



DMI Case Study

Solution:

Savant Enterprise WMS

Key Benefits:

- Rapid and consistent ROI: Since the implementation of low-cost Savant in May 2001, DMI has reduced lost products and inventory shrinkage by 75 percent to less than 0.1 percent of purchases, increasing productivity and lowering labor costs by 10 percent.
- Flawless remote DC rollouts in just days: The implementation and reconfiguration of Savant to integrate directly into custom-back-end is executed remotely in just a couple of days.
- Real-time visibility to the company's growing inventory, shipped from multiple networked distribution centers.
- *"We've been running Savant since May 2001, and know it to be remarkably stable. Our shipping accuracy is 99.9% and we've reduced our inventory shrinkage to less than 0.1% of purchases. Savant is very good about collaborating with its customers during all planning and development stages of product enhancements, thus assuring that dynamic user needs are fully met."* David Gresham, CFO, DMI

Company Profile

St. Louis-based Distribution Management, Inc. (DMI), parent company of Supplies Network, Inc., provides distribution of IT consumables and support services to 4,000 independent office supplies dealers in the U.S. Supplies Network is a wholesaler with a product line of 4,000 computer and imaging supplies from 70 leading manufacturers. Privately-owned, DMI's 2003 sales reached over \$200 million. Named "Wholesaler of the Year" in 2003 by Intec, Supplies Network's 150 employees continue to deliver unsurpassed order accuracy of 99.7 percent via same-day shipping of 2,300 daily orders from three strategic U.S. distribution centers (DCs) in Dallas, St. Louis, and Harrisburg, PA.

Business Situation

Wholesale distribution of IT consumables is a \$29 billion dollar industry in the U.S., and is growing at about six percent annually. Competition is brutal, and the industry is fraught with mergers, acquisitions, and bankruptcies. While in most cases, competition is based primarily upon net pricing, minimum order quantity and speed of delivery, DMI knew that the loyalty of its 4,000 customers could only be retained by making an unwavering commitment to excellence in distributing computer and imaging supplies and continuous fine-tuning of dealer-related services via enabling technologies. Thus far, DMI has preserved its competitive edge by consciously investing in IT solutions early on and by offering a blend of value-added services: 1.) Website, inventory and shipping management services for its customers; 2.) e-mail/direct marketing and catalog programs; 3.) unsurpassed accuracy and speed of delivery; 4.) broad line of business products from multiple manufacturers on a "one-stop shop" basis; and 5.) specialized focus on imaging products.

Solution

Driven by tepid sales of lower-margin computer consumables in tandem with increased competition in a slowly recovering economy, today's surviving wholesale distributors are keen on lowering their costs of doing business and increasing efficiencies in the entire business product supply chain by implementing more effective warehouse management solutions to automate and standardize inherent business processes across multiple distribution centers, thus further increasing inventory visibility and accelerating superior customer service to their dealers and resellers. After closely scrutinizing several warehouse automation systems and almost "inking a deal with another vendor," DMI opted for Savant Software. Savant won the company's trust by offering the best engineered, most competitively priced, and most easily customizable WMS solution to accommodate DMI's industry-leading business processes. Moreover, easily reconfigured, Savant directly integrates into Supplies Network's customized IT infrastructure, including the operating system, electronic order-entry, product management, while delivering real-time visibility into DMI's actual inventory status - which currently sells and turns over its inventory of more than 4,000 stock-keeping units ("SKUs"), 16 times annually on average - another industry benchmark.