



Hofland Case Study



Adapting to an Evolving Marketplace with TECSYS Solution

At a glance

With new distribution channels emerging and major customers starting to buy directly from growers, Hofland Ltd. sought to implement an effective value-add strategy. In addition to hosting educational seminars and design shows, the leading floral wholesaler began expanding its product offering to include giftware and home decor. To support this diversification and help grow its customer base, Hofland continues to partner with its software vendor of choice: TECSYS.

“A flower shop can no longer afford to be just a flower shop, which means as a supplier we have to provide more than flowers too. TECSYS’ *EliteSeries* has helped us incorporate new product lines and penetrate new markets with greater speed and efficiency,” explains President Glenn Hofland.

An established quality vendor

Established in 1957, Hofland is Canada’s premier floral wholesaler, recognized across the country as a provider of high-end product and quality service. With 130 employees, 6,000 customers and some 10,000 products, it operates an 85,000-square-foot distribution center, North America’s largest walk-in cooler for fresh flowers, and a fleet of 15 climate-controlled vehicles. The family-owned business distributes local and imported fresh cut flowers, plants and basic floral supplies throughout Canada.

In more recent years, Hofland has diversified its operations and placed a growing emphasis on giftware and home decor in response to evolving marketplace dynamics. The B2B wholesaler continues to make its mark as a style leader in giftware with its line of trend-influenced products, which have enabled the company to become a preferred vendor of major giftware and department store chains. While Hofland’s primary market remains retail florists, it has extended its reach to include department stores such as The Bay, Sears and Bowring, in addition to grocery stores, gift/home accessory shops, craft stores, furniture retailers and garden centers.

“We’ve been able to carve out our niche as a premier vendor in a very competitive, price-driven market because we offer exceptional service, a high-quality product, unique selections, consistent supply and frequent, reliable delivery,” states President Glenn Hofland. “We’re also a trend-setter in our industry and we go the extra distance to be an extremely customer-friendly company in terms of a guaranteed product and no-hassle returns.”



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Glenn Hofland, President

TECSYS



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Glenn Hofland, President

Setting the bar high with TECSYS

Hofland’s ability to meet such high customer expectations is supported by TECSYS’ *EliteSeries*, the leading e-commerce-driven enterprise software solution for brick-and-mortar distributors. Back in 1995, Hofland was running on a custom, closed architecture software package with zero scalability. Realizing the system was seriously impeding its growth, Hofland began searching for a software vendor that offered open systems, scalability, multi-location inventory, in-depth reporting capabilities, ease of use and a willingness to work together to meet the wholesaler’s future needs.

Hofland went live on TECSYS’ *EliteSeries* 6.0 in the fall of 1996 following a seven-month implementation. Today Glenn Hofland’s extensive experience with TECSYS’ software and services allows him to speak at great lengths about the benefits derived from the distribution-centric solution.

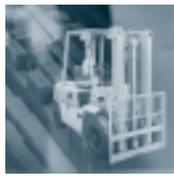
“Real-time information—that’s the key word for me,” declares Hofland. “The *EliteSeries* has put much more accurate information in our hands, enabling us to know exactly what’s going on across our company and supply chain. Its open systems architecture lets us access that information very easily and its executive information tools make data analysis and reporting a breeze.”

Upgrading to compete in today’s economy

With no more physical space to expand operations, Hofland is currently facing a situation where it must support growth through gains in warehouse efficiency. Back in 1996, the *EliteSeries* was not equipped with a complete warehouse management system and e-commerce front-end. However, the solution’s real-time access to accurate information has allowed the company to monitor inventory levels more effectively, resulting in increased sales and decreased inventory levels. Now Hofland is considering the possibility of even greater efficiencies by upgrading to the most recent *EliteSeries* release with its full-fledged, integrated Warehouse Management System.

“With TECSYS’ high-powered Warehouse Management System, I know we’ll have the right tools to vastly improve our performance where it counts most—in the warehouse,” states Glenn Hofland. “Just in terms of efficient order picking, the benefits will be tremendous. Our current system limits us to single-order picking, while the *EliteSeries*’ WMS will allow us to do wave pulling by product or area. We’ll also be able to continue to grow our sales while decreasing warehouse costs and without increasing headcount.”

Reduced inventory loss is another major benefit targeted by Hofland. The *EliteSeries*’ reporting capabilities will enable the wholesaler to continue to reduce inventory buildup and loss in its home decor and giftware lines by increasing inventory



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turns from four per year to five. Hofland will also look to expand its Web offering with *Elite.eCom*, putting its catalog on the Web, and eventually providing its customers with the ability to track orders online.

The benefits of a fully integrated transportation management system

At Hofland, delivery time is crucial. Hofland's loyal customer base has come to rely on incomparable delivery performance, a key competitive advantage when distributing a perishable commodity. However, as the full-service floral wholesaler grows, meeting these expectations is becoming increasingly difficult. Hofland implemented Disticom Systems' leading shipping software six years ago and upgraded to its new Windows-based Modular Shipware solution in January 2000. Since then, Disticom Systems has been acquired by TECSYS, which is excellent news for Hofland. TECSYS is in the process of integrating the powerful Transportation Management System with its *EliteSeries* solution, allowing Hofland to reap the myriad benefits of a fully integrated enterprise solution.

The integrated Transportation Management System will provide Hofland with excellent best-cost routing, shipment tracking and freight audit capabilities. Additional features include automatic tracking number, waybill and estimated delivery time generation, as well as the ability to compare targeted versus actual delivery performance.

Enterprise-wide access to real-time transportation data will enhance customer service and improve shipping efficiency by enabling Hofland to make informed decisions about where to deliver and how much to charge. The B2B wholesaler will also be able to leverage this information to save costs by negotiating better contracts with its transportation suppliers.

"We've been with TECSYS now for more than four years," reflects Glenn Hofland.

"During that time, they've consistently enhanced their software to offer customers a true end-to-end order fulfillment solution. They've also repeatedly demonstrated their commitment to our success, which is why we continue to partner with them today."

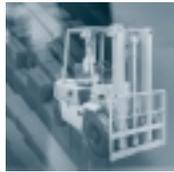
TECSYS is at the forefront of B2B e-commerce with deep roots in order fulfillment and distribution. We began in 1983 as an order fulfillment solutions vendor for the wholesale distribution industry and have evolved into the leading provider of end-to-end B2B e-fulfillment solutions for brick-and-mortar distributors. Every year our e-fulfillment solutions are used to sell, source, and ship billions of dollars worth of products in vertical industries such as consumer goods, electrical, food services, hardware, health care, information technologies, manufacturing, pharmaceuticals, publishing, sporting goods and telecommunications.

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