



National Importers

Company Facts

- Location: Vancouver, BC, Canada
- Industry: Food distribution
- Number of Employees: 120
- Web site: www.nationalimporters.com



“With Epicor ERP and RockySoft, we achieved our goal of reducing inventory levels while maintaining high service levels—we have achieved service levels over 99 percent, with 45 percent less inventory.”

Ken Askew, Vice President, Technology | National Importers

Summa Tech Systems Ltd., an Epicor Services Partner and a division of DCD Management, has been providing IT and systems management services for the DCD group of companies and clients for over 30 years. One of the companies in this group is National Importers, a Canadian-based food distributor and importer for the United States and Canada.

National Importers manages and distributes retail products from multiple state-of-the-art warehouse facilities in Vancouver, British Columbia; Toronto, Ontario; Chicago, Illinois; and Los Angeles, California. The company provides comprehensive coverage for key distribution channels including Grocery, Mass Merchandise, Club, Drug, and Specialty stores.

With 120 employees and 12 locations, National Importers is a high volume operation, handling 70,000+ invoices per year, with 1,300+ Purchase Orders (PO) and 4.5 million cases moved annually.

A long-standing Epicor customer, National Importers has used Epicor enterprise resource planning (ERP) solutions to support its operations, including Epicor Avanté® since 1998. Most recently, the company went live on the next-generation Epicor ERP in January 2012.

According to Ken Askew, National Importers Vice President of Technology, “We followed the Epicor lead, waited until the time was right, and spent a lot of time in 2011 preparing for the migration to Epicor ERP. We wanted to make the move to take advantage of the next-generation technology the system is built on.”

Success Highlights

Challenges

- Help a Canadian-based food distributor and importer maintain high service levels while reducing inventories and generating accurate statistical forecasts

Solution

- Epicor® ERP with RockySoft®

Benefits

- In the first year of implementation, reduced overall inventory levels by:
 - Canada - 45%, United States - 60%
- Achieved high service levels (Year over year Avg.)
 - Canada - from 94% to 97%,
 - USA - from 98% to 99%
- Reduced clearance inventory by 60%
- Improved responsiveness and maximized sales opportunities:
 - Improved lead times
 - Enhanced containerization
 - Increased buyer efficiency

Introducing demand planning with RockySoft

Previously, National Importers had employed very manual processes for demand planning and replenishment. For example, 18 Key Account Managers manually maintained SKU case forecasts for 200 different Forecast Groups by month. “Everyone found this very time-consuming and hard to keep accurate,” Askew states. “Our sole reliance on buying to sales forecasts without an effective system validation process resulted in high write-offs and missed opportunities. It was also critical to determine how to integrate current forecasts from Sales, Marketing and major retailers such as Walmart.” The majority of the Purchasing decisions were made by a similarly manual process among the company’s buyers.

Summa Tech had done some customization of the Epicor ERP for National Importers for demand planning, forecasting and replenishment, and thought they would have to do more in this area. “Then we saw RockySoft at Insights, the Epicor annual Global Customer Conference, in 2012, and said, ‘This is what we need to solve our demand management and replenishment issues and further automate the process,’” recalls Askew.

RockySoft, a leading inventory management software company, is an Epicor Strategic Partner. Ultimately, National Importers became one of the first RockySoft/Epicor integrations. Summa Tech worked with RockySoft on data imports, as well as setup to move POs, Transfers and Jobs into the Epicor ERP, and implemented enhancements in Epicor ERP to bring additional information into RockySoft.

According to National Importers Vice President of Logistics Darren Stanfield, “I was pleasantly surprised with how Summa Tech addressed the need for improved Forecasting, Demand Planning and Distribution Requirements Planning tools. RockySoft was able to address every challenge and shortcoming I had experienced with major industry-leading packages. The implementation project went smoothly, and all action items were addressed quickly. From past experience, I felt that RockySoft and Summa Tech worked together very efficiently on the various integration, customization and data integrity processes.”

Applying science and statistics

RockySoft is able to enhance replenishment in the Epicor ERP by managing inventory scientifically, including dynamic safety stock, containerization and targeting of replenishment quantities. For example, as National Importers brings in boxes of specialty foods and dry goods, RockySoft optimizes the suggested order quantities to fill each container as full as possible. “Different suppliers have different requirements,” says Askew, “but container loading is easy once the setup is done.”

Using RockySoft, National Importers has automated all statistical forecasting for the Purchasing department to increase buyer efficiency, build process consistency and reduce opportunities for error. Accurate system forecasts were developed using the most appropriate settings, and hundreds of required historical events were entered.

The importing of consolidated Sales & Marketing forecasts allowed them to be compared to system statistical algorithms. A forecast validation process was implemented, with an initial tolerance established of + or -30%. “The Purchasing forecast is regularly compared to the Sales forecast,” Askew explains. “Anything outside a set tolerance (currently +/- 20%) is investigated by Purchasing and Sales in close collaboration to identify the cause of the variance, and adjusted based on market intelligence (e.g., new listings, delistings, special promotions, or competition changes).”



Canada

	Before	After
Inventory levels		45% reduction
Service levels	94%	97%
Clearance inventory		50% reduction

Inventory Levels - A 45% reduction in overall inventory

Service Levels - From 94% to 97% Consolidated¹

Clearance Inventory - A 50% reduction in clearance inventory²

USA

	Before	After
Inventory levels		60% reduction
Service levels	98%	99%
Clearance inventory		70% reduction

Inventory Levels - A 60% reduction in overall inventory

Service Levels - From 98% to 99% Consolidated³

Clearance Inventory - A 70% reduction in clearance inventory

¹ It is important to note that even though an increase of 3 percentage points in the overall Canadian service level is impressive, this also includes a number of brands with supply issues that are outside of National Importers' control. When the latter are excluded, the company has achieved service levels over 99%, with 45% less inventory.

² National Importers' ability to validate and monitor Sales & Marketing plans against system forecasts has created a significant advantage that will improve company profitability.

³ Achieving an overall service level of 99% for the U.S. market with a 60% reduction in inventory has been a significant accomplishment for National Importers, especially since inventories were already reduced from historical levels by 25% at the start of the RockySoft implementation.

Results

"With Epicor ERP and RockySoft, we achieved our goal of reducing inventory levels while maintaining high service levels," states Askew. "We've also seen lead time improvements and better utilization of employees in our Purchasing department."

He continues, "In addition, RockySoft modules such as Demand Manager, Requirements Planner, Economic Order Manager, and Exception Signals really make the data visible, so we've been able to correct Sales' expectations, set service level targets, and respond rapidly to demand changes."

Concludes Stanfield, "The ability to integrate all Sales, Marketing and Retailer forecasting intelligence into Demand Manager has resulted in a competitive advantage. We were able to immediately reduce instances of over buying, while maximizing sales opportunities."

About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.



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