

# THE INCREASES THE PAPERLESS WAREHOUSE FROM ACTIVANT WAREHOUSE EFFICIENCY AT CERTIFIED AUTOMOTIVE



Certified Automotive is the market leader in serving independent auto part stores throughout the Chicago metropolitan area. A 120,000 square foot warehouse contains some 160,000 SKUs. A staff of 91 warehouse personnel receive, stock, pick, ship and deliver up to 30,000 parts every day. “Our strategy is to be the best at parts availability, service, and consistent order fill and delivery,” states Tony Antonaitis, operations manager, Certified Automotive. “To do

that and be profitable, we have to be efficient and reduce our operating costs while continuing to provide full-service distribution services.”

“We implemented The Paperless Warehouse® (TPW) as a simple dollar and sense decision,” continues Tony. “With the rising cost of operations like fuel, wages and insurance benefits, companies need to be more efficient to remain competitive. We wanted to improve the accuracy of our inventory and increase warehouse picking and shipping and office efficiency.”

#### Phased Implementation Meets Certified Automotive Needs

Certified Automotive elected to do a gradual roll-out of TPW in order to guarantee that the change would have no negative effect on their customers. In October 2003, the receiving module for scanning and automatically entering in-bound freight was installed. Seven months later in June 2004, picking and shipping for will-call and daytime orders, representing 20% of the daily sales, was implemented. The remaining operation, night time picking and shipping which is 80% of the business, went live in November 2004.

“The Activant team was helpful through the entire process. During each implementation they’d spend about a week with us to ensure the system was running properly and that our staff was trained,” reflects Tony. “Our Activant implementation team was knowledgeable about the system, warehouse operations and the auto aftermarket business. They really understood the demands and peculiarities of the business.”

#### Improved Inventory Accuracy

With TPW, manual data entry is minimized or eliminated, reducing the opportunities for human error. In the rare instances when an error is noted, it’s quickly corrected. The end result is inventory quantities that Certified Automotive trusts.

“The nature of the automotive business is a lot of returns, which can cause inventory headaches. We see about 25% of everything that goes out, come back as a return. We ship somewhere between 20,000 to 30,000 parts each day, so we’re talking about a lot of inventory movement,” notes Tony. “With TPW, our accuracy has increased and the need to cycle count has decreased accordingly. We spend less time validating inventory and trust that the quantities indicated in the system are correct.”

#### PROFILE

**Headquarters:** Chicago, Illinois

**Annual Sales:** \$50 million

**Sales Breakdown:** 75% commercial, 25% retail

**Number of Employees:** 146

**Locations:** 1 warehouse, 3 pick-up locations, 20 company owned stores

**Founded:** 1978

**Affiliation:** Aftermarket Auto Parts Alliance

**“TPW eliminated hundreds of labor hours each week. We’re saving nearly \$150,000 in annual labor costs resulting in a TPW payback of about 18 months.”**

TONY ANTONAITIS  
OPERATIONS MANAGER  
CERTIFIED AUTOMOTIVE INC.

### Picking and Shipping is Dramatically Improved

Before TPW, the clerical process for picking and shipping orders was burdensome. When an order was picked, one part of a two-part form went to the office where a packing slip/bill of lading was created and the pick results were entered into the system. Invoices were generated and mailed the next day. With TPW, pickers scan the products picked, then the shipper scans the products, the system is automatically updated, and an invoice is generated and sent with the shipment. The customer receives the invoice with his merchandise, instead of several days later. Customers benefit from this reduction in their bookkeeping time.

Certified Automotive used to check every order 100% before loading it on the truck, which was about 25% of the total shipping labor. Now orders for each customer are scanned into a container for that customer and shipping personnel simply scan the container. TPW has the capability for random checks within containers, but Certified Automotive hasn't found it necessary.

"In comparing our operation before and after TPW, we were using about 800 hours per week to pick orders which has been reduced to 700 hours. Clerical hours are even more dramatically reduced to approximately 70 per week from 300. In shipping, we were using 600 hours and now it's 400," stated Tony. "With TPW, we're more efficient and better schedule our resources. We haven't replaced 12 employees lost due to attrition. We're saving nearly \$150,000 in annual labor costs resulting in a TPW payback of about 18 months."



Certified Automotive ships between 20,000 and 30,000 parts each day.

### ABOUT ACTIVANT

Activant, a leading technology provider of business management solutions serving small and medium-sized businesses, offers customers tailored proprietary software, professional services, content, supply chain connectivity, and analytics. Activant's systems are designed to help customers increase sales, boost productivity, operate more cost-efficiently, improve inventory turns and enhance trading partner relationships.

To learn more about this or other Activant products and services, please call 888.463.4700.



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