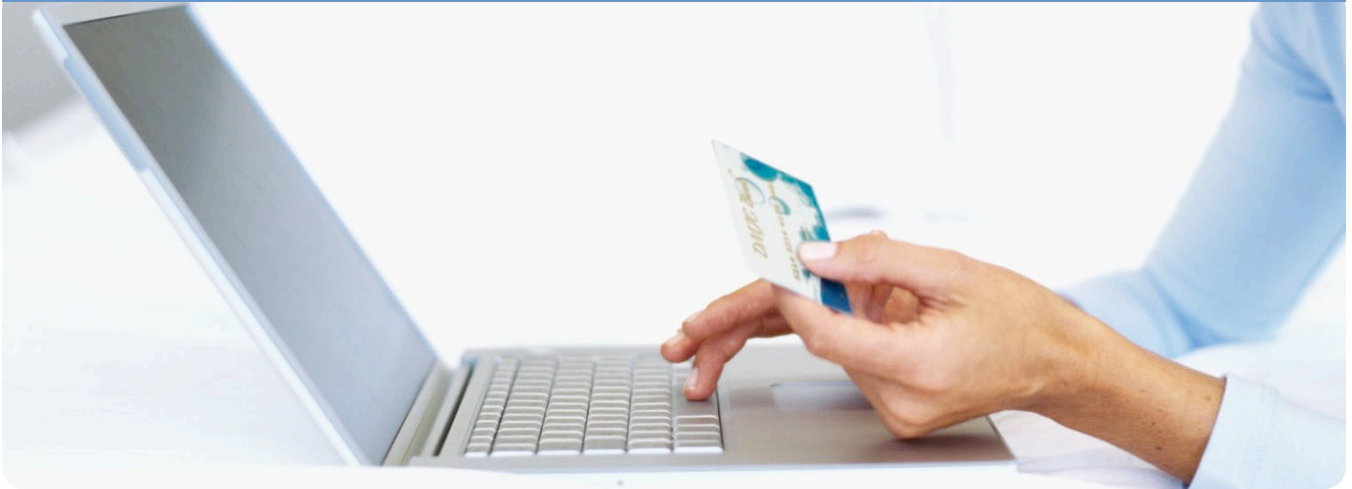


# HOW CATHY'S CONCEPTS MAKES PROGRESS



## KEEPING PACE WITH GROWTH AND CUSTOMER REQUIREMENTS WITH DISTRIBUTION ONE

Cathy's Concepts ([www.cathysconcepts.com](http://www.cathysconcepts.com)) is a leading wholesale manufacturer and distributor of personalized gifts, wedding accessories, spa accessories and novelty apparel. What started as a small wholesale jewelry company serving independent bridal retailers has grown into a complex business servicing end users, retailers and gift stores nationwide. With a state-of-the-art distribution center, fully-staffed design team, sales team and customer service call center on site, Cathy's Concepts uses the V2 ERP solution from Distribution One, a Progress Software Application Partner. Based on the Progress® OpenEdge® platform, V2 is a complete solution for Wholesalers and Distributors for automating all aspects of business operations, including order entry, sales, purchasing, inventory, CRM, accounting, finance and more.

*Cathy's Concepts*

### **CHALLENGE**

*Keep pace with business growth, meet the needs of customers and secure a competitive advantage*

### **SOLUTION**

*An automated ERP solution for wholesalers and distributors: the Progress® OpenEdge®-based V2 ERP solution from Distribution One*

### **BENEFIT**

*Reduced costs associated with paper-based production by 70%, cut production time for various operations by at least 15%, reduced order inquiry call volume by approximately 20%*

Since 1998, Cathy's Concepts has relied on software solutions from Distribution One to manage its business. Recently, the company migrated from Distribution One's Unix- based platform to the Windows-based V2 Enterprise system in order to take advantage of the solution's expanded capabilities. "To keep pace with business growth, meet the needs of our customers and ensure our competitive advantage, it is critical that we put in place the systems and procedures necessary to run an efficient, streamlined business," explains Patrick Geisler, IT Administrator for Cathy's Concepts.



The organization sells both directly to consumers and to retailers. The main business is through its bridal retailers, who post their orders via the Cathy's Concepts website. Those orders are then processed through the online ordering system. The company has also developed "Express Sites" for approximately 200 retailers—websites the company essentially builds for its customers. It also serves a set of retailers that require their full services—from direct importing, bulk ordering, as well as individual order fulfillment.

"Our business has grown in both volume and complexity. We have to do all we can to automate our processes in order to streamline our operations, maximize our productivity and achieve visibility across our business," says Geisler. Moving to V2 enabled the organization to redesign its internal processes and convert its distribution center to a paperless operation. "Before, we were processing everything on paper which made it difficult to change and track orders. Moving to V2, our employees can manage all aspects of our customers' orders online. They have immediate visibility into the accounts and could better service our customers. In addition, there is a substantial cost associated with managing everything on paper that we were looking to reduce."

Moving to V2 also gave Cathy's Concepts expanded reporting capabilities to help analyze product sales, conduct seasonal inventory planning, and manage its inventory. Because a substantial portion of Cathy's Concepts business is tied to personalized products, the company has extreme standards for fulfillment and shipping.

"We take two business days to process a personalized order—from order receiving to shipping," states Geisler. "Because we are in the bridal

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***"The ability to manage orders online has created greater efficiency in our business and has given us more flexibility in modifying and tracking orders. We have also reduced our costs previously associated with the paper-based production process by about 70%."***

*Patrick Geisler  
IT Administrator  
Cathy's Concepts*

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industry, our business is extremely date dependent. You can't be late for a wedding; it is critical that our products are in stock when the orders come in. Otherwise, the customers will take their business elsewhere."

## A FAST AND SMOOTH IMPLEMENTATION

"It took only two months to redesign and rethink our entire distribution system," says Geisler. "It was a very smooth transition; our business kept moving without a hitch." Geisler and his team worked with the Distribution One programmers to customize specific screens and a graphical user interface (GUI) to their personalization stations. In just one weekend they transferred the database from Unix to the Windows platform. The team then installed the custom modules, and the company was shipping product within 24 hours of the launch.

Geisler has found Distribution One extremely responsive to their needs. "I spent a lot of time on the phone with them learning the subtleties of the system. Our business model uses a lot of atypical conventions. For example, we have our own custom shipping tables that we charge by versus always using UPS. Distribution One's programmers have worked closely with us to customize the system to meet our specific requirements."

## STREAMLINED BUSINESS OPERATIONS, IMPROVED CUSTOMER SERVICE AND REDUCED COSTS

Today, Cathy's Concepts is using V2 as the core of its business to manage inventory, order processing—from import to the manifesting—as well as pushing updates to their multiple websites to reflect near real-time inventory availability.

Since upgrading its order management system from a manual, paper-based operation to an online system, the company has achieved tremendous results in streamlined business operations, improved customer service, increased visibility and reduced costs. "We have achieved a dramatic improvement in our operations since moving to V2," states Geisler. "The ability to manage orders online has created greater efficiency in our business and has given us more flexibility in modifying and tracking orders. We have

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also reduced our costs previously associated with the paper-based production process by about 70%.”

V2 has enabled Cathy’s Concepts to increase its level of services. “Now we can make changes to orders more efficiently than before. We can go into an order, make a change, and that change will cascade all the way through the terminals and the processing stations. V2 has cut down our production time for many processes by at least 15%.”

Because Cathy’s Concepts deals with the personalization of products, the company is always looking to eliminate human error and intervention. With the online order management system, employees can now cut and paste directly from the orders, ensuring that what is printed on the product is exactly what the customer requested. “The electronic audit trail is fantastic,” says Geisler. “If there are any issues we can easily go back and see where there was a misstep—either on our part or that of the customer. Previously we had to rely on a paper audit trail. We would have to dig through stacks of folders—hundreds of pages—to find the correct order. It was a really cumbersome, inefficient system.”

Cathy’s Concepts runs its own web servers to manage its multiple websites, which are all tied into the company’s inventory management system. “We now have a six-hour accurate inventory with a near term goal to make that real time,” says Geisler.

“We have drastically improved our inventory management and expect our accuracy levels to improve. We want to reduce our backorder process to as close to zero as possible. And that will impact everything—our costs, service levels, and customer satisfaction.”

By automating and integrating its online order management system, inventory management system and backend systems using V2, Cathy’s Concepts now has much more accurate data about its own expenses. “We have more visibility into our business operations and, as a result, we are able to make modifications to our internal processes in order to cut costs.” The company has only been using V2 for ten months, so it is still trying to determine how much the solution is saving the organization. But Geisler is

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confident they are saving money in regards to reduced personalization errors. “Previously employees had to manually type the information from one system to another and that introduced a variable where they could make a typo or a mistake. With the new system, they can cut and paste data and it transfers across more accurately. V2 has saved us a lot in terms of personnel mistakes and has dramatically increased our accuracy rates.”

## INCREASED VISIBILITY IMPROVES SALES FORECASTING AND REDUCES OPERATING COSTS

Moving from a text-based interface to a GUI has also been a dramatic improvement. “With expanded reporting capabilities we can now analyze our product sales much more thoroughly than we were able to before,” explains Geisler. In the bridal industry, May June and July are the company’s peak months. With V2 it is now able to perform seasonal inventory management by tracking sales and comparing them to the previous year’s inventory usage. The system enables the company to go back one year and forecast forward six months. With the ability to look at the same period over last year, Cathy’s Concepts can perform much more accurate forecasting based on seasonal historical usage. This helps it to predict user buying patterns and determine what items it needs in stock, in what quantities and during what time of the year.

“We have definitely been able to reduce our out of stock situation with popular items through more accurate sales tracking, states Geisler. “We don’t have the luxury of telling people it will be weeks or months until stock is in. And if we are out of stock we can now inform the customer at the point of order instead of after accepting the order.”

## SPEED AND FLEXIBILITY A COMPETITIVE ADVANTAGE

“V2 has given us a competitive edge because it speeds our order processing,” explains Geisler. “Many vendors want multiple weeks to provide personalized products. Being able to ship personalized products in two days is a huge competitive advantage.” The flexibility of the system also enables Cathy’s Concepts to make changes to orders almost up to the point of the personalization being added. “That flexibility is almost unheard of in this

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industry. Many times brides forget to order something or change their minds right before the big day. We are able to get them what they need, when they need it." The company is also able to better service its customers with its expanded drop shipping capabilities and its ability to now do blind shipping.

Cathy's Concepts has redesigned all of its websites to automate the order entry process. Today, it can export all online orders into V2, eliminating large amounts of manual data entry. "Because of the flexibility of the importing process we are acquiring customers that previously couldn't meet our import file requirements. With the new system we have more flexibility to match what they are able to output. This capability has absolutely expanded our competitive edge and ability to pursue new business opportunities."

In the near future, the company plans to use V2 to implement an e-mail parsing system that will allow it to accept e-mail orders in almost any form. "We will be able to push through more orders than ever before and work with different types of customers that we previously couldn't accommodate. We were missing out on some opportunities with the small to midsize retailers that didn't have an internal IT staff to help with the importing, but still had the potential for generating hundreds of thousands of dollars in sales each year. This will give us flexibility to take on their formatting and open a whole new revenue stream for our business."

## ADDING VALUE TO ITS CUSTOMERS' BUSINESS

V2 has enabled Cathy's Concepts to integrate its back-end systems with a portal it designed just for customers. The portal allows users to retrieve their invoices, check balances, manage their accounts and see the accounts pending they have within the system. This has helped Cathy's Concepts reduce the burden on its own customer service representatives, and it has cut its call volume for order inquiries by approximately 20%. The base code for the site was developed by Distribution One, and Geisler modified the code for the company's particular business. "Our customers love the freedom, power and visibility into their own account information."

The V2 sales analysis tool has been a tremendous asset, says Geisler, not only to Cathy's Concepts, but to its customers as well. With

V2's expanded reporting capabilities—both the out-of-the-box and custom reports—the organization has much more insight into its customers' buying patterns. The company is now able to focus its sales chains on what its customers' specific needs are, helping them to understand their own requirements. "Our sales managers are able to get a clear snapshot of our customers' business and make suggested selling much more targeted. This insight is helping our customers to achieve a competitive advantage as well."



#### 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>.

#### PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

#### WORLDWIDE HEADQUARTERS

Progress Software Corporation, 14 Oak Park, Bedford, MA 01730 USA  
Tel: +1 781 280-4000 Fax: +1 781 280-4095 On the Web at: [www.progress.com](http://www.progress.com)

For regional international office locations and contact information, please refer to the Web page below:  
[www.progress.com/worldwide](http://www.progress.com/worldwide)

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