



Hubbell Canada: Managing Supply Chain Excellence!

Staying current and flexible, in an evolving business environment, is key to survival and profitability. Leading distributors can look to Hubbell Canada, for evidence of successful supply chain management. Hubbell Inc., headquartered in Orange Ct., is one of North America's leading electrical manufacturing companies. The Canadian subsidiary, originally founded in Ajax, Ont., in 1961, is now located in expanded facilities in Pickering Ontario.



Specializing in distribution, Hubbell Canada supplies its customers with products from 13 different manufacturing sites in North America. Hubbell's former computer systems were severely challenged, as business grew rapidly in the 1990's. The previous legacy system would send distributors a separate invoice for products from each of Hubbell's many divisions. Thus, rather than simply receiving one invoice (listing all of their orders), distributors received several invoices, creating unnecessary paperwork. Working from 'islands of information', and with terminals

running limited applications, it made it extremely challenging for Hubbell employees to receive reliable information or reports. The ability to make proactive decisions became increasingly difficult.

Faced with the challenge of overhauling their systems technology for the 21st Century, Hubbell Canada reviewed and transformed its business processes to better serve the needs of its customers. This entailed a thorough critique of the existing business unit's processes. The senior management team drew up a comprehensive list of specifications. Subsequently, an initial list of potential software suppliers was developed. Key to providing better service to their customers was the ability of enabling customers to place one order and receive one invoice, regardless of the number of business units the customer wished to deal with.

Hubbell Canada has approximately 300 employees and two facilities; a 150,000 sq. ft. facility in Pickering, Ontario and a 50,000 sq. ft. facility in Montreal, Quebec. With Canadian distribution stretching from coast to coast, dealing with multiple 'Channels of Distribution', a new software application search was imperative in order to meet the 'vision' of superior customer satisfaction.



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“Technology and the empowerment of people, have turned Hubbell Canada into a force to be reckoned with!”

*Peter Brereton
President & Co-CEO
TECSYS Inc.*

According to Debbie Drozda, Director of Operations, “The primary reason for selecting TECSYS’ order entry package was that it provided the flexibility to manage all of the different division’s products within the Hubbell structure.” According to Calvin West, Distribution Manager, “Another reason was TECSYS’ Warehouse Management System and the fact that it was integrated into their application suite.” Debbie Drozda adds, “We needed the ability to provide our customers with ‘one order, one invoice.’”

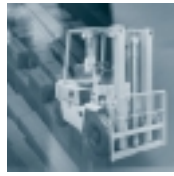


The first phase of Hubbell Canada’s system strategy was to install TECSYS’ Distribution Management System. The suite includes Order Management, Inventory Control, Forecasting, E-commerce and Financials, together with Enterprise Performance Management applications *EliteQ™* and *EliteView™*. A strong cross functional team was formed, under Debbie Drozda, and included people from Sales and Marketing, Finance, Operations, and Customer Service.

Since Hubbell Canada implemented their systems platform changes three years ago, orders have increased by 38%. EDI orders have grown close to 400%. Once representing 12% - 15% of orders, EDI orders now account for 48% of total volume. Also, the order cycle time was cut from 12.08 days to 2.17 days, nearly a 556% improvement. Thanks to TECSYS, what used to take 20 people now only takes 13.

The TECSYS partnered Demand Solutions’ forecasting module, integrated into *EliteSeries™* Distribution Management System, has allowed Hubbell Canada’s forecasting accuracy to move from 64% to over 90%, an astonishing 40.1% improvement. In 2001 alone, inventory levels have been reduced by 15%. This has been possible due to the methodology shift from tracking safety-stock to the more sensitive and industry awareness of safety-time.

The second phase of Hubbell Canada’s systems modifications included the installation of a Warehouse Management System. Hubbell Canada stocks 6,500 items with an online catalog of 40,000 items. The distribution center employees use handheld Intermec RF units with Zebra Label Printers. Hubbell Canada also invested in automatic carousel systems, which were integrated with TECSYS’ Warehouse Management System. The shipping accuracy prior to the implementation of the new solution was 99.26%. Today, with the introduction of RF Pick-Pack, accuracy has increased to 99.70%. (Though this may appear to be a small increase, the reality is that the volume of transactions has nearly doubled since



installation without the addition of any further employees. This was accomplished by eliminating out dated processes, that were awkward, lacked accuracy and took workers three to four times longer to process.) With RF technology and full supply chain visibility throughout the enterprise, productivity has improved immensely. In fact, the original number of distribution center staff still handles today's increased volumes.

The third phase of the plan involved the recent introduction of TECSYS' web tool: *Elite.eCom*. This phase was introduced in August of 2001. In this short period of time, Hubbell Canada has already registered nearly 250 of their customers and has set a target growth of 50% for 2002. The approach is not to replace the larger customers that currently use EDI, nor their method of ordering, but rather to service the remainder of Hubbell Canada's clients by offering an easier way to do business. A registered client will be able to place orders, check stock, see their own pricing and browse the complete Hubbell catalogues for product codes, descriptions, and specifications. The customer can check the status of their orders, validate proof of delivery, and place orders. This will increase service levels offered to their customers and provide mutual reductions in transaction costs.

During this effort, Hubbell Canada also introduced the Enterprise Performance Management tools *EliteQ* and *EliteView*. They realized that total visibility of



information has become critical and the standard for conducting business. "We are able to export data into Excel files and send it via email. Sales reports are in electronic form and sales reps across the country can obtain 'real time' information to handle customer requests on sales orders, which allow them to more efficiently plan their day.", explains Debbie Drozda. "The *EliteQ* tool, for example", Drozda continues, "allows each user to create reports on the fly. We can keep the report template and reuse it or we can create a different one. This is key for us, shortening the request time for custom reports."

Hubbell Canada has been growing at an impressive rate over the last several years. Thanks to TECSYS' software solutions, they now run a leaner and more responsive team. Information is readily available and employees have fully embraced the new technology.

Hubbell's structured approach to development, implementation, and testing has enabled them to meet new business challenges and improve productivity across the enterprise. With 'real time' information at their disposal and employees who embrace their new technology, Hubbell Canada will continue to grow and provide superior customer service through **Enabling Supply Chain Excellence!**

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Management



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