



Field Fastener Supply Co.

An Epicor Distribution
Customer Success Story



FIELD

A DERRY ENTERPRISES COMPANY

A black and white photograph of a brick building with a dark metal roof. The word "FIELD" is mounted on the brick wall in large, white, serif capital letters. To the left of the entrance, there is a handicapped parking sign on a post. The entrance has large glass windows and doors. In the foreground, there is a grassy area and some bushes.

FIELD

Distribution

Epicor Distribution solutions are designed to provide complete visibility across a complex supply chain, provide faster access to information, accelerate the order-to-delivery cycle, increase inventory turns, improve customer service and drive profitability. The extended value chain is supported by comprehensive supply chain management (SCM) capabilities for order entry, purchasing and inventory, plus advanced supply chain execution (SCE) capabilities such as warehouse management. The extended value chain includes both customer and supplier relationship management (CRM/SRM). Integrated performance reporting and analytics are supported through operational business intelligence and the robust, global financials capability provides full visibility and regulatory reporting.

Field Fastener Supply Co.



Company Facts

- Location: Rockford, Illinois
- Industry: Fasteners
- Year Certified: ISO Certified since 1997
- Annual Revenue: \$30 million
- Number of Employees: 53
- Number of Products: 40,000 SKUs
- Number of Customers: 900 OEM in 15 countries
- Web site: www.fieldfastener.com

Success Highlights

Challenges

- Help a major Midwest fastener distribution company double its profit levels over five years

Solution

- Epicor Prophet 21

Benefits

- 1-2 percent improvement across every area of the organization, including better margins and improved inventory turns
- Facilitating vendor managed inventory
- Supporting customer service with real-time data queries, triggers and alerts
- Streamlining the ordering process and reducing entry errors with Electronic Data Interchange

Statistics

- Customer On-Time Delivery Average: 99.8%
- Percentage of orders shipped correctly: 99.96%
- Inventory cycle counting accuracy: 99.64%
- 5-year increase in sales: 25%
- EBITDA tripled over 5 years
- ROI increased 72%
- Return on Assets increased by more than three times
- A/R days were reduced by 38.5%
- Gross Margin per employee increased by 89.5%

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Jim Derry, Executive Vice President
Field Fastener Supply Co.

When Field Fastener Supply Co. went live on the Epicor Prophet 21 Enterprise Resource Planning (ERP) system in March 2006, management had an ambitious goal to double the size of the company. Five years later, that goal has been met, by relying on a system that supports Field Fastener's commitment to quality and efficiency.

According to Jim Derry, Field Fastener Executive Vice President, who is certified as a Six Sigma Black Belt, "Quality is everything about the experience with the customer...and all that really happens through the ERP system, so we're looking to Prophet 21 to drive out the possibility of making a mistake. The bottom line is that we work with our customers to help them save money and cut costs." Field Fastener does that in two ways: managing customers' inventory (including vendor managed inventory or VMI, which comprises 70 percent of the company's customer/revenue base), and lowering the costs to assemble, join, and fasten products together.

Technology is an important part of Field Fastener's inventory management and cost-saving strategy. Derry states, "We see Prophet 21 as a competitive advantage, to help us provide the best level of customer service and drive costs out of the business, and to improve the accuracy and quality of our services to meet our customers' expectations."

One critical service offering that the Epicor Prophet 21 system has facilitated for Field Fastener is VMI. Chief Financial Officer Chris Pauli explains, "We sell fasteners, but what customers pay us for is the knowledge, because we know when they need their products

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Jim Derry, Executive Vice President

more than they do. We can tell them their demand. When customers need to know about their inventory history, they come to us...they don't even bother with their own system.”

Making the Data Work for Proactive, Lean Processes

Field Fastener is a data-driven organization that “looks to the numbers” to drive sound business decisions and to continuously improve its performance. Because Epicor Prophet 21 is based on the Microsoft® SQL Server® platform, Field Fastener team members can write queries and retrieve data much more efficiently, which in turn allows them to make better decisions and react in real time, notice problems, see trends, and advise customers based on up-to-date information.

Explains Chad Olson, IT Leader, “We don't like static data, we want to be able to put it in Microsoft Excel®, manipulate it, sort it, filter it...and get it into our Account Managers' hands so they can review it. The Prophet 21 system allows us to be more proactive rather than reactive, by setting up triggers/alerts and helping us to push communication out to our customers that we're achieving results for them.

“For example, with DynaChange™ Portals in Prophet 21, we're able to put meaningful data in front of our users, specific to each individual user based on tokens, in real time—all without leaving the Prophet 21 application,” says Olson. “Portals have allowed us to give each user a task list of transactions that need to be addressed, ranging from Unconfirmed Pick Tickets to items sitting on Quality Control Hold, with the ability to drill down into those transactions with a single click of a button.”

Adds Doug Warner, Operations Leader, “Having real-time SQL triggers and alerts allows us to be notified when something goes wrong, so we can take action right away. The challenge we had with our previous system was the extraction of data. We really want to provide our customers with reports and the data they need. It was cumbersome at best to do this with the old system.”

Derry confirms, “Clearly, we make better business decisions today than we did before Prophet 21 because of the access to information. For example, our Account Managers have all the data needed to manage their relationships with our customers. That structure is available because of the Prophet 21 system.”

Field Fastener set up about 100 queries in Epicor Prophet 21 that the company uses daily. The Account Managers like the ability to design and run queries in the system that are specific to users. “Now I can see all the parts we have in a supplier contract, what the inventory levels and values are, etc. It helps me ‘red flag’ the issues that I need to address,” says Account Manager Melissa Patel.

Derry notes, “Over the past couple of years, we've really been trying to lean out processes, and we look to the Prophet 21 system to continue to make us more efficient with tools like queries and alerts. We see technology as the thing that ‘drives the lean machine.’”

Reliability, Scalability and Time Savings Contribute to High Levels of Service

System availability and scalability were key to Field Fastener's selection of the Epicor Prophet 21 solution. According to Pauli, “What gave Prophet 21 the edge over other systems was the reliability of the platform and the breadth of the distribution software.” This includes the use of the Epicor Automated Backup Solution (ABS) for offsite replication. “ABS gives us peace of mind and lets us sleep at night,” says Olson. “Knock on wood, we haven't had to use it, but it takes the pressure off. We wanted to make sure we picked a system that was going to be up 99.9 percent of the time.”



With Field Fastener's previous system, scaling was a challenge. But the structure of the Epicor Prophet 21 solution allows employees to easily keep track of inventory in other locations (i.e., at customer sites and six consignment warehouses), using scanners and tags. Prophet 21 also accommodates the need to rapidly set up and contract multiple warehouses.

Electronic Data Interchange (EDI) with Prophet 21 has helped Field Fastener streamline the ordering process, reduce entry errors, and save time. For example, Field Fastener has 3,000 parts with one customer, and EDI has driven down the costs involved with that invoice process. "The EDI to our suppliers has also helped reduce wrong part issues, lock in pricing, and avoid double entry. The time savings have been significant," notes Patel.

The user-friendliness of the Epicor Prophet 21 system is evident in such features as UPS integration, the ability to link documents to purchase orders, and item fast edits. For example, rather than going into 3,000 items for the previously mentioned customer, the Account Managers can go into the pricing agreement for all of them with a click of a button and change a date. Likewise, for inventory returns, it only takes a minute to put a return through the system. Enthuses Account Manager Steve Ostrowski, "With Prophet 21, I have all the information at my fingertips when I need it. For example, for Purchase Order Request Generation, I'll have 7 or 8 of the modules open on top, so I can click back and forth between them. In the worst case, I'm only a mouse click away from where I want to be."

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Chad Olson, IT Leader

Partnering for Success in the Decades Ahead

Field Fastener team members believe that Prophet 21 continues to make necessary enhancements to the system, and they view Epicor as another part of their team. Observes Olson, "We made the right choice in our relationship with Epicor...we know we've got a solid technology partner." He adds, "I recommend Prophet 21 one hundred percent...it's been a great system for us. And I don't think you could ask for much more from a business partner; overall support from Epicor has been very strong and very responsive."

Derry states, "When we were evaluating Prophet 21 and the competition, we boiled it down to features, service, support, financials, and the long-term viability of the provider. Epicor had the features we needed, robust support, superior training, and a long-term commitment to our industry. We also felt that we could influence and be a part of where the software went going forward. Epicor offers opportunities to meet with key people and even get in early on newer functionality by helping to define specifications and how they're implemented.

"After five years of using Prophet 21, we feel certain that this will last us the next 15-20 years. We're convinced that the architecture of the software can be added to, modulated, and updated so that we don't ever have to tear it out and replace it. That is a huge advantage," he continues.

For example, Epicor recently introduced DynaChange™ Rules, a Business Rule Engine that allows distributors like Field Fastener to insert their own business logic into the Prophet 21 code base without altering the application code itself. "Business rules allow us to tailor the Prophet 21 application to the way we do business. We've only begun to leverage the capabilities of this powerful





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tool with rules such as excluding certain types of purchase orders from lead time, or combining rules with user-defined fields to automatically e-mail a customer an invoice at ship confirmation," says Olson. "Rules have replaced written notes—or reliance on the user to remember to check certain boxes—and made the whole process automatic and streamlined."

Measuring and Reporting Improvement in Every Area

Each day, every team member at Field Fastener receives an update on major metrics of the company, including quality, on-time delivery, inventory, and sales. Notes Pauli, "I use the executive metrics from Prophet 21 all the time. We're able to generate a daily 'how's the company doing' report from the system. This lets us look at Key Performance Indicators, and share those with everyone in the company."

According to Derry, "We're seeing 1-2 percent improvement across every area of the organization, including better margins and improved inventory turns...and that's what we thought would

happen. When you compile it all together, Prophet 21 makes an enormous impact on profitability. Our profit levels are more than double what they were five years ago."

It all comes back to quality, Derry reiterates: "If it weren't for the horsepower of the Prophet 21 engine behind us, we couldn't deliver to our customers as quickly with the quality of data that we have now." Field Fastener looks forward to many more years of growth with the Epicor Prophet 21 system.



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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