

American Refrigeration Supplies



About the company.

Headquartered in Phoenix, American Refrigeration Supplies, Inc. (ARS) is a one-stop wholesaler of refrigeration, heating, ventilating, and air-conditioning equipment, parts, and supplies. With 33 locations in six states, the 69-year-old company sells primarily to licensed contractors for the repair and replacement market. The company stocks approximately 17,000 items from roughly 300 different vendors.

For more information about American Refrigeration Supplies, visit www.ars-net.com.

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WENDY JINDRA, MANAGER OF IS, AMERICAN REFRIGERATION SUPPLIES

Setting the strategy.

In an increasingly difficult economy, there is little margin for error with respect to how it manages its clients—and its vendors as well. The company has to perform in an operationally efficient manner if it is to remain competitive and profitable.

One area where the company has been tested is tied to electronic data interchange (EDI). A growing number of product vendors have sought new data exchange methods to increase efficiency in the supply chain, pushing ARS to upgrade its processes and approaches. “Our vendors were asking us to use EDI for sending our purchase orders,” says Wendy Jindra, manager of IS, American Refrigeration Supplies. “There really was not an advantage for us to use EDI. It’s not cost-effective for us. Nothing about it was enticing for us, but vendors were requiring it. We had to act.” At the risk of losing its authorization to sell certain product lines, ARS decided that it needed to take steps to meet this demand.

Getting business specific.

American Refrigeration Supplies initially responded to the demands of a handful of vendors for electronic data by pulling data out of its system and sending them flat files. With an IT staff of just two people serving the entire company, this labor-intensive approach clearly was not going to work long term.

It was the growing demand from several customers, however, that finally pushed the company to fully modernize its approach. They were demanding that invoices be sent via EDI instead of through postal mail. “Now we had parties on both sides of the fence telling us we had to do something to get into the 21st century,” says Jindra.

Having surveyed the available solutions in the market, ARS chose Commerce Connect by Infor™. It was an obvious decision. The company was already committed to Infor ERP SX.enterprise for enterprise resource planning.

facts at a glance:

- > company American Refrigeration Supplies
- > solution Infor ERP
- > product SX.enterprise, Commerce Connect
- > industry Distribution
- > employees 235
- > country USA

As pressure to address the data exchange problem escalated, the company decided to make EDI a higher priority by replacing an initial hire who had a strong IT background with little EDI experience with a hire who had a strong EDI background and little IT experience. While the other members of the team focused on handling user support and IT operations, Sheree Keller, ARS’s new IT support specialist, concentrated on implementing Commerce Connect.

“You have to be willing to work,” says Keller about the challenge of getting hundreds of vendors and customers on the EDI system. “They aren’t going to come to you. You have to go to them. You have to work it and you have to be organized about it.”

Seeing results.

Having formulated a plan, Keller wasted little time implementing it. She had more than 100 companies—both vendors and customers—up and running on EDI within four months. “There’s a lot happening now,” says Jindra. “She’s constantly moving things forward.”

Key benefits have emerged as the company’s purchasing department is freed from printing out purchase orders and walking them over to the fax machine. The process saves time, enabling professionals in this group to accomplish more.

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Greater accuracy was another benefit. By conducting transactions via EDI, the company eliminates the need for manual data entry—eliminating keypunch errors that would have needed to be reconciled and mistaken orders that would have had to be tracked down.

However, the company is seeing its most immediate economic benefits in terms of enhancing its invoicing process. “Soon, we’ll be sending most of our customer invoicing through EDI instead of through postal mail and we’ll save postage costs,” says Jindra. “We’re going to save a lot of money. We’re already doing it with some customers, and we’re seeing the value.”

Jindra estimates the company will soon be saving as much as \$45,000 a year in postal costs. “That’s huge,” she says, pointing out that this turned out to be an unexpected benefit that was not factored into its original decision to purchase the software.

Given the company’s challenges with accounts payable in the existing economy, it is also benefiting from the ability to more rapidly invoice its clients and collect cash. By delivering invoices electronically, ARS can encourage clients to pay more quickly, eliminating invoices getting lost or held up in the postal mail stream.

“In addition to saving a lot of money,” says Jindra, “we’re going to have better accuracy on the data that is being created and sent. I also think it’s just easier for the employees. They’re not spending as much time chasing down problems. They’re able to then focus more on how to improve their processes.”

Doing business better.

ARS’s success in turning around its EDI implementation can be attributed to diligent planning and rigorous execution. It also took a high degree of organization.

For instance, Keller produced a set of spreadsheets enabling her to actively track the vendors to include in the EDI system. While some vendors were very helpful (especially those that originally pushed ARS to adopt EDI), others needed to be actively managed. Keller targeted one set of vendors and then methodically moved on to the next set.

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With the rest of the IT group handling support challenges, Keller had the time she needed to follow her plan and deliver results. However, she has also been able to step in and backfill on support issues during various stages of her EDI initiative.

Lesson learned: “Hire someone that’s organized—a person that is goal-oriented and a multi-tasker,” says Jindra. “We also had to be prepared to change our mindset and make EDI a priority, not a secondary issue. I think those are the things that made this successful for us.”

About Infor.

Infor acquires and develops functionally rich software backed by thousands of domain experts and then makes it better through continuous innovation, faster implementation options, global enablement, and flexible buying options. In a few short years, Infor has become the third largest provider of business software. For additional information, visit www.infor.com.

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