



CASE STUDY: Emerson Climate Technologies

Emerson Climate Technologies accelerates its business, increases revenue and streamlines its warehouse operations with the RIMS Warehouse Management System.

Emerson Climate Technologies, a business unit of Emerson, is the world's leading provider of heating, air conditioning, and refrigeration solutions for residential, industrial and commercial applications. Over the past decade, the company has experienced significant change associated with acquisitions, restructuring and the addition of new product lines. Today, with the help of RIMS (Robocom's Inventory Management System) Warehouse Management System (WMS) from Robocom, Emerson Climate Technologies successfully manages the distribution process for 13 business units and four different product lines. Since implementing RIMS, the company has realized dramatic business results, including a 42 percent increase in profits, a 20 percent increase in inventory accuracy, and the ability to quickly and easily support the changing needs of the business.

BUSINESS LIMITED BY TECHNOLOGY

Prior to implementing RIMS, almost all of Emerson Climate Technologies' warehouse operations were performed manually. While the company did, and still does, maintain a legacy system for processing orders, procurement of its material and invoicing, all of that information had to be manually entered by employees. Also, some of the company's product lines required that they capture serial numbers of the products that are shipped. Operators had to physically go out into the warehouse with a piece of paper with the serial numbers and identify each one. The forms were 3-ply documents—so one copy would go to the customer, one would go to the shipping office and the third would be used for invoicing purposes. The entire process was inefficient, time-consuming and tedious. "In many cases, we were relying on our employees' memories in order to locate items for picking," explains Rob Lee, Operations Manager for Emerson Climate Technologies. "It was certainly not a scalable way to manage our operations."

Inventory management was a significant issue for the company as well. "We would show inventory on-hand so we wouldn't replenish our stock. Customers would order product, customer service would promise delivery and then we would go out to pick the order only to find that we didn't have the product available. That was a major problem," explains Don Richardson, Manager of Materials and IT for Emerson Climate Technologies.

SOLUTION SNAPSHOT

BUSINESS CHALLENGE

A lack of automation across the company's warehouse operations significantly impacted its efficiency and productivity levels and limited its ability to take advantage of new opportunities and support the changing needs of the business.

SOLUTION

Emerson Climate Technologies is using RIMS, a flexible, cost-effective Warehouse Management System (WMS) that integrates with leading front-end business systems and provides supply chain visibility critical to success in today's global marketplace.

WHY ROBOCOM

Robocom had an extensive install base and the technology was proven, Robocom could provide the ongoing support the company required, and they offered invaluable knowledge and industry expertise.

RESULTS

Since implementing RIMS, the company has realized dramatic business results including a 39 percent increase in profits, a 20 percent increase in inventory accuracy, increased visibility across operations, and the ability to quickly and easily support business change.



"We literally could not have continued to grow our business and bring in other divisions without this system from Robocom . . . Prior to RIMS we shipped 25,000 lines a month on average. . . and did about \$190 million in business. Today we are in the neighborhood of around 48,000 lines and we are doing about \$310 million in business."

— Rob Lee

Operations Manager
Emerson Climate Technologies

A lack of visibility across operations was also a challenge. "There was just so much we didn't know. We were so manual that we didn't ask people to track how many lines they picked during the course of the day or how many locations they visited. So we had no real data to help us make decisions. We just had to go on a hunch or educated guess," says Richardson.

The lack of automation and efficiency affected the team's ability to support new opportunities. "We had engaged with other Emerson divisions about doing distribution for them, but we weren't in a position where we could handle that additional business," explains Richardson. "We were spending all of our energy just trying to maintain our current level of activity versus being more strategic and trying to find ways to modify our operations to better support the needs of the business."

CHOOSING RIMS AND ROBOCOM: PROVEN TECHNOLOGY AND INDUSTRY EXPERTISE

Emerson Climate Technologies' approach to choosing a solution was a true group effort, including input from customer service, materials and operations. With a list of 50 criteria, the company engaged six different technology providers and eventually narrowed the list down to three. After numerous meetings, demonstrations and talking with customer references from each vendor the company chose Robocom and the RIMS system.

"Robocom had an extensive install base, so we knew the technology was proven. We felt that they would be a partner for us during this project and would provide us the ongoing support we would need in the future," says Richardson. "We also saw this as an opportunity to change some of our processes. With Robocom's extensive knowledge and experience we knew they could provide us with valuable insight into how we could modify our existing operations and processes in order to achieve significant improvements."

ACHIEVING SIGNIFICANT BUSINESS BENEFITS WITH RIMS

Accelerating its Business and Increasing Profits

Since implementing RIMS, Emerson Climate Technologies has realized significant benefits to its business. "We literally could not have continued to grow our business and bring in other divisions without this system from Robocom," says Lee. "We were almost brought to our knees because of the number of transactions we were doing. Prior to RIMS we shipped about 25,000 lines a month on average . . . and did about \$190 million in business. Today we are in the neighborhood of around 48,000 lines and we are doing about \$310 million in business."

Richardson adds: "We have been able to support this growth easily without adding many more employees; that is phenomenal . . . Without RIMS it would be virtually impossible to do what we are doing. We would probably need 70 people on the floor 24/7 just to try and keep up with all of the transactions and the inaccuracies."

Improved Inventory Management

Emerson Climate Technologies has seen significant improvements in its inventory management process, increasing its accuracy level by 20 percent. With increased visibility across its warehouse operations, the company is more accurate in its ability to plan and forecast. "The system lets us know when we need to replenish our stock, not only based on existing orders but on likely future orders as well. That improves our efficiency levels and our ability to service our customers," says Lee.

Increasing Productivity and Efficiency

RIMS has had a significant impact on Emerson Climate Technologies' productivity and efficiency levels. Richardson says: "Over the past six years [since implementing RIMS] we have added very few additional full-time jobs, but we have brought in \$120 million of new business. As we have taken on the responsibility of managing the distribution for additional business units (within Emerson) we have not needed to add the additional headcount we would have had to do in the past. So these efficiencies have really given us the ability to take advantage of new opportunities and expand our business."

Achieving Visibility Across the Business

The company uses the Crystal Reports module on a daily basis to monitor the business and make improvements. "There is a ton of valuable information we are able to extract from the system and analyze in order to better understand our business and learn where we can make modifications to our operations to improve productivity," says Lee. For example, the company looks at information about the operators in terms of what their capabilities are on a day-in and day-out basis. They then measure that data across the board so they can continually make changes to improve productivity levels.

Flexibility of RIMS a Major Advantage

The flexibility of RIMS has enabled Emerson Climate Technologies to quickly and easily adapt to change. Richardson explains: "For example, whenever we introduce a new product to the facility all we need to do is understand where we want to put it and if we need to move product from one area to another area; the change is essentially seamless. In the past, if we wanted to create or free up an area we would need to set up a rack or do something new. We would literally have to schedule a weekend and bring in a lot of overtime help. Today with RIMS, making this kind of change is easy and our costs are significantly reduced."

Benefits to the Customer

The move to RIMS has provided Emerson Climate Technologies' customers with numerous benefits. Prior to using the system, the company didn't provide an advance shipping notice (ASN). Today, customers are notified when the company has shipped an order and they know exactly what they will receive. Customers are able to place orders via a portal. These orders are automatically sent to the RIMS system. "We had one customer enter an order through the portal and within 20 minutes he called us shocked when he received his ASN. Within that time we had that product picked, packed and sitting on a dock ready for the carrier to come in for pickup," says Richardson.

"Over the past six years [since implementing RIMS] we have added very few additional full-time jobs, but we have brought in \$120 million of new business . . . These efficiencies have really given us the ability to take advantage of new opportunities and expand our business."

— Don Richardson
Manager of Materials and IT
Emerson Climate Technologies

ROBOCOM: A PARTNER FOR TODAY AND TOMORROW

According to both Richardson and Lee, Robocom offers outstanding support. "In the past, I have found it time-consuming and frustrating to get answers to questions from other technology vendors," says Lee. "With Robocom I can honestly say they are extremely responsive. I can email them a question and within 30 minutes I have a response—and often it is even faster than that. Any time we need assistance they are there to walk us through the process and they always have answers to our questions. They truly work with us one-on-one as a partner to ensure we are successful." Emerson Climate Technologies has just upgraded to RIMS 5.0, and they are confident that the system will continue to evolve with the changing needs of the business. Lee concludes: "It's an outstanding software package. We're extremely satisfied with it and with the entire team at Robocom."

ABOUT ROBOCOM

Robocom is a leading supplier of supply chain software and services, founded in 1982, with offices in New York, Toronto, Minneapolis and Europe. Robocom's core products include two separate and industry-specific Warehouse Management Systems, a Transportation Management System, a separate Voice Picking Module and a Labor Management System. We enhance, implement and support robust, flexible, and efficient software that performs as predicted and yields the positive business results your enterprise demands.

www.robocom.com

Worldwide Headquarters

Robocom Systems International, 1111 Route 110, Farmingdale, NY 11735 USA
Tel: +1 631 753 2180 Fax: +1 631 249 2831
On the Web at: www.robocom.com

© 2009 Robocom Systems International. All rights reserved. Robocom and RIMS are trademarks or registered trademarks of Robocom Systems International. Any other trademarks contained herein are the property of their respective owners. Specifications subject to change without notice.

