

Ace Mart Case Study



TECSYS Dishes Up Significant Cost Savings and 99.99% Order Accuracy at Ace Mart's Warehouse Operations

“When You Need It Now!”

The corporate motto of Ace Mart Restaurant Supply—**“When You Need It Now!”**—sums up the secret to the success of the largest self-distributing food service equipment and supply wholesaler in Texas. Founded in 1978, Ace Mart is dedicated to fulfilling its ‘in-stock’ promise. This commitment has enabled the company to evolve into a thriving statewide operation with more than 250,000 square feet of showroom space, 250 employees and \$50 million in annual revenues.

Each of Ace Mart's 12 spacious superstores carries more than 7,000 products, ranging from equipment and furniture to small wares such as china, flatware, glassware, kitchen utensils and chef's ware. Ensuring customers can walk in and buy any of these items, any time, is at the heart of Ace Mart's unique competitive advantage.

Facing the stock-out challenge

Three years ago, this key competitive advantage was seriously threatened. As the wholesaler added superstore after superstore, its outdated legacy system started to falter and Ace Mart began to experience stock-outs. The proprietary software was incapable of keeping pace with the company's rapid growth and increasing inventory volumes.

Ace Mart launched a comprehensive search for a leading-edge enterprise solution capable of delivering significant improvements in warehouse management, inventory management and purchasing. Dave Russell, Ace Mart's Controller, was in charge of the search.

“I had two litmus test questions for potential providers: one, describe your integrated point-of-sale/counter sales functionality; and two, tell me about your integrated warehouse management system,” recalls Russell. “If they stumbled on either of these, they were immediately eliminated.”

A thorough evaluation process, which included a formal Request for Proposals, user site visits, live pilot demos and customer references, yielded a clear winner: TECSYS' **EliteSeries**, the leading distribution-focused enterprise solution.



“In the end, TECSYS offered an integrated system with point-of-sale capabilities, deep warehouse management functionality combined with wireless technology, strong financials and e-commerce to support our future growth. We wanted to get this right the first time—that's why we chose TECSYS.” Russell sums up the decision

TECSYS

The wonders of a wireless distribution center

100% inventory visibility, 100% of the time

“Prior to the TECSYS implementation, our Distribution Center was the least automated link in our chain,” explains Jeff Carpenter, Ace Mart’s Distribution Center Manager. “Everything was done manually—receiving, shipping, putaway, picking, counting—the works! Now with the EliteSeries WMS and handheld and fixed RF scanners, virtually every function is automated. Extensive computerized checks and balances have enhanced our performance across the board.”



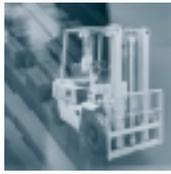
Ace Mart purchased the entire **EliteSeries** suite, including the Distribution Management, Warehouse Management, Electronic Commerce, Demand Planning, Executive Information and Point-of-Sale modules. TECSYS integrated its best-of-breed Warehouse Management System (WMS) with radio frequency and bar-coding technologies. In the process, Ace Mart’s 100% paper-based, manual Distribution Center was transformed into a wireless wonder of efficiency and productivity.

Shortly after the ‘go-live’ in February 2001, the restaurant supply wholesaler began to experience order-of-magnitude improvements in efficiency and accuracy in its 60,000-square-foot Distribution Center.

The TECSYS solution provides Ace Mart with unprecedented enterprise-wide visibility into the real-time status of inventory. As a result, the wholesaler has decreased inventory, virtually eliminated stock-outs, and improved customer service. It has also made tremendous accuracy and productivity gains.

Instant collection and transmission of wireless barcode data has had a positive impact everywhere in the Distribution Center. In receiving, tasks are now performed rapidly and easily using handheld scanners and system-directed putaway instructions. Equipped with each SKU’s dimensions and throughput, **EliteSeries** WMS automatically calculates the most efficient location and tracks that product throughout its life cycle.

“System-directed putaway has allowed us to optimize space in the Distribution Center,” enthuses Carpenter. “We’ve seen major reductions in both wasted space and time.”



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A real-time feedback loop

Constant feedback from *EliteSeries* WMS ensures every product is physically stocked in the right location, resulting in reduced lost inventory and improved productivity. With some 8,000 pick locations, pulling product used to be a very time- and labor-intensive activity at Ace Mart.

Today *EliteSeries*' outbound system-directed inventory locator allows order selectors to enter an order number in their scanner and instantly receive instructions on where to find order items, what quantities to pick, and the order's destination. Subsequent scans re-confirm accuracy from the shelf to the trailer. In fact, with so many computerized checks and balances, Ace Mart has reduced the number of employees needed to validate packing accuracy from four to one!

Ace Mart has also succeeded in decreasing the time required to pick and pack orders by one-third, leaving order pickers the time to do cycle counting on their shift.

"Since going live six months ago, we've actually counted the entire Distribution Center three times, a feat that would have been absolutely impossible before," explains Carpenter. "The system's ability to conduct perpetual, automated cycle counting has essentially eliminated stock-outs for us."

Benefits across the board



Improvements on the inventory management and purchasing side have also had a positive impact on stock-outs. In terms of forecasting, *EliteSeries* has automated previously manual processes and allowed Ace Mart's purchasers to better anticipate inventory requirements.

In addition to reducing the headcount in the Distribution Center by some 12%, Ace Mart is equipped to handle future growth without increasing employee numbers. Automation and enhanced efficiency have allowed purchasing to decrease its personnel by 28% and freed up the remaining staff to focus on more strategic purchasing.

EliteSeries Point-of-Sale module provides Ace Mart's superstores with instant access to real-time, accurate inventory data. Dave Russell says the entire company now buys and sells with greater confidence.

"Before, our overall inventory accuracy was in the high 70s," states Russell. "Today it's around 95% overall, with 99.99% outbound order accuracy. Clerks can instantly search for an item across the enterprise and promise next-day delivery in total confidence, generating increased sales and substantial customer service benefits."



Distribution
Management



Warehouse
Management



Transportation
Management



e-Commerce



Enterprise
Performance
Management

For more information:

Corporate Headquarters

TECSYS Inc.
87 Prince Street
5th Floor
Montreal, Quebec
Canada H3C 2M7
Tel. : (800) 922-8649
(514) 866-0001
Fax. : (514) 866-1805

solutions@tecsys.com

U.S. Headquarters

Schaumburg Corporate Center
1515 Woodfield Road
Suite 850
Schaumburg, Illinois 60173
Tel. : (847) 969-8800
Fax : (847) 969-0380

www.tecsys.com

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