



M. TUCKER CO.

SAP BUSINESS TRANSFORMATION STUDY

AT A GLANCE

Industry	Wholesale distribution
Revenue	US\$70 million
Employees	100
Location	Paterson, New Jersey
Web Site	www.mtucker.com
SAP® Solutions and Services	Qualified SAP® Business All-in-One partner solution based on the SAP Best Practices for Wholesale Distribution offering; and SAP Paybacks and Chargebacks application by Vistex
Implementation Partner	Answerthink Inc.

M. Tucker Co. Inc. is a privately held business with over 50 years in the foodservice industry and annual sales of US\$70 million. The company is ranked 14 of the top 100 distributors in the industry and is the largest independent distributor on the U.S. eastern seaboard. In addition to distribution of foodservice equipment and supplies from an inventory of over 7,000 items, M. Tucker works with architects, engineers, and contractors to help plan and construct facilities for the foodservice industry.

Key Challenges

- Outdated and rudimentary software in use with no integration between applications and no automation
- Manual processes, leading to many operational errors
- Significant challenges in processing and tracking non-stock items and unique (bill-and-hold) inventory items
- Lack of internal controls for compliance with regulations
- Inability to scale legacy systems for acquisitions or for planned organic growth

Why SAP Was Selected

- Reduction in potential risk resulting from disparate systems acquired in future mergers and acquisitions
- Integral solution to support all departments and to grow with new business requirements
- Support structure to keep total cost of ownership low
- Industry-specific experience and functionality
- Large portfolio of SAP resources

Implementation Best Practices

- Effectively training and testing before go-live (1 hour early saves 10 hours later)
- Involving the right people with the right aptitude and attitude from all areas of the business
- Ensuring use of accurate and well-integrated master data
- Maintaining a fixed scope of work

Low Total Cost of Ownership

- Greater functionality in IT systems without increasing IT staff (2 people before and after SAP deployment)
- Minimal integration requirements
- Complete technology upgrade and ERP implementation completed in 8 months

Financial and Strategic Benefits

- Technology platform for growth
- Better inventory control
- More efficient processing of purchases and sales orders
- Better business insight, leading to better pricing strategies and faster implementation of those strategies
- Improved customer service
- Improved cost recovery from suppliers

Operational Benefits

Key Performance Indicator	Impact
Data entry errors	-10%
Margin	+2 points
Inventory accuracy	Improved
Back orders	Reduced
Sales growth	+18% annually
Earned income (chargeback) management	Improved



“My first assessment was that we were not ‘an SAP company,’ but I spoke to several SAP customers, and they were very happy – users liked it. We saw that an SAP solution could work in a small company.”

James Bopp, Chief Information Officer, M. Tucker Co. Inc.

“We now have a solid base to do anything we want to do in the future.”

James Bopp, Chief Information Officer, M. Tucker Co. Inc.

The Challenge: Maintaining High Standards for Customer Service

M. Tucker Co. Inc. has grown since its founding in 1955 through its ability to provide customers in the New York metropolitan and New Jersey area with impeccable service and a wide range of products for the foodservice industry. By 2005, it was a US\$50 million business with a strong growth horizon.

The company’s rapid growth, however, had strained its IT systems past their scalable capacity. Furthermore, many of the business processes were manual and required rekeying of data. To support additional growth and maintain the company’s high standards for customer service, a holistic change was needed.

The Choice: Becoming “an SAP Company”

At first, M. Tucker decision makers did not believe that their company could become “an SAP company.” They were concerned that an SAP® solution might not be a good fit for their needs as a smaller company. They were, however, looking for all the benefits that an integrated enterprise resource planning solution had to offer. They wanted real-time transactional tracking. They wanted to eliminate errors by automating cumbersome processes. And they wanted to operate a faster, more efficient business to differentiate themselves from their competitors. They spoke with several SAP customers and found that users liked SAP software. In the end, impressed by SAP’s stability and its commitment to the wholesale distribution industry, they determined SAP was the right choice.

Getting to Work Quickly

In just eight months, M. Tucker built a completely new IT infrastructure with two products: EzDistribution, a qualified SAP Business All-in-One partner solution from Answerthink Inc., based on the SAP Best Practices for Wholesale Distribution

offering; and the SAP Paybacks and Chargebacks application by Vistex. The software enabled M. Tucker to focus quickly on the unique aspects of its business. Using a “big bang” approach to go live, M. Tucker realized value immediately throughout its organization in the order-to-cash, warehouse management, and financial areas. A train-the-trainer approach for each business-process area reduced training costs and hastened adoption of the new software.

Reaping Core Operational Benefits

Visibility to information has driven benefits in core operations. Margins have improved, and pricing management has benefited from the ability to link cost increases immediately to pricing strategy. To improve inventory practices – a goal for any distribution company – M. Tucker instituted a complete systematic feedback loop with defined metrics. The objective was to increase control and accuracy of inventory management and warehousing processes. The changes have improved inventory visibility and reduced pricing errors, data entry errors, and back orders.

Looking to the Future

With a firm technology foundation in place, M. Tucker can look forward to executing its business strategies with confidence that its business software will enable its growth. M. Tucker plans to enable more customer- and supplier-centric processes, such as online customer ordering and supplier collaboration. Customers can also expect enhanced service from the M. Tucker sales force, once SAP mobile functionalities are rolled out, allowing real-time order entry and checks on price and availability anywhere and anytime.