

ETHICAL PRODUCTS

ERP is sometimes referred to as “back office” solutions because they unite financials and other corporate processes. But, for small- to mid-sized businesses, ERP is much more.

CLIENT SUCCESS STORY

Enterprise resource planning (ERP) is among the most vital software solutions a company can use because it unites key transactions under one umbrella. Everything from procurement to product data, to accounting and general ledger are part of ERP. But let's face it, general ledger isn't that exciting.

Other, newer categories of enterprise software—like digital experience management solutions or human capital management—have grabbed more focus in recent years.

However, the fact that some newer enterprise software categories have emerged doesn't make ERP boring, especially for small- to mid-sized (SMBs) companies that rely on ERP for processes like warehouse fulfillment, supply chain analytics and ensuring that orders get out the door accurately and on time.

For SMBs that rely on ERP for

integrated warehouse management system (WMS) functions or other supply chain processes, ERP is their operational life blood. If it works, orders get filled and customers stay happy. If an ERP system for an SMB doesn't meet operational needs, key processes turn into struggles, or the SMB may find it challenging to keep pace with growth.

Like other ERP users, many SMBs are gravitating toward Cloud-based ERP. According to 2020 research from analyst firm IDC, in 2019, ERP was implemented in the Cloud for 26.4% of ERP projects in 2019, but that will increase to 48.4% of deployments in 2024, as the demand for Cloud-based ERP continues to outpace demand for on-premise options.

Interest in Cloud ERP has been around for years, but not at the high level it has reached over the past year or two, observes Kevin

Beasley, CIO at ERP vendor VAI.

“We're seeing the Cloud really sticking in the ERP world these past couple of years,” says Beasley. “Five years ago, probably 80% of our clients were interested in on-premise deployment, and about 20% wanted ERP in the Cloud, and I'd say that today, that breakdown has reversed. The pandemic seems to have driven even more interest in Cloud because of the needs around work from home.”

While Cloud ERP holds appeal by eliminating the need for server hardware and other information technology (IT) expenditures for ERP, most SMBs are looking for an enterprise system that can handle operational priorities by encompassing functionality like WMS, not just corporate functions like accounting. For such SMBs, ERP is far from boring—it's how they get things done.

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Ethical Products, a supplier of pet products, uses a mobile WMS app from its ERP vendor to speed up order picking in its New Jersey warehouse.

MOBILE APP TIES WITH WAREHOUSE ERP FOR ETHICAL PRODUCTS

Digitizing functions like order picking and receiving in the warehouse is prized by growing companies such as Ethical Products, a supplier of pet products. The Bloomfield, N.J., company is a long-time user of VAI's enterprise resource planning (ERP) solution, running it on-premise.

Ethical, which designs and supplies dog and cat toys, dishes, waste management products and other dog and cat accessories, uses the ERP system for functions like orders, procurement, inventory management and business intelligence, but one of its biggest gains from the system came in

2017 when it worked with VAI to develop a mobile app that its warehouse associates use to speed up order picking, packing and shipping processes at its warehouse.

The warehouse app ties right into the ERP system and runs on low-cost Android devices with protective sleds. Deployment of the app was done in conjunction with other warehouse improvements, such as installing powered conveyor to transport completed orders to shipping, new push-back rack to hold inventory for picking of smaller, split-case orders, and wireless bar code printers placed strategically at various spots in

the racks. Ethical Products also outfitted its order picker vehicles with mobile thermal printers for associates picking full cases and building up pallets in full-case quantities.

These improvements have allowed the company to keep pace with its rapidly increasing sales, without having to add more DC staff, according to Frank Lucente, vice president of operations at Ethical Products. "The mobile app and the other improvements have added an incredible amount of efficiencies," says Lucente. "Our sales have grown rapidly in recent years, and we're able to keep up with the same number of

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employees in the warehouse.”

The Android-based warehouse app guides pickers through their order picking, with scan verification steps and a simple app click to print shipping labels. Errors are reduced because there is no paper pick list to rekey data from or cross reference, and the transactions tie into the ERP system in real time, says Lucente.

When a warehouse associate completes a pick for a small order and generates the label, all they need to do is place the label on the shipping carton and place it on to the conveyor, which transports the cartons to a carton-sealing machine and an inline scale in the shipping area. The mobile app creates an efficient pick path to follow, and associates are no longer walking long distances to gather labels or to transport orders to shipping.

“Our goal with the app was to reduce the labor requirements in the warehouse due to our growing volumes, reduce errors in order picking, and, overall, make for a

smoother flow for our warehouse processes,” says Lucente. “The app has been amazing in being able to support these goals.

We’ve had rapid growth the last few years, and we still only need 12 employees in our distribution center.”

Besides order picking, the mobile warehouse app is also used for receiving, cycle counting and physical inventory. Order picking was the initial focus, says Lucente, because between the conveyor and the mobile app, it eliminates wasted time and steps.

“It’s highly accurate, because it’s all based on scanning and confirmation screens on the mobile device,” says Lucente. “And we set the warehouse up with wireless printers right in the flow racks so that our people picking less than full cases don’t have to leave the area. They just follow the instructions on the app, print a label from a nearby printer, put the label on the box, and place it on the conveyor. It’s all one process, with few wasted steps.”

Before using the mobile app, Ethical Products generated pick lists from the ERP system and had a more manual warehouse fulfillment process. By 2017, Lucente says the company was growing steadily, so it was apparent that warehouse order picking and scanning processes were needed, and some automation. Before the mobile app, it would take as many as eight workers to fill orders for the day, and now with the app, one or two associates using the mobile devices are able to process the smaller orders in a typical day.

The mobile app project was well timed, because the company’s e-commerce requirements for its pet products has grown with pet ownership during the pandemic. Keeping up with the increasing volume would have been difficult without the app, concludes Lucente. “It’s really all about our ability to be able to do more order fulfillment, and do it very accurately, with the same amount of people,” Lucente says.