

Risk vs. Reward: HVACR Distributors Come Clean on Their ERPs



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taking 18 months.”

Due to its age, Duncan Supply also finds itself at a crossroads with its ERP software.

“We’re in a transition period,” Hendricks said. “Our current president is retiring this year, and I will be moving into that role. He’s made the comment, ‘Eventually, we’re going to have to upgrade this, and I’m glad I’m not going to be here for it.’”

With the proper amount of support, Hendricks believes his team could fully implement a new ERP system in 18 months.

“If we ever were to switch to Infor, the question would be how many people would be available to train us,” he said. “We have counter people, a controller/CFO, accounts payable, accounts receivable, marketing, etc., and all of them are using different elements. Then, how quickly could we tailor the new system to fit our company? I’m sure our productivity would take a small hit as we focus on learning the new system.”

While Century A/C Supply has no intention of changing ERPs anytime soon, Morgan estimates a full ERP replacement could take as long as three-plus years to complete.

“Going from our previous system to P21 was difficult because we were transitioning from such a limited system to such a robust system,” she said. “Our team spent a year mapping data and preparing for the switch. When the program was brought on, Century spent a considerable amount of time teaching employees the shortcuts and getting them acclimated to the software. From research to full-blown implementation, I’d say that process could take as much as 36-42 months.”

A Night and Day Difference

One year ago, Dallas-based Cate and Co. Inc. replaced its antiquated Unix menu-driven system with DDI System’s Inform ERP.

“Our old system was 30 years old and was extremely outdated,” said Brooks Cate, general manager, Cate

and Co. "Our new system is so much more advanced; it's really a night and day difference. It has improved every aspect of our operations."

Cate and Co., which employs 20 individuals, can now manage customer engagement by combining its CRM with its daily operations, including order entry, quoting, delivery inquiry, and customer service.

"With our old system, we couldn't even track sales orders," Cate said. "We were having to type orders into an Excel sheet and then use that information to key in our sales orders into our Unix system. There was no connection, and it was a lot of work to keep track of everything. The Inform system tracks products and usage, allowing us to quickly query data about our customers, what they're buying, and other trends. All of our financials flow through it as well. The system automatically keeps our general ledger clean. It's really made us much more efficient."

Cate said the upgrade has positively impacted how the company interacts with customers as well.

"We now have customers who use our web portal to order from us; they're creating their own sales orders with us online," he said. "They're also using it to monitor their payables. It's changed how we're doing business for the better."

Cate said he's excited to dig even deeper into Inform's interface going forward.


"We've become familiar with the operations side of the program, but we're just starting to learn some of the reporting that's available through the system," Cate said. "We first had to learn how to use the system for our day-to-day operations, and now we're just digging into some of the financials. Little by little, we're teaching ourselves how to utilize the program, and we're excited to see what the future holds."

Choose Carefully

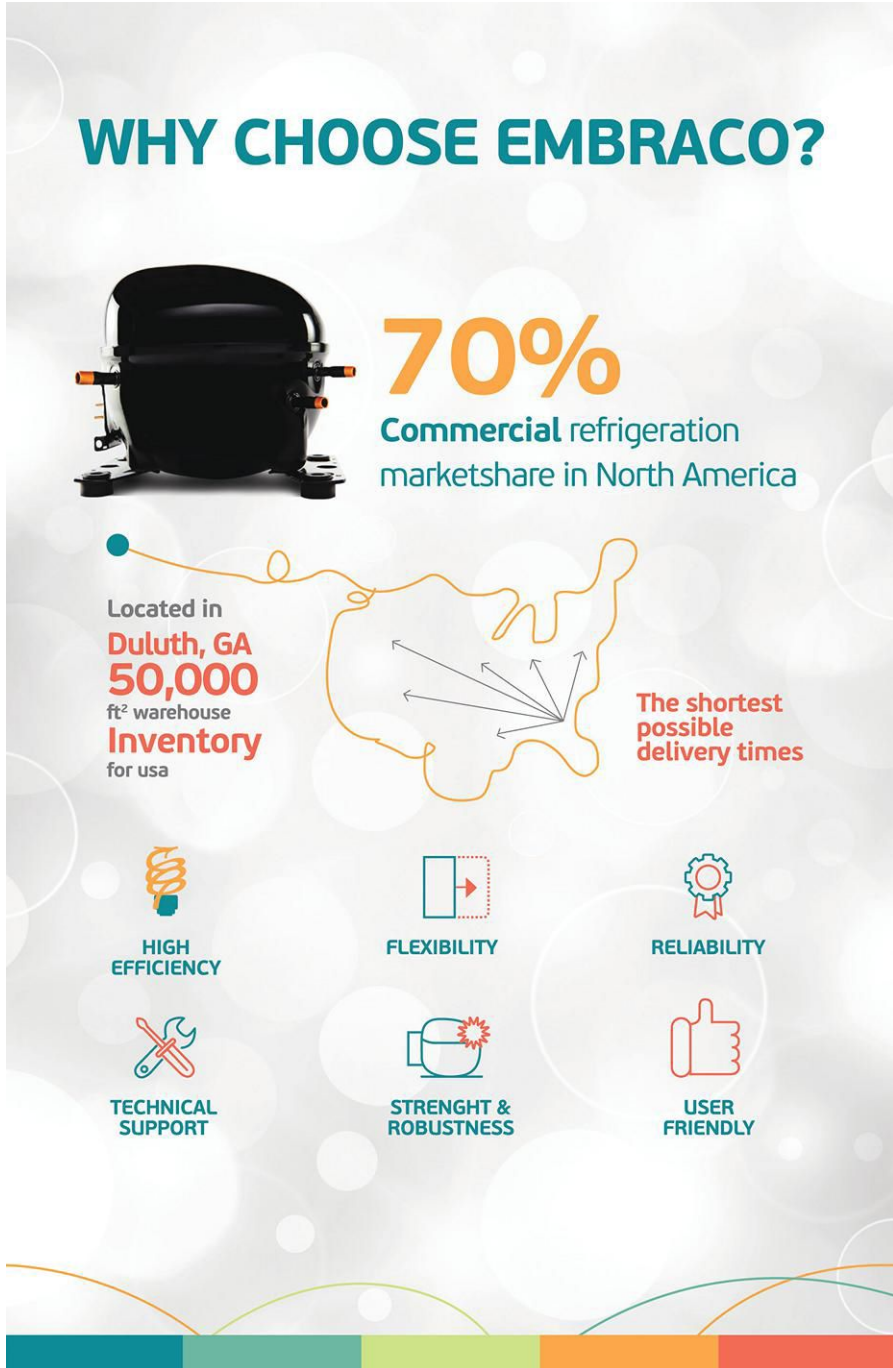
Distributors can run, but they can't hide from ERP replacements. With the right amount of research, custom-tailoring, and bolt-on applications, the proper software can help catapult a wholesaler

toward record profit margins.

"You can't operate an HVACR distribution business without an ERP nowadays," Bray said. "Sometimes people tell stories of how things were done before ERPs, and I tell them I'm not interested in working in those warehouses. I try to remind myself of that scenario when our upgrades or changes don't work as

planned. No matter how challenging the change may be in the moment, it sure beats the way things used to be." 

Herb Woerpel is editor-in-chief of Distribution Trends magazine. Contact him at 248-786-1583, woerpelh@bnpmedia.com, or visit www.achrnews.com/dt.



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