



## TECSYS Power Yields Efficiencies in Management and Information Technology

Since 1968, Elkay Plastics Co., Inc. (Los Angeles) has been a leader in the development and production of industrial and retail plastic bags, ranging from polyethylene bags and tubing; high density bags; industrial covers and tarps; to litter bags; stretch wrap; and even bags for transporting tropical fish. They maintain over 2200 SKUs in nine regional distribution centers across the U.S.

Just-In-Time (JIT) availability and synergistic distribution channels are as crucial to the success and growth of Elkay as the quality of their products. Elkay's implementation of TECSYS' *EliteSeries* radically streamlined their inventory and distribution processes.

"Our goal is to have products available to any customer in the continental U.S. within three hours of order placement," says Gordon Tyler, V.P. Information Technology and Administration, at Elkay. "The only way to accomplish this is to warehouse the products in local markets and keep them accessible through sophisticated supply chain management."

### The End-Users Wish List

When Tyler joined Elkay in 1992, the distribution system was stagnant and archaic with a closed platform that did not accommodate growth or system integration. After stabilizing the existing processes, he launched a vigorous quest to identify the best software for supporting flexible, innovative supply chain management and aggressive corporate expansion. Defining parameters for the ideal solution required understanding all

the specific internal needs. Every computer user at Elkay received a survey of straightforward questions like: *What do you like about the current system? What don't you like? What features would you like to add?*

The survey accomplished a dual mission. Quantitatively, it prescribed the necessary "wish list" for vendors to follow in making recommendations and validations for purchasing their particular software solution. Qualitatively, it involved the entire company population in the process of revitalization and modernization. Wisely, Tyler understood that shifting from comfortable routines to a new modus operandi that utilized advanced technology might intimidate many employees. "Employees need to understand how changes will improve their individual performance, not just how a new system will benefit the company," he cautions.

### KISS: Keep It Scaleable & Simple

Elkay's exhaustive research and evaluation – encompassing a review of countless software applications, attendance of trade shows and demonstration seminars, and personal visits to numerous vendors – culminated in the decision to purchase TECSYS' *EliteSeries*. "Two features convinced me this was the best system for Elkay," reports Tyler. "The software is well written with an excellent foundation that's ideal for post implementation manipulation. For instance, we have a multiple list price requirement and the software was designed with a Price



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Matrix to handle multiple list prices and discounts, but not both at the same time. With a little internal surgery, we modified the program to suit our needs.”

The other significant selling point that impressed Tyler was the program’s simplicity and ease of use; it’s written in plain, understandable English. Field names are real, standard terminology not hieroglyphic codes. Designed for high volume transaction processing, the **EliteSeries**’ integrated distribution technology includes the **EliteView** Executive Information System, e-commerce and EDI capabilities across the supply chain, encompassing order management, warehouse management, inventory management, procurement, and financial management.

**EliteView** Executive Information System, with virtually unlimited data extraction capabilities, can analyze data sets of millions of records and generate presentation-quality reports, charts, graphs and spreadsheets. Based on Cognos Incorporated’s PowerPlay® and Impromptu® Business Intelligence Tools, **EliteView** product design has standard predefined information views for sales orders, sales analysis, inventory, customer returns, accounts receivable, accounts payable, general ledger and warehouse management.

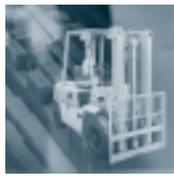
“A schematic of the database architecture is displayed on our computer room wall,” says Tyler. “You can instantly reference how to locate information. Recently, we’ve added a Cognos Suite that enhances our capabilities to produce reports through the **EliteSeries**. Ad hoc reports that once required several hours can be compiled in a matter of minutes using the database schematic on the wall.”

## Going Live in Five

An aggressive implementation schedule coupled with an ambitious training program brought the eight distribution centers live with the program in a short and seamless transition that was completed within five months. Each location was allocated five days for training and converting. Employees actually trained on the new system for three days (Wednesday through Friday); the old system data was converted and uploaded to the new system on Saturday; and on Sunday, employees returned to enter all of the open orders and open purchase orders, by hand, to reinforce the training process. When branches opened for business on Monday, they were fully converted and live on the new system.

The use of TECSYS’ structured implementation model, which encompassed the use of project plans, business process reviews, data models, training, setup guides, and a testing transaction checklist, also contributed to Elkay’s successful implementation. These tools, coupled with TECSYS’ extensive implementation experience and authorship knowledge of the **EliteSeries**, fostered an environment for a successful implementation.

“The **EliteSeries** lends itself to people who are willing to learn and who can work intuitively,” explains Tyler. “Like using Windows or the Internet, employees can enter a piece of information and the system provides choices of the possible options. The success and ease of our implementation is a testament to the intuitive capabilities of the **EliteSeries** system.”



## Centralized Flexibility: A Value-Added Dichotomy

Three years into the program, Tyler declares that Elkay is still in the process of fully realizing the power of the system for post sale reporting and optimized efficiencies. The proactive requisition system can work above the typical level of order replenishment to actually forecast inventory needs. The requisition feature provides a literal value-added service; “now, I don’t need to spend another \$50,000 on a plug-in program to give me this information,” states Tyler.

Recently, Elkay added the flexibility to manage interbranch transfers of inventory. If a customer in Kansas City orders 100,000 units, partial fulfillment can come from their assigned service center in Denver with the remainder of the order shipping from Chicago. The customer receives his full order in two pieces that arrive on the same day and neither branch has to completely deplete their stock. The system’s tracking automatically replenishes inventories and assigns the appropriate commission to the Kansas City sales rep in the Denver location.

“Our system is fully centralized; we could completely centralize customer service in one location because people can manage the resources from anywhere as long as they have access to the program,” continues Tyler. “The *EliteSeries* offers many options for improved efficiencies; we could easily consolidate 25 customer service positions, nationally, into ten people.”

The potential for improved efficiencies and recurrent cost savings is readily apparent. However, the initial investment for converting archaic systems into productive engines for supply chain

management is daunting. In addition to software costs, budgets must allow for implementation costs that are exponentially proportionate to the scope of the modification requirements and the number of users. With the implementation process averaging an additional 50% of the software cost, the abilities to manipulate the platform for future requirements, train users expediently, and convert systems in a matter of days become issues of financial merit not just acts of convenience.

“Within three months of implementation, we saw a measurable impact in increased customer service levels and decreased inventories,” said Tyler. “Now we can operate with a higher level of management potential.” For instance, the reporting system can monitor overtime expenses. If a branch ships 7500 cases one day and their average is half that volume, then overtime may be justified. However, when the same branch charges overtime on a day it ships 2000 cases, there is cause for inquiry.

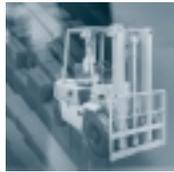
Companies looking for software can learn from Elkay’s success: define your needs specifically and research all the options thoroughly. “The most important factor is to have a project manager with the authority and autonomy to oversee the entire project, from developing the initial plan through implementation and modification of the system,” concludes Tyler. “Also, selecting a vendor who can demonstrate a high level of commitment to your company, one that will remain responsive and supportive for the duration of your long-term partnership, will reduce post sale costs. TECSYS may not be for everyone; but they have been, and continue to be, an excellent partner for us.”



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