



by **Epicor**

Case Study

I.T. Xchange Inc.

Company Name

I.T. Xchange Inc.

Headquarters

Oakville, Ontario

Number of Employees

80

Services

Resale and refurbishment of new, discontinued and refurbished personal computers.

Critical Needs

An updated, enterprisewide computer software system that could provide better inventory management and improved contact and customer relationship management.

Epicor Solutions

Epicor *e*BackOffice

Epicor *e*Distribution

Epicor *e*Warehouse

Epicor *e*FrontOffice

Epicor *e*Commerce StoreFront

From front to back, I.T. Xchange Inc. is all Epicor, all the time. Whether a salesperson is entering a new order, a warehouse worker is packing a shipment of computers or an office manager is printing out a performance report, Epicor's solutions are powering the activity.

That's exactly how Oakville, Ontario-based I.T. Xchange wants it. "We're Epicor through and through," says Michelle Micuda, chief operating officer for the reseller of new, discontinued and refurbished personal computer technology from market leading manufacturers like IBM and Compaq. "We're tied very closely to Epicor and its solutions."

Out with the Old, In with the New

Already a user of Epicor's products, I.T. Xchange in 1999 realized that to reach its \$100 million annual sales goal by 2005, it would have to replace its existing DOS-based systems.

Since opening its doors in 1996, I.T. Xchange relied on integrating several different types of software and hardware to handle its financial, distribution and customer relationship management functions within its multilocation network.

This created some inefficiency within the company and also made it difficult for I.T. Xchange to take the next big step: venturing into eBusiness and handling seamless transactions via the Web. I.T. Xchange understood that it needed a technology overhaul to accomplish those business objectives.

I.T. Xchange, which posted \$40 million in sales last year, had a few very straightforward objectives for its new enterprise software solution. For starters, it wanted to increase visibility across the enterprise by implementing a solution with integrated financial, distribution and customer relationship management functionality.

The firm also wanted a solution that would enable it to reach beyond the four walls of its enterprise by leveraging eCommerce applications and providing real-time access for remote workers. Finally, I.T. Xchange needed to further improve its level of operational efficiency by increasing on-time delivery, speeding up monthly reporting, improving inventory control and eliminating redundant data entry.

After a thorough evaluation of systems from companies like Epicor and MS Great Plains, I.T. Xchange decided that *e* by Epicor would best handle the firm's inventory processes.

"We saw a good fit with Epicor," says Micuda. "Plus, we wanted a company that already had an eCommerce solution under development, and Epicor did."

I.T. Xchange Inc. set its sights on an end-to-end technology solution and chose Epicor as a sole source provider for an enterprise-wide system. In doing so, I.T. Xchange partnered with a technology vendor that can help the company reach its \$100 million sales goal.



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by Epicor

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From A To Z

Nearly all of I.T. Xchange's 80 employees are affected by Epicor's solutions on a daily basis. Working from 74,000 square feet of distribution and office space in Canada, the United States, the U.K. and Barbados, employees use the *e* by Epicor solution for customer relationship management (sales, marketing and support), financial management and warehouse management (for inventory control, shipping and receiving including the use of bar code technology).

According to Micuda, Epicor's warehouse management solution produced the company's first noticeable return on investment. Prior to installation, warehouse workers and sales reps relied on serial numbers scrawled on labels and paper reports for tracking. Transposition of numbers and lost papers were common and made finding the correct product at the time of sales order shipment very challenging.

I.T. Xchange also had no system for bin control. Locating product inside 28,000 square feet of warehoused inventory — for which the company accepted orders up until 3:00 p.m. for same-day shipping — was a real chore that only became more difficult as the company grew.

"We were left with a very short period of time to locate product in a large warehouse," says Micuda. "That inability to find product on a timely basis resulted in poor on-time shipping, as well as inventory write-offs and then subsequent write-ins during physical inventory counts."

With *e* by Epicor, inventory control is now seamless at I.T. Xchange, which uses radio frequency handhelds and label printers to obtain an accurate picture of inventory and its location.

"When we started using full bin control throughout our multiple warehouses, our ability to locate product and pick and ship orders on a timely basis improved dramatically," says Micuda, adding that all inventory is now

received into the system directly at the loading docks, thus eliminating the need for handwritten part numbers and serial numbers.

Concurrently, bar code labels are placed on every piece of equipment. "Much of our product arrives directly from the manufacturer," she explains, "so we can scan the part number and serial number from the manufacturer bar coding labels, thus improving efficiency even further."

Measuring the Results

Along with its in-house staff, I.T. Xchange's remote users also have benefited greatly from the Epicor implementations. The Microsoft SQL Server database instantly increased response time and allowed the company to provide those employees with information from any remote location via high-speed communications.

Sales force productivity is also higher. Previously, for example, I.T. Xchange's sales reps used several different customer management databases, including one for leads, another for customers, and yet another for recording faxes and e-mail addresses. Today, the team works with one central information source. Thanks to the integration that *e* by Epicor provides, the sales team can share data with the entire company in a simple manner.

Micuda estimates that the company's new, integrated customer relationship management system has saved about one hour per day for sales reps, and says it has also resulted in increased sales.

Using *e* by Epicor, the company's financial department now takes an hour to close out inventory for month-end reporting purposes — a process that once took nearly two days.

"The time savings means we have a one-and-a-half to two days of extra product shipping," says Micuda, "rather than administrative holdup while we update the inventory system."

Before *e* by Epicor, I.T. Xchange's inventory shrinkage was about 3 percent. Today,

that number is almost zero. At the same time, on-time shipping has improved from 76 percent to 99 percent. For a company that relies on customer service to separate it from the competition, the improvements have been invaluable.

"Our inventory count procedure improved dramatically when we eliminated paper tags/data entry and moved to a scanning/bingo dabbling count," says Micuda, adding that the company previously took three days, 40 people and \$25,000 to count inventory semi-annually. "Now it only needs to be done once a year, and the system and our network allow us to simultaneously count inventory in three countries."

More Epicor On the Way

I.T. Xchange is currently installing Epicor eCommerce StoreFront, which will handle foreign currencies and integrate the company's complex shipping program include direct freight quoting from FedEx. The system, which includes Credit Card Authorization, will interact directly with eCommerce StoreFront, and also calculate freight costs automatically and avoid double-data entry.

According to Micuda, I.T. Xchange will also soon set up customer and supplier portals on the Internet — yet another ability that it will turn to Epicor for help with as it works toward its \$100 million sales goal. "We're looking forward to using Epicor products in our operations long into the future," says Micuda. "We're all Epicor through and through, and our company is thriving because of it."



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