New Jersey distributor grows exponentially with Epicor Prophet 21 ERP

Company Facts

▶ Location: Lumberton, New Jersey
▶ Industry: General
▶ Number of Employees: 94
▶ Web site: www.connecticc.com

Success Highlights

Challenges
▶ Help a New Jersey-based electronic connectors distributor implement enterprise software that expands operations, increases sales, and improves customer service

Solution
▶ Epicor Prophet 21 with Epicor B2B Seller and CRM

Benefits
▶ Growth in sales of 139%, and expansion of locations to four locations including ICC's headquarters, which boasts 49,000 sq. ft. of warehouse and manufacturing space
▶ Improved customer service through real-time inventory and on-demand pricing
▶ Increased data visibility for company sales reps, supporting same-day quotes and improving quote/order ratio
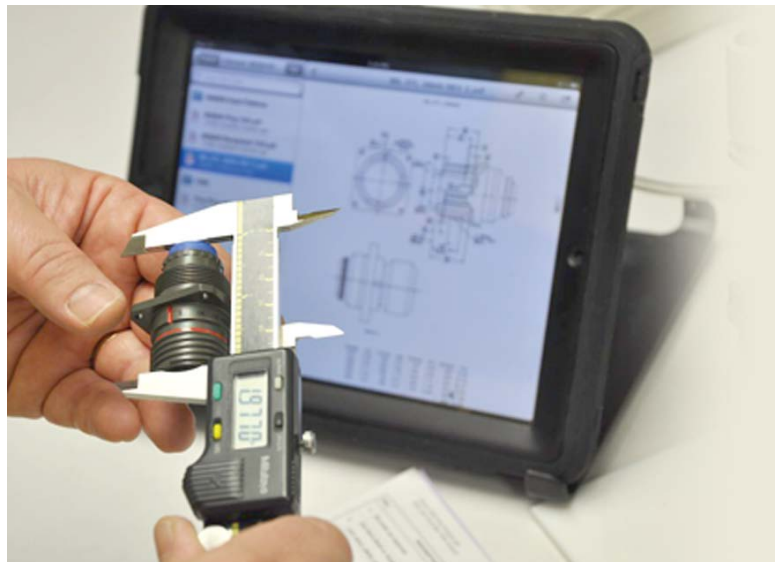
ICC: A Power User of Epicor Prophet 21

Interstate Connecting Components Inc. (ICC), of Lumberton, New Jersey, a distributor of military and industrial connectors, was an early adopter of the Epicor Prophet 21 enterprise planning resource (ERP) solution in 1999. Since then, the company has grown to 94 employees and annual revenues of $36 million, servicing customers including Lockheed Martin, Northrop Grumman, Raytheon, Boeing, and General Dynamics.

Boasting a 49,000-square foot facility housing inventory that supplies upwards of 3,000 active customers, ICC now seems light years removed from its modest beginnings in the Jacobs family condominium, where Scott Jacobs, along with his mother, father, and brother, decided to make a mark on the world of distribution.

Replacing an Outdated Legacy System

When ICC started out in 1984, the company used paper forms to track inventory, shipping, and accounts. A few years later, Scott Jacobs, then Vice President, purchased a Macintosh computer and set up databases to manage the business. But as ICC's revenues grew at a rate of about $1 million per year, the legacy system increased in size and complexity, and was unable to handle the load efficiently.

Many of the system's 50 databases linked together, but the critical shipping database did not, requiring inefficient, separate re-keying of information. Shipping continually fell behind schedule. Another problem was inventory replenishment. ICC would often be overstocked on certain products, while completely sold out of others. Forecasting was not a capability of the legacy system, and neither was profitability reporting.

Knowing a change had to occur in order to continue their company's growth, the Jacobs family decided to implement Epicor Prophet 21. A leading ERP system that combines the power of SQL Server® and the familiarity of Microsoft® Windows® in a solution designed especially for distributors, Prophet 21 represented a significant leap forward in technology adoption for ICC.

Scott Jacobs' research showed that Prophet 21 had the best all-around functionality for managing inventory, printing reports, and handling all aspects of a distribution-centric business. Plus, he quickly realized the value of its SQL Server database, which makes the business data available to many other powerful analytical and e-commerce applications.

Data Streamlines Essential Functions

After ICC went live with Epicor Prophet 21 in May 1999, inventory fell by 20 percent—a considerable savings. With Prophet 21, ICC could now share data with suppliers, which simplified the updating of prices. SQL Server made reports easier to print, and facilitated both the customers' and employees' access to business information. With SQL Server, ICC also made some information, such as purchase orders and shipping updates, accessible through the Web site, dramatically improving customer service.

"I'm a bit of a maniac with reporting and alerts," admits Scott Jacobs, now President of ICC. He swears by the Prophet 21 executive metrics module, which delivers real-time business information right to his screen. "I live by the numbers, so I'm quoting them all day long to the staff," he comments. "I don't have to wait for end-of-month or end-of-period to see our progress—with real-time info, I can say 'look what's happening,' instead of 'look what happened.'"

Besides utilizing the Prophet 21 reporting capabilities, ICC relies heavily on its kitting and production order functionality. "Ninety percent of our business is kits and production orders," Jacobs notes. "The Prophet 21 system has a 'quantity-available-to-make' field that automatically calculates how many kits can be assembled, based on the quantity of component parts in our inventory." Prophet 21 also simplified the purchase process by grouping several related items under a single product number.

B2B Seller

ICC also uses B2B Seller, the Epicor Web-based storefront, to expand its reach. "Not only is B2B Seller a great customer service tool, in that customers can view item and order information," Jacobs says, "but a lot of customers stumble upon ICC for the first time through the site. All it takes is an initial order from the Web, and we've pulled in another one!"

ICC now receives upwards of 16 requests for quotes from potential new customers every day. In addition to requesting quotes for products posted online, visitors to ICC's Web-based storefront can send e-mail requests for quotes for products not listed on the site, helping ICC build its customer base.

In addition, B2B Seller has improved the company's customer service. When ordering from the Web site, customers can indicate the date they require an item. This enables Jacobs and the rest of ICC's staff to allocate inventory. "The date a customer chooses appears in our Epicor Prophet 21 solution, so we can order items according to their needs," explains Jacobs. "Our goal is to provide the easiest and most efficient service for our customers. We believe B2B Seller helps us do that."

CRM

ICC's use of Epicor Prophet 21 has continued to evolve, most recently expanding to include Customer Relationship Management (CRM) in August 2010. The system is now being used by ICC's 17 salespeople, including four field sales employees. Sales management graphs, reports, and forecasting are all built in, allowing ICC management to monitor trends and create system-generated tasks and alerts.

According to Joe Murphy, Director of Information Technology at ICC, "We wanted to increase the data visibility for our sales reps, and since the customer contacts, industry information and other data all resided in Prophet 21, it would have created extra work to get that into a separate program."

Utilization of the Prophet 21 CRM system has been very high since ICC implemented the solution. "Once we set up CRM with Prophet 21, it simplified the data retrieval process by having it all in one system. Now, with just one click, a sales rep can manage customer accounts, tasks, opportunities, and so on," notes Murphy.

"We've seen a measurable increase in the productivity of our sales reps," he continues. "They can more easily keep track of 'hard touch' CRM tasks (such as a visit to a customer) via activity codes and IDs in Prophet 21. Our call efficiency and planning is much better, and management can see the whole trail of activities in the system."

In addition, there is built-in workflow for routine processes in the Prophet 21 system; it connects tasks, follow-ups and reminders. Murphy observes, "For example, for an out-of-stock item, we can often get a quote back to the customer on the same day, which has given us a competitive advantage. We've seen our quote/order ratio increase as a result."

Besides the benefits to the company's sales, which have continued on an upward trend, ICC has also enjoyed significant cost savings by implementing CRM in Prophet 21. Observed Murphy, "We saved $40,000 over implementing a separate CRM solution."

Support for Growth

With the help of Epicor Prophet 21, ICC opened an autonomous western office in Denver, Colorado—a key to competing on a national scale. "All of our competitors have offices throughout the United States," Jacobs states. "Only after implementing Prophet 21 did we have the technological capability to maintain an independent office in Denver and compete in certain markets. Now, our growth continues to accelerate."

"Our belief in technology, and growing with technology, really sets us apart," contends Jacobs. "We've watched many of our competitors continue to use the same system they've been on for 20 years, and I guarantee you it stunts their growth. Simple things like being able to e-mail quotes or shipping alerts—when customers see that you're on the leading edge of technology, it gives them the confidence they need to do business with you."

Conclusion

As a business owner and a former software programmer, Jacobs is in a unique position to evaluate the Epicor Prophet 21 solution: "In the last 10 years on the system, our sales grew over 139 percent, and we haven't looked back," he concludes. "Prophet 21 is a no-brainer—I don't know what we would've done without it."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, connect with Epicor or visit www.epicor.com.

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