

East Coast Distributor adopts MITS solution and sees both short and long term impact



BACKGROUND

Norfolk Wire & Electronics traces its lineage to an unlikely place - a home garage of current owner Ron Hurley. It was from these humble beginnings that Ron nurtured Norfolk Wire and Electronics from a company that shared space with gardening tools and Christmas decorations, to a fast growing distributor boasting 10 locations running down the East Coast from Pennsylvania to South Carolina. Norfolk Wire (Norfolk) distributes among other things cabling products, test equipment, tools and connectors, fiber optic products, home automation and security products, and audio/video equipment.

WANTED: SPEED, ACCURACY AND CONSISTENCY

Norfolk finds their ERP system useful for many tasks. Unfortunately the reporting functionality of this tool is such that individuals like Dave Jarrett, President of Norfolk, have a significant degree of difficulty generating reports out of it. "Since our ERP uses Crystal for reporting, if you didn't understand how to write code, often times it would be a challenge for you," David explains. "So instead of taking the time and labor to run these reports, the branch managers continuously asked the CFO to run the reports instead; you can imagine the drag on his productivity that caused. And the times the managers were able to work with Crystal, the lack of consistency in data gathering and the variations in naming conventions contributed to a pattern of users generating similar, yet unique, reports over and over again."

"I consider myself an in-house advocate for the MITS solution. I spend part of my time each day meeting with various Norfolk employees, and whenever I get the chance, I tout the benefits of MITS - because I believe in it and I've seen that it works."

THE SEARCH GOES 3RD PARTY

Norfolk discovered MITS and the power of their solutions in a somewhat indirect way. David contacted the CFO of Proxios, their 3rd party IT infrastructure and management company, and asked him to look outside for a reporting solution, rather than work in-house with the existing system. With the decision to look outside made, Proxios immediately came back with a suggestion that Norfolk take a look at MITS, a solution that Proxios had a favorable impression of. "We're a company that usually goes out and performs our due diligence on a variety of solutions," David explains. "But once we investigated MITS, we literally stopped looking. We said to ourselves, if this solution is really legit - if these guys can really do what they claim - then there's no sense in looking around any further." For Norfolk, the last piece of the puzzle was the pricing. Once the offer was received, both David and owner Ron Hurley were satisfied that the price was 'fine', and that the MITS' return on investment would more than pay for itself. Norfolk signed the agreement and was welcomed into the MITS family of customers.

TROUBLE-FREE INSTALLATION

For Norfolk, the time between finishing of installation and beginning usage was almost nil. "Every installation has a few bobbles in it, but I can't point to anything extraordinary with ours; it seems like MITS has their B.I & Reporting solution pretty well figured out," David explains. "Of course, there were a few things we ran into that needed tweaking, and most of the time those were fixed within 24 hours." According to David, one reason for the fast response is thanks to MITS' Professional Services Manager Peggy Schmidt. "Peggy has been fantastic," David says. "She is very responsive - anything that comes up, she jumps on it and gets it fixed." In addition to trouble-shooting, Peggy manages the MITS training team, which covers general as well as personalized training sessions.

TRAINING

According to David, MITS is so intuitive that a lot of the tool's operation can be picked up immediately, and what's left can be made up during the training. "After about 2-3 weeks of training and getting up to speed on the tool, we were using it on a fairly regular basis. It was uncomplicated, and after about a month and a half, we went back to Peggy and scheduled another training that included more content," David explained. "This training goes further than the initial one and covers topics more in depth - a little more meat on the bone so to speak. We think it will be very helpful for the individuals who have a basic understanding of how MITS works, but are eager to learn more."

USAGE

Of the 65 people that make up Norfolk Wire and Electronics, 45 had access based on their job description. Groups like the Branch Managers and the Executives are embracing trending and inventory and sales history analysis. But every user group shares a common belief – that MITS gives them a powerful suite of tools formerly not available.

For David, his day begins with three reports. First he looks at the inventory on-hand report. He likes to see where Norfolk stands by branch, location, etc. Next he works his way through the Inventory GMROI numbers, looking for product turn and margin data. Finally he turns his attention to Accounts Receivable, mainly utilizing the Total Sales by Branch Report, for an overview of what is selling and if the cash flow is arriving on time and in sufficient quantity.

RESULTS

Although Norfolk Wire and Electronics is a relatively recent MITS user, that didn't stop them from finding opportunity and eliminating errors out of the gate. "Almost immediately after installation of the MITS software package, the manager of the Raleigh Branch came to me and told me that MITS had it all wrong," David explains. "He said the inventory on-hand report was claiming \$80,000 in inventory of a particular product, which is impossible since the item in question sells for \$200/box, and only 40 boxes were in stock. But after researching the discrepancy, it turns out that during the data entry process, a decimal point was misplaced and the cost was recorded as \$2000/box, accounting for the inflated numbers and confirming the MITS red flag. Since Norfolk corporate charges each branch for their inventory, this particular manager was very happy to have identified the error. And since our bank calculates our credit line not by individual branch but for the entire company, this miscalculation had implications for our overall business."

David is hoping that MITS can help managers to understand the types of business metrics that are critical to their success, namely managing inventory and receivables. "In good times, high dollars and significant margin can kind of cover the mistakes and the yields, but when times get tough and the economy is not in a good place, we need to be very, very smart in our management, and MITS helps us to do that."

Further, MITS has streamlined Norfolk's entire report generation process, making it intuitive for an individual to deliver reports quickly and with a high degree of consistency. For example, the content of various reports is the same every time it is requested, no matter what the manager is looking for (by company, by branch, by product, etc.) This is a great improvement from Crystal Reports, which, according to David, would have to run 5-6 laborious reports to get the same level of information that MITS generated quickly in one. "If we present something complicated to the managers, who have enough on their plate as it is, then honestly, they're not going to use it. The ease and simplicity of the MITS solution was a big plus in our book, and now our managers can access the information they need, without additional help. So I'm happy, the branch managers are happy, and our CFO is ecstatic."

"I would certainly recommend the MITS solution to others," David says. "Beyond allowing our employees to deliver more accurate and consistent results, we feel MITS gives us a competitive advantage that we don't believe our competition has access to, in terms of being able to quickly disseminate critical information to all levels of our company. The importance of this ability, which we did not have in the past, cannot be overstated."

About MITS

MITS helps hundreds of distributors and manufacturers leverage the data in their ERP and other business systems to make better decisions, every day and at every level of their organization. Established in 1996, MITS' interactive reporting and business intelligence software combines industry best practices with the flexibility to meet the unique needs of every customer. From standard to custom reports, dashboards and scorecards, MITS drives sales growth, profitability, and operational efficiency for competitive advantage.

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