

Security Lock Distributors achieves business growth and a competitive edge with the V2 ERP Solution from Progress® Application Partner Distribution One.



CASE STUDY

CHALLENGE

To support business growth and become the leader in its space, Security Lock Distributors needed to replace its legacy system with a modern, automated ERP solution.

SOLUTION

The V2 ERP solution from Distribution One is a complete system for Wholesalers and Distributors for automating all aspects of business operations, including order entry, sales, purchasing, inventory, CRM, accounting, finance and more.

WHY PROGRESS

V2 met all of the company's criteria, first and foremost giving it the ability to tie its new website into its inventory management and sales order entry systems.

BENEFIT

The company has established itself as the leader in the industry, growing its business exponentially and realizing millions in revenue through its e-commerce website. It is running a more productive and efficient business: sales orders are completed 66% faster, call center calls have decreased 20%, and the shipping rate has increased to 98%.

MOVING AHEAD OF THE COMPETITION

With over 500,000 products in stock and over 100 manufacturers represented, Security Lock Distributors is a wholesale source for lock, architectural and access control hardware, boasting the largest in-stock inventory in the security industry. When Barry Silver, the company's CIO, joined the organization, he made it his mission to not only bring the company up-to-date technologically, but to implement technology that would give the company a competitive advantage.

"Our existing system was 25-years old and lacked functionality that we absolutely needed to be a leader in our space, including EDI, ecommerce, the ability to customize our pricing structure for our customers, and a slew of other things that were going to hinder us from being able to do business with some of our customers."

While the company had an information-based website, it did not offer customers the ability to conduct business online or even via email. The only way to place an order was by fax or through the call center. This proved inconvenient for some of its customers and ultimately limited Security Lock Distributors' revenue potential.

The company's old mainframe system was extremely inefficient and non-intuitive. Unlike a Windows environment, the old system required employees to remember numerous keystrokes. This impacted employee productivity and made training new employees more difficult.

It was also a challenge for employees to find information within the system. There was no consistent policy on how employees should enter information. For example, some entries may have a dash and others a space. This had a severe impact on productivity, taking new employees up to 30-minutes just to process a single order.

With four locations, including its headquarters in Westwood, MA and three distribution centers across the United States, it was clear Security Lock Distributors needed a modern, automated ERP system to streamline its operations, increase its visibility across the entire enterprise, and most importantly, achieve the business agility to meet the changing needs of its customers.



“Since automating our operations and moving our business to the Web, we have really taken on the position of being the leader in the industry. Our business has grown exponentially over the past couple of years without requiring additional overhead, and we are now realizing millions of dollars in revenue through our website.”

— Barry Silver
Chief Information Officer
Security Lock Distributors

RUNNING A 24X7 BUSINESS WITH V2 ERP

After doing a thorough review of the various solutions on the market, Security Lock Distributors chose the V2 ERP system from Progress® Application Partner, Distribution One. Based on the Progress® OpenEdge® platform, V2 is a complete solution for Wholesalers and Distributors, automating all aspects of business operations, including order entry, sales, purchasing, inventory, CRM, accounting, finance and more.

“V2 met all of our criteria, first and foremost giving us the ability to tie our website into our inventory management and sales order entry systems,” explains Silver. “Moving our business online was absolutely critical to our success.”

Silver says the implementation was extremely smooth. “I have been through many software cutovers and I have seen absolute disasters. But with Distribution One it worked without a hitch; there were no major hiccups. The system easily connected to our website and our customers almost immediately began using the ecommerce functionality. User adoption has been very high and we are now able to do business 24-hours day, seven days a week.”

GROWING THE BUSINESS, INCREASING REVENUE AND ACHIEVING A COMPETITIVE EDGE

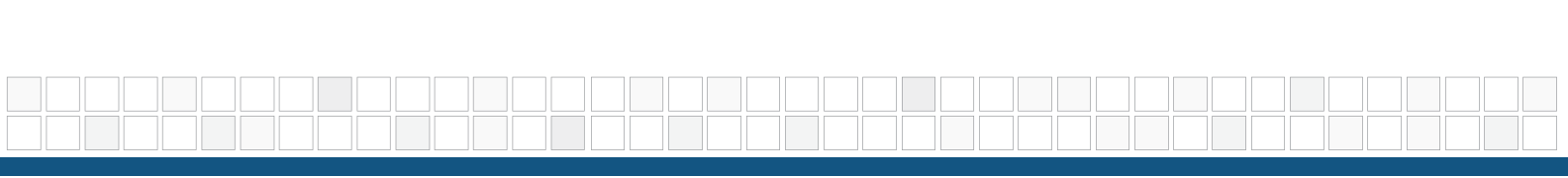
Since implementing V2, Security Lock Distributors, has not only caught up to its competition, but it has established itself as the undisputed leader in the industry.

“We have absolutely achieved a competitive edge,” says Silver. “Since automating our operations and moving our business to the Web we have really taken on the position of being the leader in the industry. Our business has grown exponentially over the past couple of years without requiring additional overhead, and we are now realizing millions of dollars in revenue through our website.”

INCREASED EFFICIENCY AND ACCESS TO INFORMATION IMPROVES BOTTOM LINE

V2 is extremely user-friendly. All screens and menus have a consistent look and feel that is similar to most Microsoft® products. Silver says that because most people are very familiar with the functionality of a Windows-based interface, he can now train someone on the new system in 15 minutes and have them fully functional, taking sales calls within 30 minutes.

It is also much easier for people to now find information within the system. Unlike their old system, there are numerous ways to search for a product in V2. Employees are able to quickly and easily access the information they need, which means the process for completing a sales order is now much more efficient.



“We took one of our most seasoned people and had him do an order using both our old system and the new system,” explains Silver. “On the old system it took him about three minutes. On the new system it was down to one minute. I’m sure we’ve already made our investment back on V2; there’s no doubt in my mind. The financial implications are incredible. If a salesperson one can do 10 more orders a day because he is more efficient, and you then multiply that across our 30 salespeople, that’s 300 more orders a day. That has a significant impact on our bottom line.”

The system also gives the company the flexibility to control system access at a user level. “We have a lot of confidential and proprietary information in the system. Before, everyone had access to this data which was a major liability. Our new system is permission-based and is providing us with a much higher level of security,” says Silver.

IMPROVED PRODUCTIVITY AND CUSTOMER SERVICE

Since implementing V2 and its e-commerce website, Security Lock Distributors has decreased the number of calls to its call center by 20%. “People may still contact our call center to place an order, but they are not calling two and three times a day to ask a question. Instead they are doing a lot of the research themselves on our website. That has really freed up our sales agents to provide a higher level of service. They can get to calls more quickly, spend more time on each call and provide each customer with more attention. The company has also increased its shipping rate to 98% because employees are far more productive and efficient.

EXTENDING THE VALUE OF V2 TO ITS CUSTOMERS

Leveraging the power of V2, Security Lock Distributors is also delivering a competitive advantage to its customers by helping them develop websites that tie directly into the V2 system. “We are able to give our customers a Web presence without requiring that they spend tens of thousands of dollars for an ecommerce platform,” says Silver. “They are able to quickly and easily build their website, sometimes in as short as 15 minutes, and then offer their customers the ability to conduct business online. Our customers’ websites connect directly into our inventory management and sales order entry systems, so once an order is submitted we can then process it on behalf of our customer.”

Security Lock Distributors essentially acts as a warehouse for these customers. “They are basically given the ability to sit on \$40-\$50 million of inventory without the overhead. We white label the packages when they are shipped so it looks as though they came directly from our customer’s warehouse. They have their return address on the packing slip and even on the UPS label,” explains Silver.

The organization is even finding ways to add value to some of its largest systems integrators—multibillion dollar organizations with thousands of technicians worldwide. A major challenge for many of these companies is the ability to standardize all of their suggested selling prices. Security Lock Distributors works with these companies to develop a website where the technicians can easily access up-to-date information on pricing, including list and suggested selling pricing. Again, the website pulls all the information directly from the V2 system.

Security Lock Distributors is also able to provide customized sites for its manufacturers. While the websites pull information directly from V2, Security Lock Distributors is able to modify the system so that each manufacturer's website only pulls up its own products. Therefore they aren't selling their competitors goods and the sales professionals can safely direct customers to buy from the website.

"We are using this system on multiple levels—on an operational level, on a customer level, on a large integrator level, and on a manufacturer level as well. V2 has really opened the door for us to do a lot more than we could have ever dreamed," says Silver. "Each year we attend the different industry trade shows. Now, with V2 in place we are literally seeing people's jaws drop and hearing comments like 'Wow! I have never seen anything like this. This is amazing!' It has really allowed us to differentiate ourselves and grab market share which was our goal from the very beginning."

ABOUT DISTRIBUTION ONE

Distribution One is a company with a singular focus—Wholesale Distribution. To this end, the company provides powerful software applications to help Wholesalers and Distributors run their businesses efficiently and profitably. Distribution One offers the following software solutions, V2 ERP, V2 Fastener, V2 Industrial and V2 Retail Fulfillment. The solutions are information management applications systems designed specifically for wholesalers and distributors. They include: Order Entry, Accounts Receivable and Payable, CRM, Inventory Management, Point of Sale, General Ledger, Purchasing, Sales Analysis, plus many other modules. For more information visit the website at <http://www.distone.com>.

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ABOUT PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) provides application infrastructure software for the development, deployment, integration and management of business applications. Our goal is to maximize the benefits of information technology while minimizing its complexity and total cost of ownership. Progress can be reached at +1-781-280-4000.

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