

F.J. Westcott Company

by Jane Affleck

CASE STUDY



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Company: • The F.J. Westcott Company, including its division Haas-Jordan (acquired in 2002).

Industries or Services: • Westcott is primarily involved in the wholesale distribution of photographic equipment and supplies, but also does discrete manufacturing, both in-house and contracted/outsourced.
• Haas-Jordan by Westcott distributes golf and rain umbrellas.

Geography: • The company's headquarters, located in Toledo, Ohio (US), houses all operations, including product assembly and distribution.

Software Requirements: • Westcott made the decision to research, select, and implement a new enterprise resource planning (ERP) system with warehouse management functionality to replace its legacy ERP system, which was no longer able to handle the complexity of the growing company's operation—nor the number of users.

Users: • Although Westcott currently has 19 employees, the new ERP system must accommodate up to 15 users.

Software Selection Project Needs: • To find a best-practice methodology and tool that can help the company gain a better understanding of its current ERP processes, identify existing gaps and future functional requirements, and perform an objective, high-level analysis of available ERP solutions.

Software Selection Expert: • While attending the ERP Vendor Shootout in Philadelphia, Pennsylvania (US), Westcott's chief financial officer (CFO), Jeff Cohen, first encountered Technology Evaluation Centers (TEC) and felt that TEC's software selection methodology would enable a comprehensive and objective software evaluation process.

• Westcott engaged TEC to perform a custom ERP Evaluation and Selection Project, providing the needed resources and tools to help Westcott identify, prioritize, and evaluate its requirements, including access to TEC's Evaluation Centers and advice about the vendor demonstration process.

- Benefits:**
- TEC's objective, best-practice approach to software evaluation allowed Westcott to sort through the immense volume of information related to ERP software and to separate marketing rhetoric from fact.
 - TEC's Evaluation Centers allowed Westcott to compare the capabilities of various ERP systems, and find the best match for the company's specific needs.
 - The requirements-gathering process, TEC's Evaluation Centers, and advice with creating comprehensive scripted demos and scoring the vendors' performance helped ensure that the company chose an ERP system that will perform as the ERP vendor claims.
 - For a small business that is able to perform several aspects of a complex software selection project on its own, TEC's Evaluation Centers provide essential unbiased guidance through the crucial solution comparison phases.

Leading Photography Supply Distributor Lacked a Clear Picture of Inventory in Its Legacy ERP System

F.J. Westcott, located in Toledo, Ohio (US), is a world leader in professional photography and lighting equipment. Although Westcott has existed for over 80 years, the company began selling photographic products only in the mid-1970s. Since then, Westcott has been an innovator of professional light control products, such as lighting kits, lamps, flashes, backgrounds, and reflectors, and also offers a wide variety of accessories. In addition to its Pro Lighting product line for professional image-makers, Westcott has expanded with its Photo Basics division, offering products for the beginner photographer, scrapbooking, and film and video markets. The company's third product division resulted from the 2002 acquisition of umbrella distributor Haas-Jordan. Although mainly involved in distribution, Westcott also does some discrete manufacturing in the form of assembling products into various kits.

With its acquisition of Haas-Jordan, as well as the growth in sales of its two other product lines, Westcott began to move more products, which placed a greater demand on its legacy enterprise resource planning (ERP) system's inventory capabilities. Unfortunately, the legacy system was creating a number of business challenges. Although the number of employees at the company had grown since implementing the legacy ERP, the system's user limit remained fixed.

Also as a result of this growth, the company's functional needs were evolving: the increase in the number of product lines meant an increase in importing and related activities. Because the old system couldn't accommodate landed duty or freight charges, the company had to resort to inventory management work-arounds that involved manual entry of data into a separate system—if data was entered or updated at all. And changes in price or cost were often not recorded accurately. So, for purchase orders and cost-of-sales reports, performing accurate month-end close reports was extremely frustrating and time-consuming, and becoming next to impossible. When the company did a physical inventory, it was discovered that a lot of inventory was unrelieved, which was having a deleterious effect on the bottom line.

ERP Vendor Shootout Jump-starts Westcott's Software Selection Process

With all of these challenges and others, in mid-2008, Westcott decided to replace its legacy ERP system. The new ERP software would need to provide functionality for inventory control, costing, and customer relationship management (CRM), as well as accommodate the company's future growth and business process improvements. But defining these fundamental needs was just the beginning. With so many ERP solutions available—and a profusion of information from vendors and other sources—it's not easy for a small business to take on the complexities of a software evaluation and selection project and make an informed decision.

In November 2008, hoping to see a comprehensive and objective comparison of some leading ERP packages, Westcott's chief financial officer (CFO), Jeff Cohen, and one of his colleagues attended the ERP Vendor Shootout™ in Philadelphia, Pennsylvania (US). The ERP Vendor Shootout, moderated by Technology Evaluation Centers (TEC), is a one-day, biannual live event that connects midsize manufacturing, distribution, and service companies currently evaluating ERP software with six ERP vendors, through a series of high-level product demonstrations. This opportunity allows software selection teams and decision-makers to potentially create ERP shortlists for their companies by attending vendor presentations.

Cohen and his colleague believed that TEC's Evaluation Centers would allow Westcott to perform the objective analysis needed to determine which of the hundreds of ERP systems on the market would be the right one for its evolving needs. Also, Cohen was pleased to discover that TEC could support Westcott's small business realities: besides providing Westcott with the methodology and resources that would allow its small software selection team to get the job done, TEC quoted a fee that was well within Westcott's budget.

Shortlist Reduced from Five to Two in a Flash

Westcott had a kick-off meeting with TEC in mid-December 2008 to discuss the company's needs, the services and tools to be provided by TEC, and the cost of the software evaluation project. TEC provided Cohen with training in how to use TEC's ERP Evaluation Center, which involved learning how to correctly input data, prioritize requirements, and more, so that Westcott would be able to perform an accurate analysis and comparison of the long-listed ERP solutions' functionality.

Westcott, with TEC's help, completed the functional and technical requirements set, in the form of convenient spreadsheets. Because TEC has prepopulated requirement sets containing over 8,000 criteria for ERP systems, Westcott simply had to distribute the spreadsheets to the appropriate departments to confirm whether the criteria were business-critical or not—by having department leaders and other users prioritize each requirement—rather than spending weeks defining processes and determining requirements from scratch. Once this was completed, the requirements were entered into TEC's ERP Evaluation Center to be compared with vendor data, creating a list of the most suitable vendors for Westcott's needs.

By February 2009, Westcott had its long list of vendors, and three weeks later, had its shortlist. Here, Cohen notes, the company started to go in circles. "It was really easy to get our list down to five, but it seemed that at least on the surface there was a lack of distinguishing features amongst the vendors' products. It was hard to see that one really stood out." To get Westcott's software selection team back on track, TEC helped out by suggesting and assisting with an interim level of vendor demonstrations that Cohen says "helped immensely."

The five short-listed vendors conducted brief, scripted Web demos that showed how their ERP software products would handle some of Westcott's basic business processes. "We went into the Web demos with the objective of reducing our list down to three vendors," Cohen notes, "but afterward felt strongly that we were actually down to only two candidates."

Photo Finish: Detailed Demo Scripts and Objective Scoring Identify Best-fit ERP Solution

A final demo, scripted by Cohen, was performed over two days in May 2009 by the two vendors Westcott considered the finalists. According to Cohen, these vendors, Technology Group International (TGI) and Infor, “truly seemed to relish the opportunity to present the final demo, even though the script was quite exhaustive and prepared with the goal of probing their software for weaknesses, rather than highlighting their strengths.” He is quick to assert that “neither vendor made any attempt to steer or adjust the demo in such a way as to put themselves at an advantage.”

But to ensure objectivity, Westcott’s software selection team, guided by TEC’s methodology, scored the vendor presentations according to a predefined scale. After scores were calculated using TEC’s BestMatch Factor, an algorithm that provides an even more accurate representation of how well a product meets the user’s priorities, TGI came out ahead. As Cohen explains, “TGI’s Enterprise 21 received the best scores on criteria, showing that it more successfully fit our needs.” The final decision was made on May 14, 2009—only five months after the project was initiated.

Comprehensive and Systematic Methodology Results in Confident Decision Making

Although the initial software selection project the company performed when it selected its legacy system took less time, Cohen recognizes that the approach wasn't as thorough as it should have been and says that taking shortcuts was ultimately disadvantageous. "Our first software selection project was very limited—first, in terms of the number of software packages we considered. But also, we didn't take into account that we needed to be not just comprehensive but also objective about our needs as well as the software capabilities."

Cohen doesn't hesitate to describe the benefits of using TEC's software selection services for Westcott's ERP selection project. "There was simply no way we could have evaluated as many vendors as we did, without TEC's comprehensive and systematic methodology. The project would likely have taken twice as long, and our decision would have been based on far more subjective factors."

"We're very happy with how the process went overall," he appraises, "and we're confident that we've done everything in our power to ensure we've selected the right ERP system for our business. TEC's methodology keeps software selection decision makers from flying blind. Without TEC's guidance, there would have been a huge gap between our needs and the solution's offering—and we would not have the confidence we now have in our decision."



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