



WEST CHESTER HOLDINGS

OPTIMIZING INVENTORY AND WAREHOUSE MANAGEMENT

QUICK FACTS

Industry

Wholesale distribution

Revenue

US\$100 million

Employees

120

Headquarters

Monroe, Ohio

Web Site

www.west-chester.net

SAP® and Partner Solution and Services

it.wholesale, a qualified SAP® Business All-in-One partner solution

Implementation Partner

itelligence Inc.

West Chester Holdings Inc. is a wholesale distributor of gloves and protective clothing. In need of an integrated inventory management solution to replace its disparate legacy applications, the company selected it.wholesale, a qualified SAP® Business All-in-One partner solution. After a 15-week "big bang" implementation, the company gained better inventory visibility and improved its warehouse management processes, its service levels, and its billing cycles.

Key Challenges

- Need for better integration between warehouse and inventory control processes and applications
- Customer service hampered by insufficient inventory visibility and uncertain back-order status
- Manual, paper-based processes that cannot scale to 600-per-day order volume and lead to end-of-month write-offs
- Legacy proprietary hardware

Implementation Best Practices

- Select a proven implementation partner
- Use built-in best-practice business processes
- Transfer master data early in the project
- Train the trainer and develop in-house expertise
- Be involved and committed
- Test rigorously before going live

Financial and Strategic Benefits

- Improved multilocation inventory control
- Gained better insight into inventory variances
- Improved decision making with better data and analytics
- Shortened billing cycle to improve cash flow
- Improved customer service through higher order fulfillment rates
- Enhanced supply chain relations through vendor portal
- Enabled a direct-to-customer shipment program
- Decreased annual direct mailing costs by US\$24,000
- Avoided costs due to greater efficiency: -1 admin FTE, 1 salesperson FTE

Why SAP Was Selected

- Only solution fully integrated across warehouse management and inventory control processes and software
- Most robust functionality, enabling multilocation inventory management
- Superior integration technology
- Best value among products evaluated
- Strong customer references

Low Total Cost of Ownership

- In-house expertise minimizes training expenses and maximizes user adoption
- Retiring legacy systems and having fewer interfaces results in reduced IT and maintenance costs
- Scalability supports growth strategy without additional investment

Operational Benefits

Key Performance Indicator	Impact
Staffing levels to support direct container model	-5 FTEs
Warehouse space availability	+14%
Days sales outstanding	-3 days
Write-offs related to inventory adjustments	-40%
Time spent by sales on administration activities	-10% to -12%
Sales growth without adding staff	+24%
Fill rate due to close monitoring and visibility	96% to 98%



“We can see how our business is performing with one click.”

Mike Derge, CIO, West Chester Holdings Inc.

www.sap.com/contactsap

Integrating Inventory Control and Warehouse Management

West Chester Holdings Inc. relies on a global supply chain to bring its products to market. The company imports its inventory to a centrally located, 200,000-square-foot warehouse. Then, based on orders generated online and by an in-house sales team, the company distributes the inventory to mass retailers and specialty merchandisers throughout the United States and Canada for resale. Wanting to gain better inventory visibility and warehouse management processes and to improve service levels and billing cycles, the company began a search for a software solution to replace its disparate legacy applications. After evaluating dozens of solutions, West Chester Holdings chose it.wholesale, a qualified SAP® Business All-in-One partner solution, provided by SAP channel partner itelligence Inc.

Making the Right Choices to Streamline Integration

Working with itelligence, West Chester Holdings embarked on a 15-week “big bang” implementation. By making use of it.wholesale’s best-practice business processes and making only minor modifications, West Chester Holdings streamlined the implementation. In integrating its existing handheld inventory tracking devices, it streamlined efforts even further. Diligent planning and regular meetings helped to keep the project on track for team members, who had to divide their time between the implementation and day-to-day duties.

Early mapping and migration of the company’s master data enabled the team to practice with and test processes using actual data, accelerating learning and end-user acceptance. Employing a train-the-trainer approach, West Chester Holdings increased its in-house expertise to achieve self-sufficiency and reduce related training and maintenance costs. Before going live, the team performed hundreds of tests to eliminate surprises at the go-live, which went off without a hitch.

Reaping the Rewards of Greater Visibility and Improved Processes

By switching from manual and potentially error-prone, paper-based processes, West Chester Holdings has been able to improve its business processes and customer-service levels. By integrating inventory control and warehouse management, the company improved its overall inventory visibility and fill rates, turns over inventory more quickly, and has shortened billing cycles. At times of inventory overflow, West Chester Holdings can make use of a remote storage location while maintaining control with the software.

With the new efficiencies West Chester Holdings has gained through its direct-to-customer shipment program and improved warehouse management capabilities, it has optimized the use of its existing warehouse space and achieved capital expenditure savings of US\$30,000 per month.

More accurate, readily available data has led to greater insight into the business and reduced order entry and billing errors. Streamlined processes and increased productivity allow the sales staff to spend more time selling, and support staff can be reduced or reallocated to more strategic functions.

Looking Forward to New Opportunities

West Chester Holdings intends to leverage its investment in SAP software by expanding its warehouse facilities to speed time to market. The company also intends to expand its online vendor portal and build a customer portal, providing a direct-connect functionality for order creation and order-status updates.

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