

Case Study:

Cumberland Electronics Strategic Supply Solutions



iCepts Technology Group Helps Cumberland Electronics Achieve Competitive Differentiation while Continuously Improving Efficiency and Cutting Operational Costs

Founded in 1962, [Cumberland Electronics Strategic Supply Solutions](#) is a broad line distributor serving diverse markets with products from hundreds of manufacturers. Thanks to exceptional industry experience combined with innovative investments in vendor managed inventory capabilities, the company offers one-stop procurement convenience at competitive prices, along with services and services levels that differentiate it strongly from competitors.

In partnership with iCepts, their technology partner for over 30 years, Cumberland Electronics is evolving to be not just a vendor, but a focused solution that enables its customers to meet their business objectives in the most efficient and cost-effective manner possible. Cumberland Electronics and iCepts have collaboratively developed an integrated vendor managed inventory platform based on Microsoft Dynamics NAV for enterprise resource planning (ERP), Lanham AFP for advanced forecasting and procurement, and several Android mobile apps.

This technology enables Cumberland Electronics to manage customer inventory and invoicing with near-total automation. When a customer uses a part from Cumberland Electronics inventory at their location, they can simply record its barcode at a kiosk using a vendor-supplied scanner. This updates Dynamics NAV in real-time, adds the item to an invoice, and drives an auto-replenishment process that is fully embedded within NAV via Lanham AFP. A customer self-service portal provides on-demand reports on inventory and invoicing.

According to Don Smeltz, President, Cumberland Electronics was among iCepts' first clients. "Our mutual workflow goes back to about 1982," recalls Mr. Smeltz. "At that time, everybody was trying to sell us hardware, and software was secondary. What iCepts brought us was solutions—suggestions, ideas, more efficient ways of doing things."

Cumberland Electronics has deep in-house technology expertise for a company its size. "We've used iCepts to help us adapt off-the-shelf software to our specific needs," Mr. Smeltz relates. "We've been so successful with iCepts because they're not looking to sell canned solutions. They're looking to sell solutions, period."

"The expertise we get from iCepts is just phenomenal; I just cannot say enough about it!"-Donald Smeltz, President of Cumberland Electronics

The Challenge:

An outdated and heavily customized business system was too costly and constrained innovation.

Cumberland Electronics had relied on a heavily customized Infor Distribution FACTS implementation from 1991 all the way to 2012. "It was very solid and reliable but it was very limiting," notes Mr. Smeltz. "The only way we could create new features was to code them ourselves."

Ultimately the high cost of maintaining FACTS made it difficult to "get ahead of the curve" in terms of new IT investments. "We needed to make an evolutionary leap to a more modern system that could take us into the future," Mr. Smeltz explains.

iCepts recommended replacing FACTS with Microsoft NAV because of NAV's robust out-of-the-box features and unique flexibility. NAV is ideal for many SMB supply chain companies, especially those that need to extend the product to implement value-added business offerings, such as point of sale services, kitting and assembly, high-mix low-volume (HMLV) manufacturing, make-to-order (MTO) manufacturing, and so on.

Cumberland Electronics began its transition to NAV in 2010. Mr. Smeltz adds: “One reason we chose NAV was that with other mainstream ERP packages, if you wanted to make a change you had to submit a request and run it through the vendor’s update process. They’d put it into a schedule, they might not do exactly what you wanted, and then they’d roll it out to all their other customers. It all seemed very clunky.”

The Solution:

Microsoft NAV is the foundation of a cutting-edge, powerful, enterprise business management system with robust functionality and reporting.

“iCepts helped us through that whole migration process,” states Mr. Smeltz. “They had great implementers. Not only did they help us, but they’d also leave us alone when we wanted that, or train us to do things for ourselves, which was key to our conversion from FACTS to NAV.”

“Everything went extremely well. Basically we created a going-forward platform in real-time with real data. That way we could do testing and training, all of which iCepts helped us with,” observes Mr. Smeltz.

Cumberland Electronics “pulled the plug on FACTS” and went live with Microsoft NAV in June, 2012. When inventory problems arose, “iCepts went to bat for us at Microsoft to help solve those issues,” Mr. Smeltz asserts.

Shortly thereafter, the distributor also implemented the warehouse management system (WMS) component of Microsoft NAV. “We wanted some of the features, but in hindsight we didn’t really understand what we were getting into... and the result was basically shell shock,” Mr. Smeltz concedes. “Again iCepts stepped up. With their extensive knowledge set, iCepts implemented a solution that made everything workable, and we were off to the races again.”



‘With iCepts’ help, and the way NAV is structured, we’re able to fully utilize NAV and extend it without compromising the base software’-Donald Smeltz, President of Cumberland Electronics.

The Results:

Collaboration with iCepts has been key in creating complete, innovative IT solutions that save time and money and deliver a competitive edge.

Since resolving issues around inventory and the WMS, “It’s just been warp speed,” says Mr. Smeltz. “Besides our need for custom reports, our customers have new requirements every few months. With iCepts’ help and the way NAV is structured, we’re able to fully utilize NAV and extend it without compromising the base software, upgrades, etc.

“We often build fields into NAV that we use with external programs that can be maintained within NAV. Those fields are carried through within NAV and we can use them both in NAV and in the external programs. For example, right now we’re adding fields to NAV for compliance labeling, so we can put HAZMAT codes and customer part numbers on packages and items. That flexibility is the key for us in extending NAV to fit our evolving requirements.

“Two years ago we wrote a custom mobile app that integrates with NAV so our field people could better manage customer inventory. Since then we’ve written another NAV-based mobile app that uses GPS coordinates for package tracking, and now we’re completely rewriting that first-generation remote inventory management app to add much more functionality.

“But we’re not just automating frontend processes. We’re also working with iCepts to automate backend processes, which will eliminate the need to manually enter sales orders, transfers and things like that.

“It’s the flexibility of NAV that enables us to do that,” Mr. Smeltz reiterates. “Plus the expertise we get with iCepts is just phenomenal—I can’t say enough about it.”]

The bottom-line benefits that Mr. Smeltz notes from Cumberland Electronics’ collaboration with iCepts include:

- 15-20 hours per week of employee time saved at the main office, plus several more hours per week saved for each field employee, just from the current upgrade to their mobile apps.
- A savings of two full-time employees because of the “fantastic” efficiency of the current purchasing system and its ability to augment human experience with automation to streamline and enhance the control of inventory parameters and management of the overall purchasing process.
- Consistent and significant operational cost savings through extending the base NAV system versus paying a programmer to write custom code.
- Competitive differentiation and greater customer satisfaction through innovative remote inventory management offerings.

Mr. Smeltz summarizes: “iCepts understands NAV very well, so that when we come up with a new requirement the first thing we do together is see if we can solve it in NAV. We spend time sharing ideas, and they help steer us in the right direction. Then we validate the approach through testing on our full, mirrored test system.

“Our collaboration with iCepts over the years has formed the technology foundation that lets us take this company where we want to take it. I’m just so happy with how we communicate and work together at this point,” concludes Mr. Smeltz.

About iCepts Technology Group, Inc.

Since 1980, iCepts Technology Group, Inc., a 100% employee-owned company, has been working with wholesale distributors, manufacturers, and other industries with various supply chain management and other technology solutions.

Our consistent goal is to leverage our vast industry experience to partner with organizations to achieve greater efficiency, streamline operations and gain access to vital business reporting in order to stay competitive plus profitable through the use of technology.

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