



Epicor Success Story

Paca Industrial Distribution Inc.

Canadian hydraulic and pneumatic distributor sees measurable improvements with Epicor Prophet 21 system

Company Facts

- ▶ Location: Kitchener, Ontario, Canada
- ▶ Industry: Hydraulic/Pneumatic
- ▶ Number of Employees: 23
- ▶ Web site: www.paca.ca



Success Highlights

Challenges

- ▶ Help a Canadian distributor of hydraulic and pneumatic products gain better access to data and streamline workflow

Solution

- ▶ Epicor Prophet 21

Benefits

- ▶ Sales are up 26% since introducing Prophet 21, while headcount is up only 8%
- ▶ Inventory turnover went from five turns per year to eight, while order service level remained at 90%
- ▶ Warehouse labor as a percentage of sales dropped from 4.5% to 4%
- ▶ Eliminated 90% of paperwork

Founded in 1972, Paca Industrial provides quality hydraulic hose and fittings, complete pneumatic product lines and extensive MRO supplies to manufacturing, agriculture, and automotive industries. Based in Kitchener, Ontario, the company keeps 13,000 key hydraulic and pneumatic products and accessories in stock for immediate delivery, and has 23 employees in two locations.

Paca Industrial went live on the Epicor Prophet 21 enterprise resource planning (ERP) system in May 2011. According to Matt Snow, IT and Marketing Manager, the company's previous ERP system was "ancient." He notes, "We couldn't even do back-end inquiries in the database."

Paca Industrial became acquainted with Epicor Prophet 21 at a distribution industry meeting. "We were really looking for Advanced Demand Forecasting (ADF) to make our purchasing more accurate, and Prophet 21 had this," Snow recalls. "We also saw that we could implement electronic data interchange (EDI) fairly easily." They were impressed with a subsequent demonstration during their software selection process. States Snow, "We felt that the ability to customize the Prophet 21 interface offered a good mix with the system's core functionality."



Support for Implementation

According to Snow, the implementation of Prophet 21 went smoothly. "The Epicor Learning Management System (LMS) was provided to every employee," he explains. "They had to take courses on it for a high-level overview, which we then supplemented with hands-on training on the play database. We had the employees duplicate entries from the old system into Prophet 21 so they could get used to it."

Snow praises the Epicor implementation consultant as being very helpful. "He fielded tons of questions, and continued to touch base with us weekly once things were up and running," Snow says. "It also helped us to have 3-4 system 'superusers' who could guide the rest of the staff."

Data Access, Document Linking and ADF Foster Improved Efficiency and Sales

Paca Industrial's internal Web site is now linked to the Epicor Prophet 21 database for easy information access. In contrast to the old system, Snow likes this back-end database: "We can get whatever information we want via reports and queries. We use Epicor DynaChange Portals a lot, creating specific ones for each department. It's so nice to have live data at a glance."

The document linking feature of Prophet 21 has cut down on the amount of paper consumption significantly, as Paca Industrial is linking Purchase Orders to customer orders, and vendors' invoices to vouchers. The company is also using

Signature Capture at both locations, so there is no need to worry about paper copies of pick tickets, etc. Affirms Snow, "We are moving in the direction of becoming a virtually paperless business, eliminating 90 percent of paperwork related to accounting, pick tickets, and so on, just by scanning and storing that data electronically."

Other newly automated processes include Advanced Demand Forecasting, which has been operating since November 2011. For Paca Industrial, the goal was to increase service levels to customers while reducing levels of inventory. Initially, it appeared that the company had been holding 2-3 times more quantities than necessary of "A" items (a measure in Epicor Prophet 21 classified by the cost of sales or COS; i.e., the 15 percent of overall items that were accounting for 80 percent of the company's COS).

By tweaking the numbers in the system, Paca Industrial has seen definite improvement: for example, inventory turnover changed from five turns per year to eight, while the order service level remained at 90 percent. In addition, warehouse labor as a percentage of sales dropped from 4.5 percent to 4 percent.

Perhaps most significant, the company's sales are up 26 percent since implementing Prophet 21, while headcount is up only 8 percent. Concludes Snow, "Epicor Prophet 21 has had a positive impact on our business, especially in terms of saving time and effort for the staff, and streamlining workflow."

About Epicor

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