

TECSYS Customer Success Story

Focus Products Group Uses TECSYS' EliteSeries to Create Cohesion and Handle Import Requirements

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*Eric Lockwood
Vice President of Operations*

At a Glance

Industry

Housewares and Personal Care Products

The Challenge

Acquisition-oriented Focus Products Group has been very active in the past few years acquiring companies with lines of products that complement the housewares and personal care items it delivers to major retailers. But while each acquisition boosts the company's bottom line and credibility with the big retail players, integrating new operating companies is a logistical and strategic challenge. In addition to meeting the high demands of its customers, Focus Products Group needs to be able to carefully monitor the cost of items its operating companies import.

TECSYS' Solutions

Implementing TECSYS' EliteSeries at each new operating company is a critical part of aligning the company's business processes with those of the group. Focus Products Group runs all of its divisions on TECSYS Distribution Management and Warehouse Management.

Business Challenges

Acquisition-oriented Focus Products Group has been very active in the past few years acquiring companies with lines of products that complement the housewares and personal care items it delivers to major retailers like Wal-Mart, Williams-Sonoma, Bed Bath and Beyond, Kohl's, Crate & Barrel, and True Value. But while each acquisition boosts the company's bottom line and credibility with the big retail players, integrating new operating companies is a logistical and strategic challenge. Focus Products Group has been relying on the EliteSeries to bring its new divisions in line.

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Business Benefits

With TECSYS, Focus Products Group has been able to:

- Integrate newly acquired operating divisions into the group, aligning their business processes at the same time
- Accurately track containers for all six operating companies
- Maximize warehouse capacity by using space more efficiently through cubing and zoning
- Determine true item-landed cost for more accurate product management
- Support major retail customers with a variety of electronic commerce demands
- Improved access to real-time information

Company History

Growth-driven Focus Products Group was founded in 2001 as a holding company. The group's operating divisions deliver housewares and personal care products to the hospitality and consumer markets. Focus Products Group currently has six operating companies...and counting! Its divisions include: Amco Houseworks, creator of stylish kitchen tools and accessories; Jerdon, provider of personal care accessories for the hospitality industry; West Bend® Housewares, marketer of innovative small appliances; Chicago Metallic, bakeware specialists; Swing-Away, the provider of the most popular can opener on the market for the past half century; and Sensible Storage, provider of custom shelving solutions.

Current Environment

Focus Products Group's strategy is clear: to continue acquiring operating companies with products that complement its current offer to retailers. Five of Focus Products Group's six existing operating companies are run out of a single distribution center, and the sixth is on its own at another location.

Business Environment

Focus Products Group's industry is competitive to say the least and has seen significant vendor consolidation over the years. Major retailers, like Wal-Mart, have their pick of suppliers. To achieve their margins while offering consumers value-priced goods, retailers cannot waste time negotiating with and managing countless smaller suppliers. They want a company that can deliver a variety of products their customers will love, which accounts for Focus Products Group's strong bent toward acquisitions.

The major retailers also have different demands when it comes to electronic commerce. While in theory EDI is a set of standards, in reality large retailers tweak these

standards to fit their own business processes, creating a situation where suppliers have to have the flexibility to adapt their own EDI processes to match those of their trading partners.

Clearly, Focus Products Group faces a number of business challenges that it must tackle head-on to ensure its success. And beyond the demands of its customers, the company's own operations require tight management. Once new operating companies are acquired, they need to fall in line with the holding group's business processes so that the overall business can operate efficiently and profitably, with critical decision-making information at its disposal. Plus to keep an eye on its own margins, Focus Products Group needs to be able to carefully monitor the cost of items its operating companies import.

TECSYS' EliteSeries Solution

Post-acquisition, one of the first items on Focus Products Group's agenda is to get the new division up and running on TECSYS' Distribution Management and Warehouse Management. "We've been running the EliteSeries for a few years now, and with each successive acquisition we've used TECSYS to help integrate the new business," explains Eric Lockwood, Focus Products Group's Vice President of Operations. "We went live the first time in April 2002, and we've converted business by business. When we acquired them, each of our operating companies was running on a different solution, and by bringing them over to the EliteSeries we align business processes at the same time."

TECSYS' EliteSeries is also the ideal solution for managing the import aspects of Focus Products Group's business. The solution's container tracking has been a key feature for the company given the large volume of containers it receives every year; it's

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critical that management be able to pinpoint them at all times. “Given the volume we import, container tracking is important to us,” Lockwood explains. “Keeping track of them is crucial because we handle so many every year.”

Of course, what’s inside the containers needs to be tracked as well. TECSYS’ EliteSeries helps Focus Products Group precisely track what products are arriving, which customers need them, and how to best get the right products to the right people. It also helps the company maximize its warehouse capacity by using space more efficiently through cubing and zoning.

Focus Products Group was sold on the EliteSeries’ costing functionality because it provides the business an accurate picture of its true costs. “We find the costing in the EliteSeries to be far superior to anything we’ve seen,” Lockwood says. “It gives us true item-landed costing, so we know exactly how much is spent on duty, freight, and other import-related charges.” This allows Focus Products Group to know exactly what an item costs by the time it hits the distribution center so that it can make decisions about products based on true, not estimated, costs.

Benefits

Backed by TECSYS’ EliteSeries, Focus Products Group has been able to support the heavyhitters in the retail industry, in part due to the solution’s flexibility when it comes to electronic commerce requirements. “We couldn’t do business without the EDI functionality that EliteSeries offers given the demands our customers put on us,” Lockwood says. “The top retailers really push you to stay on the cutting edge. TECSYS knows this, and they know EDI is important to us, so they’ve kept pace.”

TECSYS’ EliteSeries has also given Focus Products Group the tools it needs to better track every last cost associated with importing products. From container tracking to its costing functionality, the EliteSeries has allowed Focus Products Group’s management to have its finger on the pulse of its operations, knowing where container traffic is when and how much each imported item truly costs.

Summary

Companies like Focus Products Group that are growing through acquisitions need core solutions that make the task of integrating new operating companies easier, not more complex, particularly when there are import issues involved. TECSYS’ EliteSeries has helped Focus Products Group bring each of its operating companies in line with the way the company wants to do business while giving it the flexibility to handle the import component of its business cost-effectively.

Beyond

“We’re committed to partnering with TECSYS,” Lockwood explains. “They’ve shown us commitment in terms of the resources that they have made available to us when we need them. And they are responsive when it comes to the product too – some of the functionality that we had asked for as custom modifications early on in our partnership has now made it in to the base product. That shows that our input is important.”

“Basically, the product has worked very well for us,” Lockwood continues. “We’ve grown significantly since we first implemented EliteSeries, and it’s still meeting our needs. It’s grown with us, maybe even enabled our growth to some extent.” You can’t ask for much more from a solution.

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