

IBT, Inc.



An enterprising company.

IBT, Inc., a distributor of industrial supplies, offers high-quality products such as bearings and power transmission products, rubber and plastic hoses and belting products, electrical supplies, and material-handling equipment. The company also provides maintenance, engineering, and media production services. Headquartered in Merriam, Kansas, IBT has about 50 service centers in 10 states that are concentrated in the Midwest. Its customers extend throughout the aerospace, aggregate, and ethanol industries, representing manufacturers such as ABB, Goodyear, RBC Bearings, and Baldor.

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DARRELL HENSLEY, CORPORATE OPERATIONS MANAGER, IBT, INC.

Setting the strategy.

As a key component of its ongoing strategy to optimize inventory, strengthen relationships, and increase sales volume, IBT, Inc. decided that it needed to implement steps to get products to customers more quickly and efficiently. With about 26,000 orders handled per month and about 80,000 SKUs in 46 locations, streamlining the process appeared to be a monumental task. Darrell Hensley, corporate operations manager, explains, “Our goal was to reduce our \$24 million-dollar on-hand inventory by 30 percent. To accomplish that, we needed to take advantage of our suppliers’ inventories more efficiently. We also wanted to reduce our order processing expenses by relying more on suppliers, and to increase customer service productivity.”

As a distributor, IBT began investigating the possible approaches and benefits of supply chain collaboration, including how it helps companies anticipate future demand and prepare for it, and how it improves overall operational efficiencies.

Getting business specific.

IBT chose Infor™ ERP A+ for its technology that would enable efficient collaboration and for its business experience with supply chain networks. Notes Hensley, “The first thing we did when trying to figure out how to better collaborate with our customers was to call Infor. We knew how Infor approached our distribution industry challenges, and it was apparent they were concerned about understanding our needs. In addition to targeting efficiency improvements, we also learned that we needed to add more value for our customers and suppliers, and take advantage of technology to link all of our processes in an optimized collaboration effort. We wanted to grow efficiently without increasing costs.”

An important step toward improving IBT’s efficiencies was expanding visibility across the organization and throughout the supply chain. IBT began by examining how the company makes decisions about when to order inventory, how it supports demand, how it forecasts future demand, where to source from, and where the need lies. Hensley explains, “Infor helped us create a business model that extended our visibility throughout the supply chain

facts at a glance:

> company	IBT, Inc.
> solution	Infor ERP
> product	A+
> platform	IBM® System i
> database	IBM DB2®
> industry	Manufacturing & Distribution
> revenue	US \$120 Million
> employees	450
> country	USA

and helped us optimize control over our business processes—from order entry, accounts receivable, and sales analysis to inventory control and purchasing.”

Seeing results.

IBT began its electronic supply chain collaboration by partnering with its biggest suppliers. The objective was to add all of these suppliers’ products to IBT’s item base offerings. In doing so, the company also made sure that its operations and procurement departments were synchronized with the project so that product numbers and descriptions were used consistently. Hensley notes, “With the added value of increased sales opportunities and offerings to suppliers, we knew we could ask for incentives from them, such as no minimum orders, rebates, and reduction in freight costs.”

According to Hensley, suppliers are lining up to take advantage of the collaboration program, and IBT has completed adding the full line of its larger suppliers’ products to its item base offerings. The system setup enables real-time price and availability of supplier product offerings by simply pressing a function key. “Customer service representatives can also issue the purchase order in real time in the supplier’s system while on the phone with the customer,” notes Hensley, “eliminating callbacks, faxing, and emailing.” Hensley adds that this streamlined process saves IBT a tremendous amount of purchase order processing time and improves customer service productivity. “The collaborative partnership boosts

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top-line sales volume and reach for both IBT and suppliers—without increasing cost. We can now reach customers with a depth and geographic breadth that we had not been able to do alone.” One of IBT’s largest suppliers is Martin Sprocket. Before collaborating electronically with Martin, IBT had only 8,000 Martin part numbers in its item base with price and availability information. The current collaboration partnership with Martin has enabled IBT to extend inventories to over 21,000 total part numbers, using universal product codes, comprising Martin’s complete product offering. “We now can check price and availability on all Martin parts by just pressing one function key while we have the customer on the phone,” Hensley adds.

According to Hensley, the implementation of Infor A+ at IBT took three weeks and about 40 hours of IT time. “We explained our whole concept to Infor, and we talked to our biggest suppliers, who showed interest because of their desire to increase sales. But we could not have accomplished what we did and do it so quickly without Infor’s guidance and A+.”

Being open to an enterprising future.

As the market continues to change and demands from customers increase, IBT stands ready to meet the challenges. “With Infor’s help, we are well on our way toward reaching the goal of reducing our \$24 million-dollar on-hand inventory by 30 percent,” says Hensley. “We are confident that Infor will provide the knowledge and tools to help us further improve our efficiencies and profitability while expanding our business.”

About Infor.

Infor delivers business-specific software to enterprising organizations. With experience built in, Infor’s solutions enable businesses of all sizes to be more enterprising and adapt to the rapid changes of a global marketplace. With more than 70,000 customers, Infor is changing what businesses expect from an enterprise software provider. For additional information, visit www.infor.com.

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DARRELL HENSLEY, CORPORATE OPERATIONS MANAGER, IBT, INC.

Customer Profile

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