

Chemical Distributor Targets Profits with Inventory Insight through Microsoft Dynamics® NAV

With over 2,000 employees, JC Ehrlich Pest Control delivers pest control services and supplies chemicals to commercial customers and pest control service companies. Acquired by Rentokil, the world's largest pest control company in 2006, JC Ehrlich, headquartered in Reading, PA, brought a new business model – chemical distribution – to the global provider.

BUSINESS CHALLENGES:

Outdated, disconnected systems and lack of inventory control

With two legacy ERP systems, JD Edwards and Infor, inventory and assets management across five warehouses and 90 branch locations was a challenge for JC Ehrlich. Inventory reports were undependable requiring frequent physical inventories to identify and correct variances.

Adding to inventory complexity, JC Ehrlich deals in EPA controlled substances and must validate licensing to sell certain products to customers. The seasonal nature of the business combined with disparate systems, made forecasting difficult which led to overstocking to assure availability.

Better warehouse and inventory management was critical to support planned growth.

SOLUTION:

Inventory management, seasonal forecasting and sales guidance

The JC Ehrlich ERP project team, led by Tim Custer, IT Director for North America and Barry Collins, Finance Director, set aggressive goals for their Microsoft Dynamics NAV 2009 implementation. Replacing not only legacy ERP but also multiple asset management and outsourced payroll systems, project objectives included:

- Improve inventory accuracy and materials management through barcoding and warehouse management.
- Shift reporting from branch locations to headquarters.
- Consolidate three fixed asset systems into one to manage fleet and office equipment for 90 branch offices.
- Automate sales tax and reporting functions.
- Integrate with freight carriers to simplify packing and shipping.

Western Computer was able to provide best practices guidance during the requirements and design phases of the project to optimize the use of Microsoft Dynamics NAV. In addition, the Western Computer team worked closely with Custer to plan and execute implementation from performance testing to production to training.



PROJECT HIGHLIGHTS

Western Computer helped JC Ehrlich:

- Replace JD Edwards and Infor with Microsoft Dynamics NAV 2009.
- Implement barcoding for end-to-end materials management.
- Integrate outsourced payment processing.
- Implement sales tax calculation and reporting system.
- Reduce three fixed asset systems to one fully integrated with Dynamics NAV.
- Automate month end close procedures for two-day close.

ABOUT JC EHRLICH PEST CONTROL

For over 80 years, Ehrlich Pest Control has provided innovative service to homeowners and businesses. As a division of Rentokil, the world's largest commercial pest control company, Ehrlich can provide service in literally any corner of the globe.

Ehrlich offers several unique pest control services, including: Residential Pest Management, Commercial Pest Management, Termite Control, Bird and Bat Control, Vegetation Management and Bioremediation.

www.jcehrlich.com

“With NAV, we are able to provide branch salespeople with product selection guidance. We offer comparable product options based on higher margins through the sales intranet portal.”

**Tim Custer,
IT Director for North America**

Project Results

Inventory management — Now physical inventories are dramatically improved. Instead of 6-page inventory variance reports, there may be as few as three items. Order fulfillment accuracy has improved leading to increased customer satisfaction.

Seasonal forecasting — As a seasonal business, more accurate inventory forecasting allows JC Ehrlich to have inventory in stock to meet demand without having overstock to carry through the winter.

Sales assist — Following the initial implementation, an intranet sales portal was established to allow branches to place orders directly into Microsoft Dynamics NAV. In addition to providing full insight into inventory and simplifying the sales process, JC Ehrlich took the platform one step further. During product selection, sales people receive product suggestions for higher margin or promoted products. Benefits of the optional product suggestions include:

- Better cost and margin management for branches.
- More effective vendor promotion programs.
- Assurance of lowest cost options for customers.

Western Computer's knowledge of the capabilities of Microsoft Dynamics NAV allowed JC Ehrlich to fully realize the goals of the implementation and set a course for continual improvement.

Quick Orders

Net Price Add To Cart Clear Entry Visibility Filter Check Out

Line No.	Quantity	Unit	Item No.	Description	Net Cost per Application	Net No. of Applications	Rank	Net Cost
1	3	EA	10044	Western PC Adv. Alter. Set - Gal. 4x270/36 3.5p/Cd/F37/6944	\$0.17	240	4	\$19.00
1	3	EA	10044	AA Alter. 360 Unit Gal. Set - w/360/360/360/360/360	\$0.15	240	2	\$16.10
1	3	EA	10003	Triple Net Snap This Tunnel" 30/Gal #128	\$1.13	50	2	\$0.00

	Net Cost per Application	Net No. of Applications	Rank	Net Cost
Bx/Cs#79376049	\$0.17	240	4	\$19.00
5 #59011800	\$0.15	240	2	\$16.10
60	\$1.13	50	2	\$0.00

From the sales portal, sales people are offered alternative, lower cost products.

Lessons Learned:

Continuous optimization

Custer advises companies to view an ERP implementation as a continuous process with system improvements developing over time. For JC Ehrlich, focusing on inventory control in the initial phase addressed the highest priority. Forecasting, the sales portal and Jet Reports implementation followed once the initial implementation was complete.

Western Computer works closely with Custer to identify the best solutions for each system improvement they undertake. Western's experience with Microsoft Dynamics NAV and supporting applications gives Ehrlich the guidance they need for continuing system optimization.



Western Computer has specialized in designing and delivering customized Microsoft Dynamics solutions for businesses since 1987.

What sets us apart from other Microsoft Dynamics partners and other ERP solution providers is our commitment and dedication to our clients — a philosophy expressed through the quality of Western Computer's products, our professional services, and the long-term partnership we build with each client.

Western Computer has attained AMR Research/Gartner certifications in Discrete Manufacturing, Process Manufacturing, and Distribution. Western Computer has also attained "INNER CIRCLE for Microsoft Dynamics" status, awarded to those Microsoft partners who have achieved the highest level of performance in the Microsoft channel worldwide.

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