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Doug Havekost, chief financial officer, Eric Scott Limited

## Eric Scott Limited

### **Eric Scott Transforms Itself With the Made2Manage Enterprise Business System**

Eric Scott Limited is a company undergoing fundamental change—and enjoying record fiscal performance while doing so. Formerly known as Eric Scott Leathers, the company in the past was first, foremost, and almost exclusively, a manufacturer of high-quality personal leather goods and molded business accessories. Thanks in part to the Made2Manage Enterprise Business System from Made2Manage Systems Inc. (Indianapolis, IN) today Eric Scott is more than just a producer of goods.



“We’re less of a leather manufacturer and more of a solution provider. Most of our value to our customers now comes from additional products and services,” says Doug Havekost, the company’s chief financial officer.

According to Havekost, fiscal year 2001 will be one of the best in the company’s 15-year history, despite a nationwide manufacturing slump. Part of the reason for this against-the-tide success is due to the Made2Manage system and the flexibility that it allows.

“We’ve been able to respond very, very rapidly over a 12-month period to some of these changes that have hit not only us but some of our customers as well,” explains Havekost.



### **Innovative Manufacturing**

From its headquarters in Ste. Genevieve, MO, Eric Scott supplies goods and services to the industry leaders in productivity and time management products, motorcycles and motorcycle accessories, financial stationery and high-end catalog retailing. The business was founded on extremely high-quality personal leather goods and business accessories.

The company has a well-deserved reputation as an innovator in both technology and human resources. In the mid-1990s, for example, Eric Scott junked the traditional assembly-line approach and went with cellular manufacturing. In this method, teams operate in cells of four to eight people and work on projects that may require many dozens of steps to complete. Team members are cross-trained, rotate jobs frequently and take ownership of the completed product.

A few years ago, Eric Scott realized that other innovations were necessary. Specifically, the company's manufacturing support software needed significant revamping and upgrading.



So, Eric Scott formed a team to sift through the potential solutions and select the best possible one. The company's main goal was to solve problems in three areas: communications, costing and e-commerce. After careful consideration, the selection committee chose the Made2Manage Enterprise Business System. The Made2Manage system, which includes the Made2Manage Enterprise Portal (M2M VIP), met the company's requirements involving communication and electronic data interchange (EDI).

"It would let us use the Internet, develop a Web site, employ EDI commerce, and connect to our suppliers and customers," says Joe Young, Eric Scott's director of information systems.

Implementation of the new system went smoothly, with the result being some fairly immediate and significant benefits. With the Made2Manage system, for instance, Eric Scott was, for the first time, able to maintain accurate job costs. In another example, the advanced planning and scheduling tools found in the Made2Manage Enterprise Business System enabled Eric Scott to improve its on-time deliveries by 15 percent.

### **Less Inventory, More Control**

With the advent of the new century, however, Eric Scott began to undergo changes in its business and customer expectations. At one time, virtually all of the company's revenue came from manufacturing. That's no longer the case.

"We're moving away from labor intensive processes to design, development, and service-oriented products and services," says Havekost. Today, he estimates that roughly half the company's revenues come from areas other than its traditional manufacturing.

Again, the Made2Manage system was up to the task, which allowed Eric Scott to literally reinvent itself. For instance, the company has a large customer with hundreds or thousands of dealers scattered across the United States. Previously, communication with this customer and its geographically dispersed dealer network involved numerous phone calls, faxes and frustration. Orders would be placed for thousands of one particular product, and an inventory would be created that might last two years. During that entire time, the inventory would sit in a warehouse, waiting to be consumed.



Using the Web interface enabled by M2M VIP, this process has all changed. For one thing, nearly all of the communication can now be done through a Web site. That allows customers to have visibility within Eric Scott as to the status of a given order. What's more, the system includes a connection with UPS Worldship that makes it possible for customers to place and track orders from beginning to end, using only an Internet connection.

Additionally, the control possible with M2M VIP allows Eric Scott to schedule, respond to and successfully fulfill small orders. Instead of ordering thousands of leather goods to be built and stored

somewhere, very small orders of one or more can be manufactured on demand and shipped directly to dealers. That has benefits for both the customer and Eric Scott.

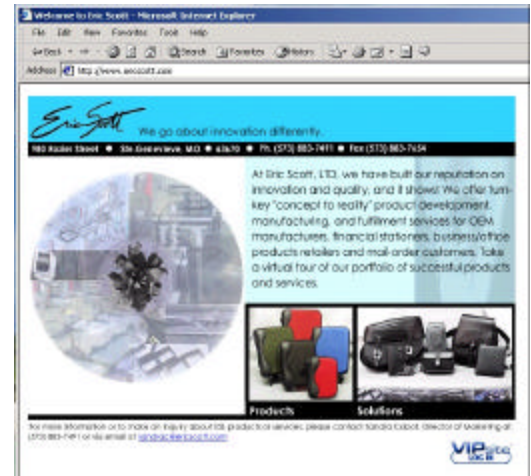
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In another significant way, the Made2Manage system has been able to prepare Eric Scott to operate in a global economy. The system accurately tracks international product pricing through precise calculations of landed cost. These on-target estimates have allowed Eric Scott to work with global suppliers and more completely understand the cost of managing an import business. Havekost estimates there’s been a 50 percent improvement in this area due to the implementation of the Made2Manage Enterprise Business System.

## Nothing but .Net

Accomplishing these improvements has been made easier because of some of the features found in M2M VIP and the services offered by Made2Manage Systems. These include flawless communication with various customers’ EDI systems and online learning classes.

As for the future, director of information systems Young sees a day when other improvements and features of the Made2Manage business system will come into play. For instance, Eric Scott is working to bring its vendors into an electronic communication setup. This would be similar to the way in which the company and its customers interact. By doing so, Eric Scott will be completing the supply chain and making it more efficient.



Since Eric Scott has no retail sales, it isn’t the type of company that would run an electronic storefront. However, that doesn’t mean that Eric Scott won’t be involved in electronic commerce. To that end, Young thinks that new technologies and capabilities incorporated within the Made2Manage system will be very valuable. In particular, he thinks the switch to .Net services to host the M2M VIP interface will pay dividends, as will the inclusion of extensible markup language (XML) technology.

Young looks forward to a day when Eric Scott will be able to translate retail information from its customers’ Web sites very quickly and seamlessly into Eric Scott’s own back-end systems. He foresees a time when the company will then be able to process that information quickly and help its customers fulfill an order. This will be done using upcoming innovations in the Made2Manage business system.

“We’re very excited about using the new .Net technologies with XML to really streamline some operations, especially when it comes to e-commerce,” says Young. “A lot of our customers will be selling on the Web.”

When that happens, look for Eric Scott to innovate and reinvent itself once again. The power and flexibility found in the Made2Manage system will help. It’s a process that those at Eric Scott are familiar with, having seen what’s possible firsthand.

As Havekost says of the Made2Manage Enterprise Business System, “It has opened doors, and it’s creating value for our existing customers, as well.”

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