisfied with the selection, the clerks simply push a button and Epicor for Distribution generates a file that Wild Planet sends to its 3PL. When the 3PL sends back the file of the actual shipments, Wild Planet imports it into Epicor for Distribution and it automatically matches up the shipments against the outstanding orders. "The errors that frequently happened with the previous manual process meant that we were never entirely sure what we had in stock," said Revere. "

The result was that we would send orders to the 3PL that couldn't be filled and would end up with 40 partially filled orders sitting in the staging area and no idea when they would ship." The solution has enabled Wild Planet to tell its customers exactly when they can expect to receive merchandise. "Epicor for Distribution provides a nearly error-free process that has helped to increase our fill rate by 40% to 85%," said Revere. "And the additional speed of the automated process has improved our cash flow. Instead of waiting two days for the order to be shipped and another week for the invoice to reach the customer, in most cases we now ship the order and deliver the invoice electronically to the customer by the next business day."

Epicor for Distribution has also aided the management decision-making process by greatly increasing the volume, accuracy and timeliness of the available information. "We weren't always able to get accurate information out of the old software," Revere said.

"For example, we would run a sales-by-rep report and then run a sales-by-customer report for that rep's customers and get a different number and it was very difficult to understand why. Now the reports are all coming out accurate using Crystal Decisions—Seagate Info Desktop 7.5, which easily integrates with Epicor for Distribution."

Customization Aids Streamlining Effort

Wild Planet made an important modification to the ship-fill feature that adds a range dialog window to the calculate function. Now, when users start the ship-fill process and select the calculate button, they are prompted with a pop-up dialog form that lets them filter and sort orders by several criteria including order number range, customer code, price class, item code and territory. "Automating what used to be very tedious manual tasks has saved us approximately one to three man-hours per day, making it possible to handle a very large increase in volume with only a small increase in staff."

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