Company Profile
Ryan Herco Products, Burbank, CA
www.ryanherco.com

Industry: Industrial Parts Distributor

Varsity Products: ShipSoft-Parcel™, ShipSoft-Freight™, ShipSelect™, ShipAudit™, FreightAudit™

Shipping Volume: 750 parcels per day, 100 LTL per day

Number of Shipping Locations: 22

Carriers: FedEx, UPS

ERP: Mincron Hardgoods Distribution

"In these economic times, Varsity's shipping software has enabled us to be more efficient, remain profitable, and stay in the game."

—Natalee Pucher, IT Analyst

Ryan Herco Profits from Varsity ShipSoft

Ryan Herco Products is a leading distributor of fluid handling products. The company's diverse product line includes fittings that weigh one-fourth of an ounce, 20 foot lengths of plastic pipe, and pump-lift stations that weigh thousands of pounds. These products are available for pick-up from local distribution centers or are shipped directly to Ryan Herco's industrial customers. The company averages 750 parcels and 100 LTL shipments per day.

A Mincron ERP customer since 1991, Ryan Herco benefited from years of streamlined efficiency across their accounting, sales, inventory, warehousing, and purchasing processes. Natalee Pucher, IT Analyst for Ryan Herco, notes that they wanted the same efficiency in their distribution centers. "Each year we pick one or two key IT projects that improve our profitability. In 2002 we focused on upgrading our shipping technology."

Ryan Herco targeted several areas to improve profitability. The first was to replace 22 stand-alone carrier stations with the performance and reliability of an iSeries-based, multi-carrier shipping software package that exchanged information with their Mincron ERP system. They also sought control over freight expense and customer profitability, and to improve the accuracy and efficiency of their shipping processes.

Proven performance was the main criteria for selecting a new shipping system. "One of our vendors was very happy with their Varsity ShipSoft-Parcel implementation," notes Pucher. "We saw their warehouse operations and were confident that Varsity would satisfy our requirements."

To ensure that they achieved the maximum benefit of automated muti-modal shipping for both their parcel and freight shipments, Ryan Herco purchased Varsity ShipSoft-Parcel and ShipSoft-Freight.

ShipSoft-Freight automated Ryan Herco's carrier selection, LTL rating, routing guide compliance, and Bills of Lading. ShipSoft-Parcel automated all aspects of Ryan Herco's parcel shipments.

Today, Ryan Herco's sales department receives orders via phone, fax, and Web. The orders are then entered into Mincron to process and the ship code is selected based on the customer's requirements. Orders are electronically sent to the warehouse where items are selected from the pick ticket. Next the warehouse worker simply enters the order number from the pick ticket. The customer's name, address, freight allow, and shipping instructions are then automatically pulled from Mincron's order entry information. The package is placed on the scale to get the weight and the label is printed. Both the Varsity and Mincron systems are automatically updated, and shipping details are stored in Varsity's historical database. By integrating ShipSoft with their Mincron ERP system, Ryan Herco cut shipping times in half.

"Varsity has made it really, really easy to ship by eliminating the need to manually enter information," observes Corey Tonoian, Warehouse Operations Manager. "Our shipments are more accurate as well. We estimate that prior to implementing Varsity, four percent of our freight costs were not billed back to customers because of manual errors. Varsity has improved our freight billing accuracy to over 99 percent." Ryan Herco has also saved staffing expense by redeploying shipping personnel to other tasks.

Integration into Mincron improved response to shipping status inquiries as well. Before installing Varsity, the sales department would visit the file room to retrieve the tracking number from the order, go online to check delivery status, and then call the customer back to give them delivery status. This inefficient process could take up to twenty minutes. Today, they simply press one function key in Mincron to access Varsity's package tracking screen and immediately respond to the customer's inquiry.

Historically, Ryan Herco had little insight into accessorial charges such as residential delivery, non-consignment, address correction, and oversize charges. "When we compared Varsity's estima ted shipping charges against our actual carrier bills, we realized we paid over $100,000 a year in accessorial charges," observes Pucher. Using Varsity, Ryan Herco can now pass along or avoid accessorial charges altogether.

Ryan Herco uses Varsity to evaluate customer profitability and gain control over the sales department that frequently waives customers' freight expense. Reports generated from ShipSoft's historical database provide Ryan Herco's management team with the information needed to accurately evaluate customer profitability—after accounting for freight discounts.

"Varsity has been a very good investment," concludes Tonoian. "We plan to implement more Varsity modules, and further improve the profitability of our business."