

Walter Surface Technologies Achieves 98% Same-Day Ship with Elite™ Enterprise Solutions, Significantly Improves Order-To-Cash Cycle

SUCCESS STORY



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Snapshot: Walter Surface Technologies

Industry

Industrial Distribution

The Challenge

Walter's unique challenges encompass the full supply chain management cycle; from development to distribution and customer services across North America, Europe and South America, to improve the purchase-to-pay and order-to-cash cycles.

The Solution

Walter selected Tecsys' Elite™ Enterprise solutions which included Elite™ Distribution ERP, Elite™ WMS, Elite™ TMS and Elite™ Analytics.

The Benefits

Walter has realized significant efficiencies and cost savings such as increasing fill rate to 98%, reducing billing cycle by 24 hours, increasing warehouse labor productivity by up to 15%, and being able to do more with less, even when they grow.

Increasing
fill rate

98%



Reducing
billing cycle by

24h



Increasing warehouse
labor productivity

15%



**“When you think about customer service,
you need to have high quality.”**

Walter

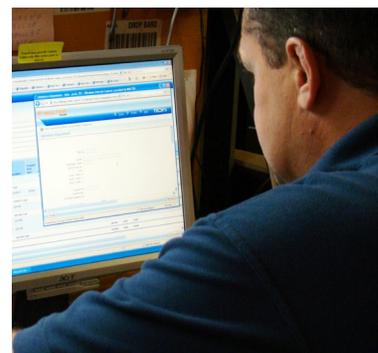
About **Walter**

For over 65 years, Walter Surface Technologies has been a global leader in surface treatment technologies delivering high performance abrasives, tooling, power tools, chemical solutions and welding process solutions specifically designed for the metal working industry.

Walter's core philosophy is centered on helping customers work better and providing "only the best" – the best technology, the best products, the best performance, the best in safety and the best in sustainability – all geared toward increasing their productivity and profitability. This approach has been the cornerstone of Walter's customer-centric mandate, which has guided their business principles since the company was founded in 1952. It is called the Walter Way. And it is based on the notion of adding value and striving for excellence in everything they do and thereby contributing to their customers' success.

Since its inception, Walter has launched a number of "first-of-its-kind" innovative products to the industrial market, beginning with the introduction of the cold saw, handheld mini grinder, and many other superior metal-cutting tools and environmental-friendly self-cleaning, protection and lubricating systems that were endorsed by talk show host, Jay Leno.

Walter is present in North and South America. In addition to their global headquarters in Montreal, Canada, the company has established subsidiaries in the United States, Mexico, Brazil, and Argentina.



Challenges

Walter's unique challenges encompass the full supply chain management cycle; from research and development, to outsourced manufacturing partners in Europe and parts of Asia, to quality control and central warehousing in Montreal, to distribution and customer services across North America, Europe and South America.

Walter deployed Tecsys' Elite™ Distribution ERP system, which enabled the company to streamline and improve its procurement, order management and financial management processes. At the time, the company had a basic warehouse management system (WMS) and transportation management system (TMS) that were not integrated with its distribution ERP. With Walter's positive experience in using Tecsys' application suite, and the company's continued need for improvements and cost savings in its supply chain execution processes, particularly in the warehouse, Walter's management decided to move forward with Tecsys' most recent suite of integrated enterprise applications: Elite™ Distribution ERP, Elite™ WMS, Elite™ TMS and Elite™ Analytics.

Walter needed greater control of their cash management to further standardize their purchasing processes and become paperless. Most importantly, they needed to gain visibility across the total spend cycle, such as accruals, commitments, buying trends; in essence predictably and efficiently manage the P2P cycle.

With more than 1,000 resellers across Canada and its continuous need to provide high-quality service to back its market-leading products, the company needed a seamless supply chain technology.

"We needed to improve our processes and reduce our cost structure in the warehouse and out to our customers. As an outsourced manufacturer and as a wholesaler, we needed to manage both ends of the supply chain spectrum; purchase-to-pay (P2P), order-to-cash, and certainly everything in between our warehouse operations."

Walter

Challenges

- Multi-operating environment:

Multi-warehouse – distributing from their warehouses across Canada.

Multi-regions – the ability to handle a number of business units and manage their profitability.

Multi-language – operating in eleven countries using five languages.

Multi-currency – using six currencies including Canadian and U.S. dollars, euros, Japanese yens, Swiss francs and British pounds.

- Manage the full cycle of over 7,000 products.
- Manage outsourced manufacturing with long lead times: between three and four months.
- Support one thousand resellers across Canada.
- Improve fill rate – achieve 98% ship complete of orders the same day.
- Improve the cycle-counting process.
- Improve productivity in the warehouse.
- Improve visibility – real-time visibility for management, customer service and sales.
- Integrate technology – Walter’s management did not want to deal with interfaces, incompatible technologies and costs associated with developing and maintaining interfaces.

These are considerable challenges, particularly that they are not a “Blue Sky” wish list, but the real needs of Walter’s logistics management.

“Integrated modules of distribution ERP, warehouse and transportation management are essential to make everything work together with the least amount of disruptions.”

Walter



Solution

To respond to its challenges, Walter deployed Tecsys' fully-integrated Elite Enterprise™ supply chain solutions that include Elite™ Distribution ERP, Elite™ WMS, Elite™ TMS and Elite™ Analytics.

Today, Tecsys' integrated suite effectively streamlines Walter's business processes that cut across the functional areas of the Company's business and consolidates fragmented operations. As a totally integrated suite, it speeds up the flow of business activity across Walter's organization, consolidates information, manages inventory, drives cost savings and delivers superior customer service.

The purchase-to-pay capability automates the buyer-supplier value chain, providing increased corporate control, effectiveness of the buying process and provides flexibility to change and the opportunity to focus on core competencies.

Tecsys' Elite™ WMS industrial-strength solution empowers Walter's logistics management to gain control over customers' service levels, throughput volumes, order turnaround times, as well as warehousing costs and profitability. Elite™ TMS optimizes the execution and visibility of outbound shipments with a fully integrated, multi-carrier, enterprise-wide shipment processing solution. It provides Walter with centralized control and automated information distribution through web-enabled technology and at the same time eliminates the costs and complexity of multi-site operations.

To support its modernized operations, Walter leverages Amazon Web Services (AWS) Cloud. AWS' secure, flexible, efficient, and cost-effective commercial cloud services enable Walter to scale its infrastructure, application resources, and IT capabilities according to business requirements. AWS ensures predictable performance and data security by certified on-staff administrators. With the ability to scale quickly and drive operational simplicity, Walter can focus on its core business while enjoying the benefits of a stable and secure cloud solution that reduces the risks of resource imbalances from load volatility.

“Integrated Distribution ERP, WMS and TMS means integrated information for everything; you don't have to wait for transfer of information and you don't have to deal with incompatible files or technology between systems or interfaces. And, when you upgrade, you don't have to worry about disparate systems' incompatibility or the additional cost and waste of time. Integrated systems are fantastic and very fast – orders are picked and packed at night and invoiced automatically; no waiting 24 hours or more to complete the cycle to do your invoicing, it is done right away.”

Walter



Tecsys' Elite™ Enterprise supply chain platform takes data that companies already have and turns it into focused, useful information. Its technology is adaptable to a user's environment and is sensitive to each individual's personal needs. As Tecsys' supply chain applications are used more and more, this intelligent technology quickly tailors itself to the preferences and way of working of each individual user and presents that information exactly how they like to see it.

Benefits

Walter has made major strides forward in its supply chain operation since deploying Tecsys' integrated suite of applications.

The company has realized significant benefits. Below are some of the highlights of the measurable hard benefits realized:

Key Performance Indicator	Increase/Decrease
Fill-rate increase to 98%	39% 
Billing cycle	24 hours 
Backorders	90% 
Average backorder as % of sales	to < 1% 
Monthly cycle-count variance	to 0 
Labor productivity in the warehouse	to 15% 

In addition, customer service representatives have better live customer information such as order status. As a result, orders that are received by 3 p.m. are shipped the same day.

Management has much more accurate information and in real time:

- Better control of discounts.
- Better and more accurate average cost and gross margin.
- More control on three-way match such as the ability to do better reconciliation of product cost, freight and delivery.
- Much more accessible information.
- Sales query on available inventory, info on products and status of orders.



“With the uniqueness of Tecsys’ Elite™ Enterprise platform, everything is so flexible, easy to access and personalized to your job and individual preferences. With Tecsys we are able to do more with less, even when we grow. The increase in space and the additional products to handle, does not automatically translate into more resources in the warehouse and administration. We will be able to handle the additional load, no problem!”

Walter

About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades – by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.



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