

JOSHEN PAPER & PACKAGING

CLIENT SUCCESS STORY

Companies require accurate inventory data to function effectively. When the firm is a large distributor with customers located in many states, this requirement is paramount.

Such companies face myriad challenges in maintaining inventory levels, complying with highly variable state tax laws and tracking sales and commissions. An integrated, real-time inventory management solution is essential.

Joshen Paper & Packaging, based in Cleveland, Ohio, is the country's second largest distributor of paper and packaging materials. It achieved this status through a carefully implemented growth strategy. The company currently serves over 8,000 locations throughout North America including supermarkets, convenience stores and pharmacies. Joshen sells over 11,000 products ranging from paper and packaging supplies to janitorial items and labeling products. The firm distributes its merchandise from facilities in

Florida, Pennsylvania, Alabama, Texas, Wisconsin, Arkansas and New Jersey. The company plans to continue to acquire firms and add to its customer base.

Joshen possessed an enterprise resource planning (ERP) distribution system but needed to upgrade the financial and purchasing modules to include Web-based ordering capabilities. The company partnered with VAI (Vormittag Associates, Inc.), an award-winning software developer, to tailor a solution to meet its specific business needs.

Challenges

Joshen experienced tremendous growth in a three-year period. To handle volume and move orders quickly, a growing sales staff turned to Telzon devices to submit orders electronically. Joshen then fills each order within 24 hours of receipt. Inventory turns were reaching unprecedented levels, with products not staying in warehouses very long. Joshen needed tighter control over inventory turns and

automated reports to complement purchasing activities. Further, sales staff required real-time visibility of products in the warehouse and anticipated replenishment dates to better serve customers.

"With our extensive product line, and the sheer volume of orders we receive on a daily basis, we needed a software solution to monitor this process effectively," said Doug Trisnar, IT Director, Joshen Paper & Packaging. "Yet, we needed something much more comprehensive than a simple inventory solution. We wanted a software package that was capable of monitoring inventory turns, while simultaneously tracking potential shortages."

Beyond monitoring the company's inventory base, the ERP solution needed to possess other capabilities. It had to be flexible enough to accommodate the seamless addition of new distribution facilities, while also capable of integrating Web-based ordering. The application needed



to provide consolidated financial reporting for nine distribution sites nationwide yet be able to dissect fiscal information to the distribution facility level with the stroke of a key. The ERP package needed to track sales and commission as well as comply with varying state sales tax requirements on items sold. Simply put, as a growing, high-volume distribution business, Joshen required a comprehensive, flexible ERP solution.

Trisnar adds, "When we reviewed the features now available in VAI's S2K Enterprise for Distribution and spoke with the VAI team, we knew that VAI still held the best solution to our business needs."

Solution

Joshen upgraded its VAI S2K Enterprise for Distribution to version 3.7.3. Several key reasons drove this decision: (1) satisfaction with VAI's integrated ERP solutions, (2) appreciation of what version 3.7.3's upgraded financial reporting features could do for Joshen and (3) recognition that VAI's in-house technical expertise could customize its flexible, Web-based software package to meet Joshen's fluid organizational dynamics. According to Trisnar, "VAI understood Joshen's business and our unique requirements. Knowing that VAI could implement an enhanced version of S2K to

offer the integrated Web and financial reporting capabilities that we needed to continue growing our business was an enormous advantage from our perspective."

"Joshen runs a fast-paced, customer-driven business," said Claudio Gallina, Project Director, VAI. "Tailoring a quick, efficient, scalable ERP solution to meet its expanding needs was a challenge. Yet, our experience in customizing enterprise management software and our commitment to understanding Joshen's business requirements from the ground up gave us the edge in constructing a solution that met all of Joshen's current requirements and anticipated many of its future needs."

VAI's S2K solution allows Joshen to achieve all of its information technology objectives in one comprehensive package:

- The new Internet portal enables customers to place Web orders.
- The system can track orders and inventory numbers for each Joshen facility either individually or as a whole.
- New facilities can be readily added to the system.
- Joshen staff members, regardless of operating locale, can view inventory levels at any and all warehouse facilities in real time.

- Sales representatives in the field can ensure that products are available prior to order placement.
- Warehouse personnel can quickly ship orders using a seamless process.
- The system tracks sales and commission rates for each sales person, allowing management to monitor performance levels remotely.

What's more, one simple keystroke is all that is needed to perform to obtain essential management reports and financial information.

Results

The S2K upgrade provides Joshen Paper & Packaging greater inventory control and financial reporting capabilities. In addition, the solution has yielded major customer service benefits. With inventory levels updated in real time, sales staff can ensure that a product is available for shipping at the time of purchase. Notably, the e-commerce application has already added approximately 100 new customers to the company's customer base. For Joshen, the S2K 3.7.3 upgrade builds upon the effectiveness of the original implementation and supports the company's plans for growth in the coming years.

