

A Case in Point™

Pangaea Systems Incorporated



Business software for wholesale and retail

Issue 1

Pangaea Fuels Productivity and Profits for “Dakota Bumper”

Efficiency Gains Seen Almost Immediately – Profits Soar By 50%

Dakota Bumper and Body Supply, known as “Dakota Bumper,” is recognized as the leading warehouse distributor for auto body shops throughout North Dakota and parts of Minnesota and South Dakota, serving customers from its main facility in Fargo and a second location in Bismarck, North Dakota. With an inventory of nearly 30,000 SKUs, the company carries virtually anything a body shop uses. To ensure product availability, accurate information and shipping status for these parts, the company relied on technology almost from its inception. Accuracy and speed are crucial, as many of Dakota Bumper’s largest customers are insurers who need quick access to list prices.

A Failing Legacy System

Dakota Bumper’s legacy software was hurting profits and hindering its growth. According to Tim Czichotzki, the manager in charge of invoicing, ordering, and warehouse inventory, the legacy software, ACCPAC, was a constant headache in terms of uptime, performance, capabilities and service. Often the company would tell customers parts were in stock based on the ACCPAC reports, when in reality the stock was depleted. Because the legacy system did not have the capabilities, tracking inventory in and out of the warehouse – including frequent transfers to its Bismarck location – was performed manually. Added to this, the system would fail frequently, and often be out of service for days.

“Our old software seemed to always be out of commission often requiring us to complete

more work manually than with the computer system. We couldn’t follow sales or generate reports,” said Tim Czichotzki. “We needed a system that put accurate information at our fingertips and reports that enabled us to make informed business, purchasing and marketing decisions.”

Dakota Bumper defined the criteria for their ideal solution:

- Inventory Control – automatically track inventory in and out of stock, once the initial shipment had been entered from the packing slip
- Simple to Use – easily learned by a team with varied backgrounds, educational levels and ages
- Cost Analysis – reliably integrate data from invoicing to pricing and allow Dakota Bumper to calculate profitability down to each SKU, and determine whether discounts would have a negative bottom line impact
- Simplify Transfers – clearly show what items were transferred, when they shipped, and when they were scheduled to be delivered; previously this had been guess work
- Reports – easily format any and all information contained in the management system into a variety of reports for intelligent business analysis
- Reliability – consistently reduce costs associated with downtime and dial-up charges (previously Dakota Bumper incurred between \$300 and \$1,200 a month in long distance connection charges)

Productivity Gains in Just Two Months

Dakota Bumper selected Pangaea Enterprise – a solution that brings core business functions into a secure, easy-to-use graphical user interface, and allows teams to use the mouse, keyboard, buttons, menus, and other forms of navigation. Formerly called IMSpro, Pangaea Enterprise offers wholesale distributors capabilities in customer service, order management and fulfillment, accounts receivable, inventory control, purchasing and receiving, accounts payable, warehouse management, multi-location and web data synchronization, inventory transfers, and E-business.

Pangaea Systems’ technical experts provided one-on-one training at each workstation to show how to process invoices, monitor accounts payable, check inventory, or whatever operations were required for each individual’s job. Questions were answered immediately, employees were shown where to find help, and each was given access to the 24/7helpline.

“In the first two months, our productivity increased by 20% and the accuracy of our inventory data increased dramatically. Over the three years we have been using Pangaea, profits and productivity have both risen by nearly 50%,” added Tim Czichotzki. “In addition, since the software automatically tracks parts offered by different vendors and identifies the best purchase price, our cost of inventory is less. The system uses a dedicated digital connection to synchronize and track inventory within and between stores, eliminating the enormous our dial-up charges – it was a communications savings of nearly \$50,000 in three years.

"One of the most useful features of the system is the Reorder Calculator which reports sales volume for specific product categories for specified time periods, and automatically computes quantities and timing for replenishment. This increases inventory turns and reduces overhead. We rely heavily on the Find Inventory feature to provide insurance companies, major customers, with information on list pricing and parts availability," said Tim Czichotzki.

Pangaea Performance Exceeds Expectations

Exceeding expectations, the Transfer Management capabilities allow team members to complete transfers - from the time the order is called-in to the time it appears on the load sheet and the pick ticket is filled - in a mere 20 minutes. On arrival in Bismarck, the items are quickly logged into the main system using the packing slip.

Pangaea Systems customized a solution to satisfy city, county and state sales tax requirements. Because of the geographic breadth of their customer base, Dakota Bumper faced multiple tax issues involving wholesale and retail transactions and tax rates that differed depending on customer location. Pangaea Systems' automatically and accurately calculates tax rates for every type of customer in any location, ensuring the company complies with regulations, and customers are charged fairly.

"Using the Pangaea Systems allows us to operate in a streamlined, more intelligent manner," said Tim Czichotzki. "The numerous standard and customized reports enable us to analyze our costs, profits, and programs, and adjust operations to ensure they align with our long term goals."

Pangaea Systems helps make merchandising business decisions by collecting, organizing and analyzing data. Sales, inventory, purchasing and receiving information is available from the home office and remote store locations. On a monthly basis, Dakota Bumper uses sales reports that show individual sales person's performance, month-over-month and year-over-year, allowing management to coach and train teams effectively. Sales analysis helps identify which parts are moving quickly and which SKUs bring the highest margins. With this information Dakota Bumper not only plans and executes sales promotions, but tracks their effectiveness by

limiting them to specific part numbers during a finite time period.

Essentially Future-proof

Because Pangaea Systems continually adapts to changes in business conditions, the company's software is essentially future-proof. For example, Pangaea Systems' solutions are fully RFID compatible, and, as the industry moves to that level of advancement, Pangaea Systems plans to have the fully perfected solutions in place.

"All Pangaea Systems' software is designed to be fully compatible, allowing customers to enhance their use of technology as their growth and business direction dictates," said Michael Lucas, director of Pangaea Systems. "Since the software scales from one to thousands of stores, it is ideal for both warehouse and retail operations of any size."

Pangaea Systems Incorporated specializes in advanced database driven software for inventory management, order fulfillment, supply chain and retail point-of-sale (POS) systems. Pangaea Systems' product portfolio includes desktop applications for wholesale distributors, retailers, PBE Jobbers, and franchises. The company also offers web-based applications, and internet and extranet database-driven solutions. Striving to provide customers with the most advanced and powerful business tools, the company continues to improve and expand its product line and services.

Key Features

- Intuitive, easy-to-learn POS interface.
- Invoice single or multiple customers at once without closing windows.
- Multi-level user password security.
- Enter items with a barcode scanner or a keystroke.
- Perpetual inventory cycle counting interface.
- Accurate inventory management through purchasing and receiving.
- Reliable, automated backup for data security and redundancy.
- Complete reporting for sales analysis.
- Sales trends and inventory order forecasting.
- Single and multi-location support.
- Integrates seamlessly with other Pangaea products.

Dakota's Success

In the first two months, Dakota Bumper's productivity increased by 20%

Over the three years Dakota Bumper has been using Pangaea Systems, profits and productivity have both risen by nearly 50%.

Communications costs were cut by nearly \$50,000 in a three year period due to the dedicated digital connection

Instantly accessible support by trained technical experts ensures Dakota Bumper has immediate access to information critical for customers and operational decisions.

Recommended Hardware

- Pentium® 4 or faster
- 512 MB RAM
- CD-ROM/Burner Drive (backup)
- Ethernet Network Card
- Minimum of 5 GB of free space
- MS Windows® 2000 or newer
- Internet Access

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