

Wist Office Products

Making Next-Day Delivery a Reality

VAI Designs an Automated Purchasing System for Large Office Supply Company

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Situation

Summary

Office supply companies face stiff competition and realize that on-time, next-day delivery is imperative to survival. Distributors of any size require accurate inventory data to function effectively, but when the firm is a large office supplier offering a selection of approximately 50,000 items, this becomes a non-negotiable requirement. The challenges of maintaining inventory levels, tracking sales and commissions and providing guaranteed in-stock, next-day delivery are difficult. As such, an integrated, real-time inventory management solution is essential. In fact, a comprehensive enterprise resource planning (ERP) solution is an important part to attaining and preserving profitability, and Wist Office Products knew that the right solution could help the company achieve significant bottom-line results.

Customer Profile

Wist Office Products has been serving Arizona businesses since 1955 and is the largest independently owned office supply company in the Southwest. Wist offers over 40,000 products including general office supplies, office furniture and janitorial supplies. Additionally, Wist's ability to accommodate individual, custom orders and free next-day delivery is at the core of the company's success.

Problem

Context

Wist was running an outdated ERP system that presented a number of problems for the distributor. The first primary concern was the system's lack of flexibility. The software did not allow the company to implement process improvements, and this in turn required Wist to incur extra, unnecessary labor costs. Secondly, errors were common and prevented Wist from acquiring the information it needed for accurate reporting and data analysis.

Quite simply, the industry specific ERP package that Wist was utilizing had become obsolete and forced the company to make an important, business-transforming decision. Either Wist could convert to an updated version of a package that lacked the features and flexibility that the growing distributor needed, or it could seek out a new solution. The company had grown significantly since implementing its original distribution package and what had once provided ample functionality, now ate up valuable employee time for simple data entry tasks.

Still, the biggest challenge was in effectively managing its warehouse operations. As a just-in-time supplier, Wist needed a distribution solution that offered accurate, timely data and automated features to streamline operations and get product out the door for next-day delivery. The company's old system was simply too outdated to handle this request and required many employees, manually entering data and picking product to make good on its delivery promises.

Solution Overview

Customer Profile

Wist Office Products is the largest independently owned office supply company in the southwest

Objectives

Wist was running an outdated ERP system that presented a number of problems for the distributor

It was crucial that Wist tackle its excess labor issues without sacrificing the next-day delivery guarantee that set the supplier apart from the competition

The supplier required an automated purchasing system that could automatically transmit orders to its suppliers

Solution

S2K for Distribution

Benefits

VAI's S2K for Distribution has helped Wist reduce inventory levels, streamline operations and decrease overhead cost

S2K takes the guesswork out of the equation with a user-friendly, data-rich suggested purchasing module, which keeps inventory levels lean, but still ample to meet customer demands

Objectives

It was crucial that Wist tackle its excess labor issues without sacrificing the next-day delivery guarantee that set the supplier apart from the competition. To address this, the warehouse staff needed to know where product was located and how much was on hand—at all times. Additionally, since Wist stocks about 1,300 to 1,400 items, but offers over 50,000 products, the supplier required an automated purchasing system that could automatically transmit orders to its suppliers. This was an important and mandatory requirement since wholesalers are an integral part of Wist's business model. An effective method to manage this procedure was crucial to the company's long-term success.

Finding the Right Partner

Wist reviewed several distribution packages before settling on the one firm that offered the solutions and the expertise to deliver – VAI (Vormittag Associates, Inc.) (www.vai.net). Not only could VAI provide a premier ERP solution, but VAI's S2K Enterprise software suite would give the company all of the ERP capabilities enjoyed by larger distributors, at a fraction of the cost.

VAI recommended its S2K for Distribution solution to address the company's needs. Importantly, S2K handles next-day delivery and, because VAI has extensive experience working with distributors in every industry, the firm was equipped with the knowledge to design an automated purchasing solution to facilitate seamless communications and integrated operations with Wist's wholesale partners.

Solution Process

VAI worked with Wist to ensure that S2K's Suggested Purchasing application met the company's needs. Wist accepts orders for items that the company does not actively stock and these orders transmit automatically to the wholesaler, but when dealing with 30 wholesalers at any given time, this can become a time consuming and cumbersome process.

Ryan Wuttke, Director of IT, Wist, explained, "The Suggested Purchasing module has helped us significantly because we go direct to other dealers. This can be a difficult process, requiring our buyers to make decisions on what, when and how much product to purchase. Essentially, we don't want to carry unnecessary product. In addition, it is imperative to control costs by selecting the vendor with the most competitive price for each item. When dealing with tens of thousands of pieces, this can easily become an overwhelming responsibility, but VAI has helped Wist to eliminate wasteful purchasing."

Wist no longer runs an opinion-based purchasing system. S2K takes the guesswork out of the equation with a user-friendly, data rich suggested purchasing module, which keeps inventory levels lean, but still ample to meet customer demands.

Using the Solution to Solve the Problem

VAI's S2K for Distribution has helped Wist reduce inventory levels, streamline operations and decrease overhead cost. Prior to the S2K installation, Wist required an excessive amount of employees to meet its promise of next-day delivery. Now, the company is able to get the up-to-date, high-quality information that it needs to run a competitive business using less payroll hours. Additionally, the company has incurred tremendous cost savings.

"The Warehouse saw a dramatic decrease in labor," said Mike Gallagher, Project Director, VAI. "With VAI's advanced warehouse automation features including picking and order verification, Wist has replaced its manual processes with an efficient system that not only saves time, but also saves money."

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Ryan Wuttke
Director of IT
Wist Office Products

Evaluation

Results and Benefits

As Wist continues to grow, S2K for Distribution is flexible enough to grow with the company. Wist is empowered to modify the system to meet its changing business requirements. For any company that prides itself on providing accurate next-day delivery, customer service must rest at its core and it must continually reevaluate procedures and implementing process improvements to reduce errors. This is the trademark of an industry leader—and a characteristic shared by Wist and VAI. Overall, S2K has equipped the distributor to run an efficient operation with easy access to all of the data it needs to continue fueling its growth.

Customer Quote

Robert Wist, CEO of Wist, summed it up best, "For Wist, the payoff has been substantial. In just 2 years, we've recouped the packages implementation costs and S2K has provided a 10% reduction in employee overhead, while gross margins have increased by about 4%-- both considerable benefits for our company."

For More Information

For more information about VAI products and services, call VAI at 1.800.824.7776 or email sales@vai.net. To access information using the World Wide Web, visit www.vai.net.