



Westminster Reduces Costs and Increases EDI Transactions by 60% with RedTail Solutions



CASE STUDY



Customer

Westminster Toys, Inc.
Atlanta, GA
www.westminsterinc.com

Industry

Wholesale Distributor of Toys,
Gifts, and Novelties

Challenge

For a growing wholesale distributor of toys to meet its trading partners' requirements for EDI without hindering profitability

Solution

RedTail Solutions' Managed EDI Service, fully integrated with the existing AccountMate® ERP System

Results

EDI transactions—many more of them—cost only 40% of maintaining the previous internal method; the profits from 60% more business, a dramatic increase to the bottom line

About Westminster Toys, Inc.

For over 35 year, Atlanta-based Westminster Toys, Inc. has been a leading privately held company whose secret of success in the low-priced gift market stems from their commitment to value and entertainment. Their motto is “We are in the business of having fun!” - a spirit reflected in the hundreds of products that make it into Westminster’s catalogue each year.

When Max Ker-Seymer started Westminster, his idea was to provide “pitch products” to fairs and carnivals. Eye-catching and easily demonstrated, they are targeted for impulse buyers with the assist of attention-grabbing salespeople. Well-known examples include Ginsu® knives, miracle mops, and hover copters sold to throngs of attendees at home shows, county fairs, flea markets, and malls.

Westminster soon realized that customers who buy “pitch products” also purchase numerous toys and novelties—from plush animals to action toys to gag items. Having stumbled onto a new market, it modified its product line to meet demand. Today, Westminster sells 30% “pitch products” and 70% toys, outsourcing not only the products themselves from contract manufacturers worldwide, but also an indirect sales force that sells alongside their own small direct sales team.

The EDI Challenge

In the autumn of 2003, Westminster faced a challenge. Seeking to acquire new business from larger customers who require EDI (electronic data interchange), the company realized its current EDI system was inadequate to handle its future goals.

Westminster had been using EDI software that required EDI expertise on staff. Because it wasn't integrated with their AccountMate® ERP system, employees had to manually enter data into it. Their volumes were low, so it hadn't been a problem until the company began to grow. The company had been consuming an average of 15 person-hours per week on EDI functions, but that number would multiply with new business.

This, in turn, would make their then-current approach to EDI a losing proposition. Future increases in transaction volumes coupled with a larger number of trading partners would only add to the fixed costs of their internal method.

"Not only could the company put more energy into core business tasks and customer service, but they were also able to erase depreciation and maintenance costs of their internal EDI software."



The RedTail Advantage

Westminster discovered RedTail Solutions at an AccountMate user event. By November 2003, RedTail had become Westminster's "virtual EDI department", eliminating any need for employees to perform EDI-related functions and continuing the company's outsourcing tradition.

They have deliberately increased their volume of EDI transactions by 60% since the switch to RedTail, whose service is now expensed instead of capitalized. Integrating EDI transactions into AccountMate not only eliminated the manual data entry of the past, but also improved data quality by preventing the all-too-human errors that manual entry inevitably produces.

On top of that, RedTail's start-up costs were 90% less than the old software. Since RedTail Solutions does most of the work, there is no need for complex software at Westminster—only a basic program that communicates directly with RedTail's mapping system.

Keeping an Eye on Future Compliance Issues

Now that Westminster has stepped up into a new arena of larger customers, they are already experiencing new business mandates. The constant evolution of trading protocols places heavy demands on growing companies to invest in upgrades.

Bill Martin, Operations Manager for Westminster, has learned that since the company does a great portion of its product outsourcing from overseas manufacturers, it must soon embrace Global Data Synchronization (GDS), register with UCCnet®, and "synchronize" all their product-related data through the GLOBALregistry™. But the good news is that these are services RedTail Solutions currently provides - allowing a smooth transition for Westminster.

Global data synchronization paves the way for the next big retail initiative: Radio Frequency Identification (RFID). Keeping a vigilant eye on new EDE compliance issues, RedTail Solutions will be ready to help Westminster navigate this next evolution when it occurs.

By providing state-of-the-art results through its outsourced EDI services, RedTail Solutions enables small to mid-sized companies like Westminster to meet technical compliance issues and complete in the global supply chain--while reducing costs at the same time.

Westminster Inc. knows how much time and energy these challenges drain from the bottom line, which is why they turned to RedTail Solutions to free their energies so that they can focus on what they do best: the business of having fun.



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