

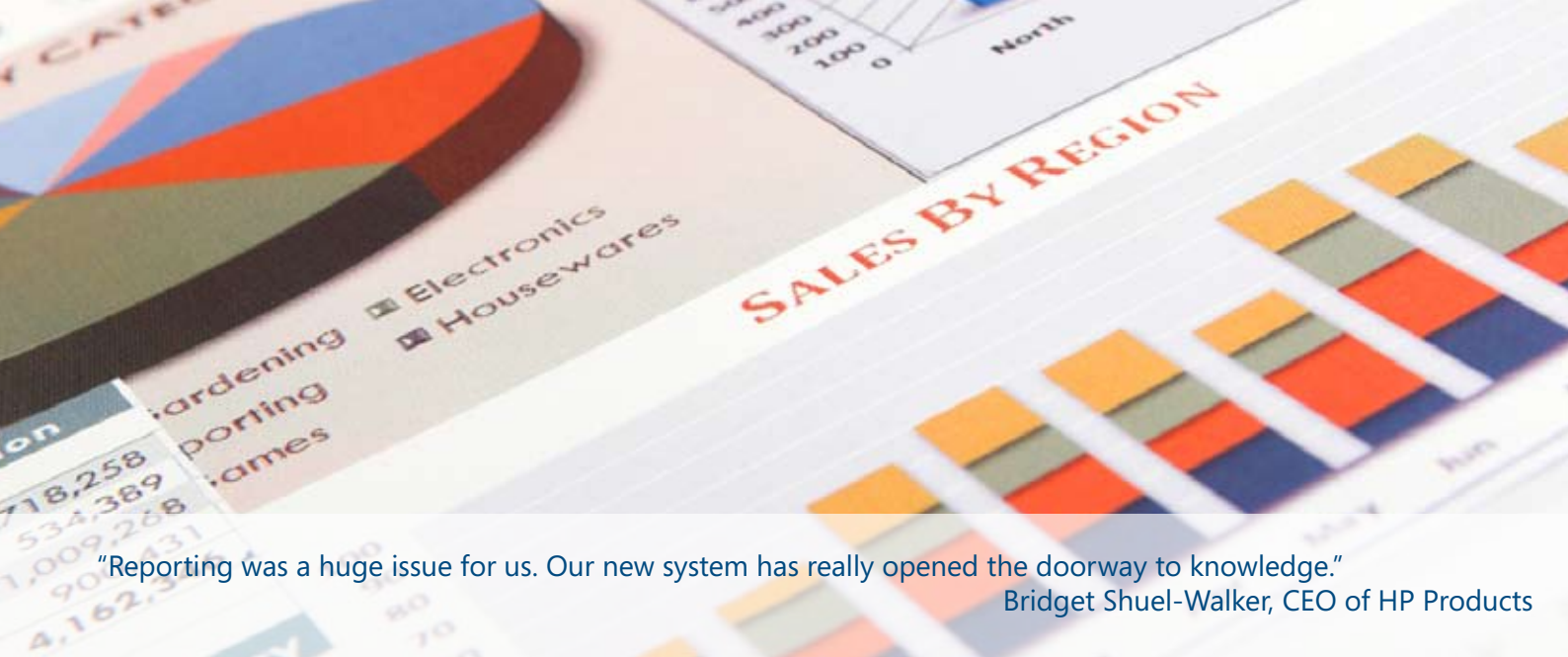
HP PRODUCTS

works with the Microsoft AX[®]

solution for the

JANITORIAL AND SANITATION INDUSTRIES





"Reporting was a huge issue for us. Our new system has really opened the doorway to knowledge."

Bridget Shuel-Walker, CEO of HP Products

HP Products Cleans Up With A Shiny New ERP System from Microsoft Dynamics and MBS Dev

HP Products is a wholesale distributor of over 10,000 janitorial, packaging, safety, laundry/dietary chemicals and lamping products. The company provides products and consultative services to hospitals, schools, manufacturers, long term care facilities, and building service contractors. HP Products serves its customers through 6 distribution centers in the Midwest.

By 2006, HP Products' Enterprise Resource Planning (ERP) system had reached the end of its useful life. The 17-year-old system was extremely difficult to maintain, and essentially

impossible to upgrade. "Our system was completely customized from soup to nuts", explained Bridget Shuel-Walker, CEO of HP Products. "There were so many patches, workarounds, and customized pieces of code bolted onto our system, making changes was like reaching into a big bowl of spaghetti code, we just never knew what we were going to pull out."

TIME TO PUT AWAY THE SPAGHETTI CODE

HP Products had outgrown its system. The company was not able to run its business as effectively or efficiently as it needed. This had a direct impact on sales growth, margins, labor costs, and business processes.

HP PRODUCTS COMPANY SNAPSHOT

WWW.HPPRODUCTS.COM

HEADQUARTERS: Indianapolis, IN

REVENUES: \$200 million

EMPLOYEES: 400

PRODUCTS/SERVICES: Janitorial Supplies and Equipment, Lighting, Packaging, Paper Products, Laundry/Dietary, Health and Safety Products

INDUSTRIES SERVED: Education, Hospitals, Manufacturers, Long-Term Care Facilities, Building Service Contractors, Property Management firms, Government

DISTRIBUTION CENTERS: 6 Centers with over 500,000 sq feet

AREAS SERVED: 6 States in Midwest

ERP SYSTEM: Microsoft Dynamics AX, MBS Dev Wholesale Distribution Suite with the Janitorial, Sanitation & Paper Vertical Extension

Big and small activities could have been much easier and faster to complete with a more up to date ERP system. Activities such as implementing and communicating price increases to customers or providing required product safety information were always bigger jobs than they should have been. Obtaining business information and reports were hard to get and limited in usefulness. Managing inventory levels was a huge challenge as it was hard to develop accurate forecasts. Acquisition integration was cumbersome, and impacted growth opportunities for the newly acquired accounts. Providing customized services to existing accounts, such as just-in-time delivery or accommodating special delivery times, was more difficult. "The bottom line is we knew that a new IT platform would improve our business and could be a real differentiator for our company," indicated Bridget. It was time to put away the spaghetti code and make a change.

FINDING A PARTNER THAT KNOWS THE JAN/SAN & PAPER BUSINESS

HP Products hired a technology consultant to assist in the selection of the new ERP system, and after an extensive review of options, Microsoft Dynamics AX was selected based on capabilities, speed of implementation, and low total cost



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of ownership. The next step, finding a partner to drive the implementation process, raised concerns regarding the level of customization required to tailor the solution to the specific needs of a wholesale distributor for Jan/San & Paper products. Requirements such as DOT hazardous chemical regulations on transporting and storage, material safety handling data sheet requirements, handling rebates with over 400 vendors, handling contract or matrix pricing, and integrating with vendor and customer inventory/ordering systems called for specialized attention from a specialized provider.

HP Products soon learned of MBS Dev, a Microsoft Dynamics partner with a highly specialized focus: a Microsoft Dynamics AX solution exclusively for wholesale distributors of Jan/San & Paper products. HP Products selected MBS Dev based on their extensive industry knowledge and the richness of their solutions. MBS Dev implemented Microsoft Dynamics AX, and the MBS Dev Wholesale Distribution Suite with the Janitorial, Sanitation & Paper Vertical Extension.

A NIGHT AND DAY DIFFERENCE IN RUNNING OUR BUSINESS

With the implementation completed, MBS Dev provided training and support to get HP Products quickly up to speed on the new solution. “It really helped that most of our staff were already familiar with Microsoft products so we were able to get users trained and using the system quickly”, indicated Bridget. HP Products has now been using their new ERP system for over a year. The company has experienced a number of business-enhancing benefits, including:

Robust Business Reporting- HP Products is able to analyze their business performance in real time. Standardized and customized reports are available on demand by anyone in the organization. The company has a much clearer picture of its business and is able to accurately track margins, costs, resources, and time.

Improved Forecasting and Inventory Management- Based on improved forecasting capabilities, HP Products was able to lower their inventory levels by \$3 million, saving \$150,000 in carrying costs alone. In addition, inventory turns have also increased, providing a positive impact to revenue and margins.

Maintaining Compliance and Avoiding Regulatory Penalties- HP Products is able to remain fully compliant with all DOT requirements on the transportation of hazardous materials and all OSHA workplace information requirements. Lack of compliance can result in substantial penalties of thousands of dollars.

Integration with Vendor and Customer Ordering System- HP Products is fully integrated with key vendors and customers. This has saved labor costs in paper work and improved margins through just-in-time inventory deliveries.

Improved Gross Margin- HP Products can more easily manage contract pricing and quickly implement vendor price increases. This used to be a manual process and took a considerable amount of time to fully implement. This meant that HP Products had to absorb the price increases until the completion of the updates. Now, everything can be implemented electronically and immediately. The result is improved gross margins on product sales.

Enhanced Web-based Ordering for Customers- The new system includes Customer Web Portal, providing a robust capability for web-based ordering. Web-based orders have increased five-fold from 4% to 20% of total customer orders. HP Products has experienced higher margins and revenue per order with the built-in cross-sell and up-sell capabilities of the new system.



"I've thoroughly enjoyed working with MBS Dev. They take the time to know you, your business, and your processes. We have recommended MBS Dev to others in the business."

Bridget Shuel-Walker, CEO of HP Products

MBS Dev

a partner who knows your business needs

MBS Dev, Inc. is a gold certified VAR (value added reseller) and ISV (independent software vendor) for the Microsoft Dynamics™ AX solution. MBS Dev was created to assist customers in the new Microsoft Dynamics vertical focus, allowing them to truly differentiate themselves with vertical solutions.

MBS Dev, Inc. also provides professional services, software maintenance and support to assist Microsoft Dynamics™ AX customers with their consulting, development and technical service requirements. MBS Dev prides itself on its World Class technical capabilities and solutions. You can depend on fast, professional deliverables that meet your company's methodologies and requirements. We become an extension of your organization that you can depend on to deliver quality products and services.

MBS Dev believes in partnerships and customer service. Your continued success is our success and we want to partner with you to achieve your company objectives and vision. Our development center is staffed with seasoned professionals that have thorough knowledge of the Microsoft Dynamics™ AX architecture, development tools and many different business industries. This adds value to our customers and allows us to achieve the highest quality of service possible.

MBS Dev, Inc.

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