

Affiliated Helps Position Wasserstrom for Double Digit Growth and Cuts Costs with Business Consulting Services



Introduction

The Wasserstrom Company began as a local, family-run business in Columbus, Ohio, in 1902 and has steadily grown to become one of the nation's largest distributors of foodservice products. Operating five U.S. distribution centers, the company carries a vast inventory of over 35,000 different smallwares products, serving non-residential kitchens, catering businesses, hospitals and even sports venues. Known for its one-stop-shopping approach, Wasserstrom provides fast shipping to customers across North America and around the world.

Homegrown manual operation in need of overhaul

In 2007, The Wasserstrom Company was on a roll. They had experienced nearly a decade of steady, enviable growth, averaging almost 20 percent a year. Successful as they were, the company relied on a 20-year-old homegrown, paper-driven business system to handle complex accounting, sales, reporting and inventory management – and it finally caught up with them.

With the company taking in as many as 20,000 orders a week and receiving 200,000 invoices a year, the manual system tied up much of the labor force in routine tasks. "We got to a point where we wanted to capitalize on our growth – but we couldn't afford the labor to handle all those manual processes," recalls President, Brad Wasserstrom, the family's fourth-generation to run the company. "We weren't sure how to move forward."

Turning to Affiliated for help

The company interviewed a handful of business/IT consultants before settling on Affiliated, a local IT and business consulting firm specializing in mid-market companies and highly experienced in the distribution industry – all-important criteria to Wasserstrom. "They also didn't have any ties with major software vendors, so we knew we could trust their recommendations," he adds.

Affiliated conducted a four-month long, top-to-bottom Business Assessment of The Wasserstrom Company, producing some results that surprised management. After reviewing the Affiliated workflows and recommendations, Wasserstrom admits he didn't realize the sheer volume of manual transactions that could have been automated, yet cost the company dearly in unnecessary labor and lost productivity. Additionally, the inefficient and paper-driven warehousing system wasted employee time, money and space.

'Data rich ... information poor'

Worst still, the old legacy system prevented the company from quickly extracting current data about the operation and generating timely reports, delaying responses to customer requests as well as forecasting trends. "We were data rich, but information poor," Wasserstrom says.



Challenge

A large North American distributor of foodservice products needed to automate time-consuming manual processes and eliminate unnecessary labor and inventory management costs, or risk jeopardizing considerable growth potential.

Solution

Affiliated provided Business Assessment, IT Review and Request for Proposal (RFP) Services that resulted in the selection of a fully integrated ERP system to overhaul and automate many of the distributor's key business processes.

Benefits

Once fully implemented, The Wasserstrom Company hopes to "double the size" of its operation before adding labor, save up to 15% in warehousing and shipping costs, improve warehouse utilization, and improve customer service with on-demand reports, among a host of other benefits.

Key solutions and services

Affiliated Business Assessment Service
Affiliated RFP Review Service
Affiliated IT Review Service



"Every step of the way, Affiliated made us feel comfortable in transitioning to a modern solution. This was a big financial commitment, spanning a couple years. But they helped us get top management on board, showing everyone involved why this was the right road to take."

*Brad Wasserstrom, President,
The Wasserstrom Company*

Affiliated recommended an overhaul of the enterprise system, automating and standardizing Wasserstrom's idiosyncratic business and enterprise resource planning (ERP) processes, from invoicing and billing to warehouse management and reporting. After a requirements compilation using Affiliated's proven evaluation methodology, and an initial screening of ERP solutions for Wasserstrom's business, invited vendors made presentations with demonstrations. After an exhaustive review, the Wasserstrom evaluation team, relying on Affiliated's counsel, selected a fully integrated ERP system "to bring us into the modern world," he says.

Key benefits

Implemented throughout 2010, an automated ERP solution "may actually help us double the size of our business before we even need to add labor," a reflection of the deep inefficiencies built into the old system, Wasserstrom says. For instance, in the past, each purchase order and invoice needed to be keyed-in by employees and then later matched manually with receipts — a very time-consuming process with 4,000 orders a week. The new ERP system handles the accounting automatically, reducing routine labor and freeing workers for more productive tasks.

In Wasserstrom's five warehouses, batch orders will be put together more efficiently. Rather than selecting and boxing new and back orders individually, workers will be able to assemble multiple orders all at once and in the same box, saving up to 15 percent in labor, cartons and transportation costs. Additionally, because the new ERP system views the warehouse in cubic footage dimensions

rather than square footage, Wasserstrom will be able to better utilize existing space and potentially save on capital expenditures for additional warehousing.

On the customer side, more robust, automated self-service will dramatically improve reporting systems internally and for customers, such as shipping status and on-hand inventory. Instead of generating weekly or monthly reports, the company will provide valuable information for customers and the sales force on demand.

"We've come to realize there has been a silver lining in the recession for us," Wasserstrom says. "It allowed us to step back and put in place a better, smarter foundation for the future. Now when high growth returns, and it will, we'll be ready to capitalize on it."

About Affiliated

Affiliated helps growing and mid-market organizations identify, evaluate and implement technological solutions to improve operational efficiency or increase revenue. Since 1993, Affiliated has assisted hundreds of organizations across many industries to extract greater value from new and existing technology and resources. Affiliated is a 2007 and 2008 Microsoft U.S. Central Region Partner of the Year in Customer Satisfaction and Business Transformation, respectively.

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"Until the Business Review was completed, I didn't have a full appreciation for the vastness of the manual transactions in our business that could be easily automated. Affiliated opened our eyes to a better way of doing business and serving our customers."

*Brad Wasserstrom, President,
The Wasserstrom Company*

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