



Case Study



Kipp Brothers Redefines Warehouse Management with FACTS & WMS

Since 1880, Kipp Brothers has operated as a privately held wholesaler and importer of novelty and specialty gift items. Although ownership has changed over the years, the Indiana-based distributor continues to grow and flourish in a business environment that is increasingly challenging and competitive.



Industry: Novelties and Toys

Based: Indianapolis, IN

Employees: 45

Founded: 1880

Status: Privately held

Software: FACTS & WMS

Users: 30

For more about Kipp Brothers, visit:

www.kippbro.com

Increased Productivity with Less Overhead

From their headquarters and 100,000 sq. ft. warehouse just outside Indianapolis, Indiana, Kipp Brothers sells a wide variety of novelty gift items including small toys, party favors, mugs, key chains, costume jewelry, decorations and seasonal items such as Easter baskets and Christmas ornaments. Importing much of their diverse inventory from Hong Kong, Taiwan and China, Kipp Brothers maintains more than 3,700 different items. Currently Kipp Brothers serves more than 64,000 customers, ranging from large supermarkets and retail stores to schools, gift shops and home users, across North America, the Caribbean, Russia, Spain and parts of South America.

With a large and diverse customer base, ordering patterns can be both unpredictable and complex. Combine that with the many challenges of purchasing stock from southeast Asia where it takes 60 to 120 days to receive inventory, and it is amazing that Kipp Brothers successfully keeps their fill rates near 90% and ships most orders within 24 hours of receipt.

So how does Kipp Brothers efficiently manage the complex and unpredictable intricacies of their import and wholesale business while successfully servicing such a large and far-reaching customer base? The answer is simple, FACTS Distribution Software and WMS warehouse management system from Infor.

Improving Efficiency and Reducing Expenses

In 1992, Glenn implemented FACTS and was quickly impressed with the software's comprehensive distribution functionality and the flexibility to customize the application to more precisely fit their company's unique import business processes. Now, Kipp Brothers has completely automated their inventory, sales order, invoicing and accounting processes with FACTS. As FACTS allowed their processes to become more automated and electronic, employees continued reach new levels of productivity, accuracy and efficiency, thereby improving customer service and overall customer satisfaction.

➔ Previously, Kipp Brothers carried about \$2.2 million of inventory. With FACTS, Kipp Brothers has reduced their inventory overhead to \$1.3 million, significantly improving the company's overall cash flow and inventory investment.

Putting Key Information at their Fingertips

With FACTS, company managers can quickly view reports on sales history, gaining access to key business information on customers, product trends, order history and ways to improve inventory forecasting. Previously, when a customer wanted to know about past orders, someone would have to literally dig through paper files to locate the right information. Now in FACTS, comprehensive customer records are just a "point and click" away.

Processes are streamlined, efficiencies are achieved, information is quickly accessible and most importantly, customer service is dramatically improved. As part of the company's shift to electronic commerce, Kipp Brothers recently launched a new website that integrates with FACTS and enables customers to view, order and purchase products online.

Improving Cash Flow with FACTS

One of the most dramatic benefits of FACTS is how it has improved the company's cash flow. "At Kipp Brothers, we turn our inventory three or four times a year which is a lot for the import business," says Glenn. "FACTS helps me forecast how much inventory I need for the next four months which is about all you can ask for in this business. This is a business of crystal balls. It's hard to predict how much our customers will order or if a typhoon or strike at the docks will delay receipt of our shipments."

FACTS has proven to be indispensable in managing cash flow and overhead expenses by allowing for the automation of manual processes and more efficient inventory turns. Previously, Kipp Brothers carried about \$2.2 million of inventory. With FACTS, Kipp Brothers has reduced their inventory overhead to \$1.3 million, significantly improving the company's overall cash flow and inventory investment.

Accuracy and Efficiency in the Warehouse

Since implementing WMS in 2002, Glenn has seen impressive improvements in productivity throughout all processes in the warehouse. With WMS, the entire materials handling process is automated and employees have access to real-time data on every aspect of warehouse operations. "It's so easy to use that employees can be trained on WMS in as little as an hour," Glenn says. "Previously, it took at least a week to get workers trained in the warehouse."

WMS has redefined the way Kipp Brothers manages their inventory. Gone is the company's tedious year-end inventory process that involved the entire warehouse staff manually counting items. Now, Kipp Brothers uses just two people for inventory cycle-counting. "Since cycle-counting is now so fast and easy, it's done continuously rather than just at year's end. Now we know exactly how much inventory is on hand at all times." says Glenn.

Quality Service and Bottom Line Benefits

As a long-term FACTS user, Glenn is especially pleased with the quality of personalized and locally-based service they receive from Infor's Solution Partner, Dalcon. For Glenn, the true bottom line benefit of using FACTS and WMS can best be summed up by the company's successful expansion without increasing overhead. "FACTS and WMS give us the ability to process orders more quickly, provide better customer service and improve our cash flow, thereby positioning us to more than double our business without additional investments in equipment or personnel." After more than 120 years in business, Kipp Brothers knows what it takes to be successful and stay at the top of their game. ?



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