



Largest Full Service Distributor of General Merchandise To Large Retail Grocery and Drug Store Chains Los Angeles, CA

Background

The company was a \$450 million privately owned full service distributor of general merchandise to the largest retail stores in the country. They supplied general merchandise, which included toys, cosmetics, pet supplies, hosiery and many other GM products seen at grocery stores. The products were inventoried, picked and delivered by route salesmen. Prior to our arrival, they had recently acquired 17 companies in 5 years and put themselves in to bankruptcy.

Situation

When we arrived, they were in the process of consolidating many locations into two primary distribution centers, Dallas and Los Angeles. We were asked to take control of the largest IT consolidation by folding Wisconsin and Oklahoma into Dallas. At the same time, we had management responsibility of all IT departments throughout the country. The IT department in LA consisted of people who were in over their heads. Service was bad, projects were not completed, LAN and WAN network infrastructure was frail and the programming staff could not complete projects.

Solution

In LA, we interview several people to gain an understanding of the current state. To start, we removed tasks from the IT Director then taught him how to delegate. We reorganized responsibilities for developers while challenging them with new projects. Built processes and procedures, standardized hardware and hired the right staff for growth. We activated many features on systems the company already owned, built a project tracking system and introduced Blackberry/RIM PDA's to improve service to internal customers. Built a new data center and IT team in Dallas, designed and built a new route handheld and application using a PDA, led selection of new Enterprise Distribution System and reduced Telcom expenses by over 70%.

Results

Within 3 months both IT teams were established and providing service beyond managements expectations. Within 9 months, the new Dallas data center and business move to a new location was complete. By the time we left, we reduced Telecom expenses \$1.3M, reduced IT operational costs by \$600K, designed PDA system to reduce route sales costs by \$3.5M and completed selection of \$3.4M Distribution system.