

TECSYS Customer Success Story



S.J. Smith Realizes Their Ambitious Supply Chain Vision with TECSYS

“We needed a partner with a proven track record in supply chain management that was willing to work with us to develop a system uniquely suited to the special needs of our industry.”

*Richelle Smith-Brecht
President and COO, S.J. Smith*

At a Glance

Industry

Packaged Gas & Welding

The Challenge

S.J. Smith needed an integrated financial, distribution and asset management solution that would allow them to measure the outcome of their continuous improvement programs. Having developed their own system, the leadership could not compromise on the key capabilities that supported their tremendous growth in an industry experiencing consolidation and high consumer expectations.

The Benefits

Faster response times were immediate thanks to the level of automation and flexibility achieved by the new TECSYS system. S.J. Smith employees have access to real time business data wherever they may be and are equipped to deal with the daily challenges involved with fulfilling anywhere from 1500 to 2000 order lines per day.

About S.J. Smith

Founded in 1950 as a small welding supply company, S.J. Smith has grown from a single store to fourteen locations in four states. The Company distributes welding supplies and safety products, gases, industrial tools and supplies, janitorial/sanitation and machining products, and work wear/outerwear/uniforms.

A philosophy of continuous improvement is a key success factor to S.J. Smith's incredible history of growth and expansion as a supplier of packaged gas and welding supplies. From humble beginnings in a single store front to running a large distribution infrastructure that puts their customers first, SJ Smith's leadership understood the benefits of continuous improvement well before the term became well known in supply chain.

The Challenge

Maximizing resources to keep costs down is critical in a high volume distribution operation. ***“Every asset needs to be leveraged to its maximum capacity. Every footprint and fingerprint must provide value,”*** commented Eric Smith, Operations Manager at S.J. Smith.

S.J. Smith's 'take charge' culture and a belief in information technologies as a key success factor, drove them to develop their own enterprise resource software at a time when most distributors were still relying heavily on manual systems. When you add to that the challenge of controlling and managing a mix of hazardous materials, high-end specialty products as well as large number of industrial and welding supplies, it was going to take vision and determination and the right partner and technology to make the leap.

S.J. Smith needed a solution that could not only replace a custom asset management and distribution system, but also offer a high-end financial system accompanied by fully developed business intelligence tools targeted at the supply chain industry.

Other initiatives would need to take place in parallel including the implementation of TaxWare, an optional end-to-end sales and use tax solution, an integration of the Knowledge Lake imaging system and an integration to a White carousel system. Furthermore, daily invoice mailings and monthly statements would need to be transmitted to SourceHOV.

The S.J. Smith leadership knew that they needed to minimize any disruptions to day-to-day operations during every phase of the project. A customer-for-life mentality combined with a culture of accuracy dictated that nothing less than a transparent transition could take place.



The TECSYS Solution

As a long-term player in supply chain management for various industries, TECSYS understood the challenge and was willing to partner in an ambitious project of moving a fast-paced, multi-location distribution organization to a new technology platform in an industry with very unique requirements.

The project was broken down into three separate phases; asset tracking and rental billing then finance and finally the entire operation in all locations went live on the new software. The TECSYS project team worked very closely with the S.J. Smith team to formulate a detailed plan that would include intensive testing to ensure a smooth transition.

The unique technology platform allowed for custom reporting and even screen customizations to be completed with very little training to S.J. Smith technical personnel using point-and-click technology. ***“TECSYS’ iTopia engine is very developer-friendly and allowed us to easily expand on existing functionality. We had full access to the data and TECSYS’ sophisticated integration tools,” commented Kyle Shradel, Systems Development Specialist Development Specialist at S.J. Smith.***

Some of the core TECSYS functionality to take center stage included:

- Ability to reduce freight costs by consolidating the requirements of several locations into a single replenishment order on an exception basis.
- Automatic cross-docking documentation to ultimate destination.
- Automation of a collaborative review exercise of an item’s replenishment settings.
- Easy to understand forecast engine with the ability to setup temporary overrides to address unusual demand (ex. special contract).
- Full vendor rebate management with integration to A/P.
- Full visibility of inventory in all locations to prevent buying when overstock from one location can be transferred to meet the demand in another location, including the automatic generation of the required transfer orders.
- Automation of non-stock item fulfillment including alerts and accurate margin based on final landed cost.
- Support of vendor minimum and multiples as well as vendor price uploads with exception reporting based on defined percentage levels including flagging of unit of measure changes.
- Full visibility of all revenue strategies, rental, charges and product with dashboards to allow for strategic customer pricing and service levels.
- Powerful exception-based collection tools to reduce order-to-cash cycle including activity and contact management fully integrated to Outlook.
- Customer relationship tools to track customer contacts as well as activities including a central point of access to all customer interactions.
- Detailed vendor performance dashboards to assist in vendor negotiations and partnership exercises.
- Full visibility on cylinders whether on the truck, in a warehouse or at a customer location. Full traceability on all asset transactions directly within the TECSYS software.
- Mass update capabilities on all tables including pricing and special pricing for customers (for authorized users).

On the financial side, the TECSYS solution provides full traceability of all transactions direction from the general ledger. A fully integrated financial system means that management can trust their financial numbers and understand how these numbers were derived.

The S.J. Smith team can reap the rewards of a complete upgrade of their IT infrastructure based on proven web technologies; an effort which included a close examination of their business processes to weed out activities that did not contribute to the bottom line. The fine tuning need not end with the go-live but, thanks to the flexibility of their solution, further improvements may be easily made and subsequently measured.

“It is critical that we access real-time data, and that it’s reliable. The TECSYS system provides tools that allow us to quickly get at the financial and analytical data we need. After rigorous testing exercises, we have confidence that this data is accurate.”

*Robin Saklar, Chief Financial Officer
S.J. Smith*



Your Supply Chain Matters.™

TECSYS®

www.tecsys.com

info@tecsys.com

Phone: 514-866-0001

Toll Free: 1-800-922-8649

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