

Improving Inventory Management and Campaign Effectiveness with Progress OpenEdge®



CASE STUDY

CHALLENGE

MJF needed a new enterprise resources planning (ERP) system tailored to handle the increasingly complex requirements of the publishing industry.

SOLUTION

MJF relies on integrated applications to manage inventory, automate warehousing, and track and evaluate customer merchandising programs.

WHY PROGRESS® SOFTWARE

Progress OpenEdge® allows MJF to efficiently manage inventory, rely on the Hi Point distribution application, and generate detailed accounting reports without the need for a database administrator.

BENEFIT

The successful automation of its business practices is allowing MJF to expand by building a new inventory and distribution facility in Tennessee to more fully address the U.S. market.

SELECTING A TAILORED SOLUTION

MJF Media, Inc. is based in North York, Ontario, and the company provides books and videos to major grocery chains and other high-traffic retailers throughout North America.

“Our claim to fame is that we deliver great products at great prices, but we need to carefully manage our warehousing, inventory, distribution, and campaign tracking so we can profitably serve our customers and efficiently merchandise remainders throughout both the United States and Canada,” said Ken Brownlee, Chief Operating Officer of MJF.

The company had been relying on a major enterprise resource planning (ERP) suite of applications from a well-known software company, but it lacked the flexibility to deal with the complex inventory tracking requirements of the publishing industry.

“When I joined the company there was internal dissatisfaction with the existing software, and we realized that we needed a new solution that could better accommodate our needs—particularly in the area of inventory control,” explained Brownlee. Executives from MJF met with The Siroky Group, an integration firm that represents HI Software Inc. “It would be expensive and inefficient to customize the existing software, so we evaluated alternatives and selected Hi Point,” he added.

Hi Point is a powerful ERP system with a complete set of integrated modules designed for the publishing and distribution industry. The integrated modules include purchasing, receiving, inventory control, warehouse management, order and backorder management, mail order, pre- and post-billing, high volume returns, and financials, and it offers a full reporting suite and multi-currency and multi-warehouse capabilities.

It is developed by HI Software—a Progress® Application Partner—and it relies on the Progress OpenEdge integrated platform. “We needed to re-think our internal policies and procedures and select a software application that could be quickly deployed to help us improve inventory management, workforce productivity, and campaign effectiveness, and HI Software offered a proven solution and expertise in the publishing industry that would help us streamline operations,” said Brownlee.



AUTOMATING INVENTORY MANAGEMENT

MJF quickly deployed Hi Point throughout its headquarters and two warehouses utilizing the base software and incorporating specific customizations that allowed MJF to build customer-specific programs for both books and videos. “We timed the implementation to coincide with the year-end closing of the company books, and the physical inventory taken at the warehousing facilities provided the data needed to populate the inventory database. Hi Point provides the flexibility to track each title, and we leveraged handheld RF technology to avoid our previous paper-based processes and that allows us to gain real-time insights into available inventory.”

The previous ERP application lacked integrated inventory management. Book and video titles were tracked in a separate database, so the company had limited abilities to analyze buying patterns and develop merchandising programs that delivered the right titles to the right retailers.

“The previous system relied on manual and error-prone processes for tracking inventory, and we had no online integration between our inventory database and business applications,” said Brownlee. “Hi Point allows us to scan pallets and it also allows us to efficiently record the receipt or transfer of inventory at the item level.”

Automated inventory tracking also simplifies the process of trucking shipments across the border from Canada to the United States. Drivers now carry inventory manifests that allow them to quickly clear customs and drive shipments to retailers throughout the United States.

The company has dramatically improved the efficiency of its picking accuracy. “We have detailed information on where titles are stored in inventory, and we have a baseline knowledge of the titles we have in stock,” stated Brownlee. “We also attach identifiers to each pallet, so when we generate a pick list we can better improve accuracy and make sure that we deliver the right goods on each shipment. Now there is virtually no chance that we’ll load extra pallets of inventory on trucks, so we’ve been able to improve the accuracy of our shipments and better leverage our available inventory.”

IMPROVING CAMPAIGN MANAGEMENT

MJF is a program-based company, so analyzing the performance of each shipment is crucial to understanding buying behaviors and increasing sales. While in the past management had little insight into the shipments of each customer beyond the number, categories, and prices of books and videos delivered, the company now has detailed reporting information available to assess the program performance by customer.

“We know exactly which titles we shipped and which titles were returned at the end of each program,” explained Brownlee. “We have the capability to mine this information to uncover buying trends at the retail stores of each of our customers. Hi Point includes standard reports that help us analyze buying behaviors, and we can extract detailed information when needed to more closely analyze buying patterns. We can generate focused reports that assist us in continuously conducting post-mortem analysis of each program so we can effectively and

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— Ken Brownlee

Chief Operating Officer

efficiently provide our customers with the products that their consumers want to buy. Hi Point allows us close the loop on our campaigns, analyze buying patterns and continuously enhance our ability to deliver books and videos that sell.”

100 PERCENT RELIABILITY

Reliability and efficiency have been major advantages for MJF. Since the installation, Hi Point has been available 100 percent of the time, and the company manages the database and applications without the need for an internal database administrator (DBA). The company usually has an inventory of about 3,000 books titles and 2,700 video titles, and carries many of these titles in both French and English.

“We can track inventory utilization and efficiently capture information on how our products are selling,” said Brownlee. “Accurate inventory management and distribution not only allows us to improve our business operations, it also allows us to build better relationships with our customers. Hi Point has provided us with more control over our inventory and an improved ability to understand how we are meeting the downstream demands of our customers,” he stated. “Because we have access to detailed information on our inventory, we can buy products more effectively and more productively ship titles to customers to generate increased revenues.”

MJF is leveraging its improved inventory management capabilities to support expansion to the United States, and will soon be opening a new warehouse in Tennessee. “We needed to improve our inventory and distribution systems before we expanded, and we will soon open a new warehouse that will leverage the same applications and business processes to enable us to grow the business and efficiently provide our customers with titles that their customers want to purchase.”

ABOUT PROGRESS SOFTWARE

Progress Software Corporation (Nasdaq: PRGS) provides application infrastructure software for the development, deployment, integration and management of business applications. Our goal is to maximize the benefits of information technology while minimizing its complexity and total cost of ownership.

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