



INDUSTRY

Wholesale Distribution

BACKGROUND

Southern Book Company, an educational publishing distributor, has warehouses in Georgia and North Carolina

CHALLENGE

Integrating accounting, distribution and warehousing functions using a hosted open source solution

SOLUTION

Compiere partner, KnowledgeBlue, customized Compiere ERP and implemented the hosted solution in July 2006

RESULTS

Southern Book Company has increased net margins by 10 percent and more than doubled revenues

COMPIERE PARTNER

KnowledgeBlue



Book Distributor Achieves Streamlined Operations and Margin Growth with Compiere

BUSINESS OVERVIEW

Southern Book Company specializes in the distribution of educational publishing materials and other goods and services across the United States. Founded in 1996, the company is based in Atlanta, where it has a 60,000 square foot warehouse, and it operates an 80,000 square foot warehouse facility in Asheboro, North Carolina. Southern Book Company's customer base is growing and now includes product manufacturers in addition to leading educational publishing companies such as Alfred Publishers and William H. Sadlier

CHALLENGE

Southern Book Company (SBC) was using a number of different application programs to manage ordering, warehousing and shipping for its two locations, both of which were handling these processes differently. As a result, day to day operations required manual data transfer between the various programs, and the existing setup lacked a number of the warehousing capabilities the growing distributor needed. In order to improve productivity and reach the company's growth objectives, SBC needed

to integrate its operations and systems between the two locations. The company also wanted to provide customers with access to real-time inventory information in order to provide better customer service.

SBC's president, Brian Schoenbaechler, was primarily interested in open source ERP options because he believed open source technology could provide the needed integration and functionality at an affordable price. Because the company didn't have a dedicated IT department, it also needed a technology partner that could provide ERP implementation assistance as well as deliver a hosted solution.

SOLUTION

Schoenbaechler researched a number of open source ERP solutions including Compiere. After thorough evaluation, he concluded Compiere would provide the integrated functionality SBC needed, as well as advanced features such as support for multiple locations and multiple warehouses that other ERP options did not offer. Compiere also had a dedicated partner network that could provide implementation support as well as hosting services.

“With Compiere’s open source ERP, we’ve increased our net margin by 10 percent during the past two years, and our revenue has more than doubled during that time.”

— Brian Schoenbaechler
President of
Southern Book Company

SBC interviewed members of Compiere’s partner network and was most impressed with KnowledgeBlue, an open source services company. KnowledgeBlue worked closely with SBC to understand its business model and ERP needs. After identifying SBC’s goals for an ERP solution, KnowledgeBlue began configuring and extending Compiere within the Compiere framework. These extensions included interfaces with third party shippers such as FedEx, DHL and UPS, as well as a business intelligence dashboard for generating business overview reports for all of SBC’s operations.

SBC went live in July 2006 with a KnowledgeBlue-hosted implementation of Compiere. The solution went live on schedule and in one-quarter of the time that other service providers were quoting for the project.

“One of KnowledgeBlue’s biggest assets was the ability to host our Compiere implementation,” said Schoenbaechler. “Being a small company, we don’t have a dedicated IT staff, and being able to delegate those responsibilities to a reputable, experienced partner was invaluable.”

RESULTS

SBC has seen a ten percent increase in net margins and revenue has more than doubled since implementing Compiere. In

part, this is due to marked improvement in productivity in both warehouses. Today, when orders arrive, they are entered into Compiere and each step of the fulfillment process is managed within Compiere. On-hand inventory is confirmed and pick tickets are printed from Compiere. When inventory is ready for shipment, the pick ticket is scanned and the shipping data for each order is transmitted to the third party shipper’s system. Invoices are also automatically created using the same data, reducing data entry requirements and the potential for billing errors.

Compiere has also led to improved customer relationships for SBC. “We’ve established what we call a ‘glass warehouse’ that enables each customer to remotely access real-time inventory data with our system,” Schoenbaechler said. “Our customers value the ability to monitor their inventory themselves. We couldn’t offer this in the past due to information security concerns.

Most recently, the company has begun developing a third-party fulfillment center to handle nationwide distribution of goods and materials outside the educational publishing industry, such as manufactured goods. According to Schoenbaechler, “The inventory management and warehousing efficiencies Compiere helped us create have enabled us to expand our business model in a smart, sustainable way.”