



Success Story

Kovalsky-Carr Electric Supply Co.



Company Facts

- Location: Rochester, New York
- Industry: Electrical Distributor
- Number of Employees: 50
- Website: www.kovalskycarr.com



Success Highlights

Challenges

- Help a Rochester, New York-based electrical distributor eliminate distractions and errors and run its business more smoothly

Benefits

- Increased GMROI 51 percent
- Increased inventory turns 39 percent
- Increased profit per employee 76 percent

“We’ve improved employee productivity across every aspect of our business. And we couldn’t have done all this without Eclipse™.”

Arnold Kovalsky, President | Kovalsky-Carr Electric Supply Co.

It’s the mark of a successful businessman to be able to look at his company’s problems and see them as opportunities. Give him lemons and he’ll make lemonade. You know the type—especially if you know Arnold Kovalsky, President of Kovalsky-Carr Electric Supply Co. in Rochester, New York. It was mid-1995 when Kovalsky-Carr learned that it was time to upgrade to a new release of the distribution management system the company had been using since 1992. “The relationship was rocky at best,” recalled Kovalsky. “So when it was time to go up a release—which was always a painful process—we decided instead to start looking at what else was out there.”

The Numbers Tell the Story

After 18 months of talking to some 20 providers, Kovalsky and his team decided unanimously to go with Epicor® Eclipse. Why? “Eclipse seemed to have all the answers,” he explained. “They proved that they understood the distribution business and knew what they were talking about.”

The decision ended up being a smart one. In Kovalsky-Carr’s first four years with Eclipse, the company saw its gross margins as a percentage of sales grow by 7 percent, its GMROI increase by 51 percent and its gross profit per employee rise by 76 percent. At the same time, revenue grew by 32 percent, and sales per employee went up by 65 percent. “We’ve improved employee productivity across every aspect of our business,” said Kovalsky. “And I know we couldn’t have done all this without Eclipse.”

EPICOR®

Keeping It in the Family—and Close to Home

Kovalsky-Carr was founded in 1921 by Joseph Kovalsky–Arnold’s grandfather—and Hyman Carr, who were both wholesalers and contractors in the early years of their business before they incorporated in 1929 and decided to focus exclusively on wholesaling. Arnold’s father, Charles, stepped up to lead the company in 1961 and ran it until he passed away in 1977. That’s when Arnold and his brother Laurence took over the business.

Today, the company serves the upstate New York Finger Lakes region from Lake Ontario to Pennsylvania with 32 employees and a 40,000-square-foot warehouse facility. For a brief period, the company maintained a branch location, but closed it in mid-1999 when, according to Kovalsky, “It became clear that the right business just wasn’t there. It was really a distraction for us.” And once again, Kovalsky saw the problem as an opportunity—to close the branch and grow the company’s core business.

‘A Dramatic Improvement in Inventory Accuracy.’

One way Kovalsky-Carr chose to stimulate that growth was with Eclipse RF Warehouse. “With RF, we’ve seen a dramatic improvement in inventory accuracy,” said Jerry Turner, the company’s operations manager. “We always know what we’ve got, how much we’ve got and where it is—so the salespeople have access to accurate information when they’re on the phone with customers.”

Eclipse RF Warehouse is a fully integrated, real-time system that uses radio-frequency technology to automate warehouse operations. The system makes use of handheld RF data collection devices, which eliminate typing errors and keep inventory variances to under .01 percent—making for higher order fill rates and dramatically improved accuracy throughout the warehouse.

Turner said that he can judge how well the system is working by the number of problem calls he gets. “I honestly don’t get very many of them anymore,” he noted. “Our customers can feel confident that when they place an order, they’ll be getting what they need.

“The system allows us to manage our inventory very well,” added Kovalsky, who explained that the system keeps stock at the right levels by monitoring what’s coming in and what’s going out—and issuing reminders to place orders accordingly. “We know it works because we don’t have to make dramatic changes to its suggested P.O. reports.”

A System That Makes Everyone Happy

The warehouse staff likes the system, too. “It’s unbelievable to see how quickly they can pick orders,” said Turner. “Plus, I can get a new hire in the warehouse up to speed picking orders in just an hour. That used to take two or three weeks.”

And in the back office, Kovalsky said the productivity gains have been equally impressive. “We used to have five or six people working in the office,” he recalled. “But now we have just three or four—and they have a hard time keeping busy.” What’s more, he joked that he barely needs his accountant anymore, “because I can run my own reports and get everything I need.

“Epicor Eclipse has really exceeded our expectations,” he said. “We started out doing pretty basic stuff. But now we’re doing things we could have only dreamt about 10 years ago.”

About Epicor

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