



California Mustang californiamustang.com

Efficient Management of an Integrated Multi-Channel System

Challenge

California Mustang needed a fully-integrated inventory management system that could efficiently handle the business activities of all of its channels – mail, phone, web, retail and distribution – in one place.

Solution

It implemented MACH Software as its catalog and retail order management system.

Results

In the four years since the MACH implementation, California Mustang has enjoyed a 30% growth in sales while increasing its staff by a minimal 5%. The savings in employee-related costs has made a substantial positive impact on its bottom line.



California Mustang is the country's largest Mustang parts specialist. It has been in business since 1976 when it began as a supplier of parts and accessories for the 1965 to 1973 Ford Mustangs. Since then, it has expanded its inventory to include parts and accessories for the current Mustang series of 1979-Current Year. In the early 1990's the company began a search for a fully-integrated multi-channel order management solution to replace its proprietary package which California Mustang had outgrown. Because Cal-Mustang sold parts through different channels, it needed a system that could pull and integrate data from all of those sources. They also required mail list management, order-point based replenishment, and real-time credit card processing.

"For ten years, we searched for a fully-integrated multi-channel package for mail, phone, web, retail store and distribution. Lots of companies said they did this, but in fact, did not," said Steve Lekutis, VP Operations at Cal-Mustang.

But as important as the software requirements, Cal-Mustang had specific attributes it was looking for in the company which would become its partner in this long-term solution – demonstrated success and a committed staff.

"We made several unsuccessful attempts to convert to another system in the late 1990's. In 2002 we were introduced to the MACH solution and finally, we found a truly integrated package. MACH understood the needs of a multi-channel company before the term multi-channel became the buzzword it is today," Lekutis said. "They had a firm grasp of how the pieces needed to integrate with each other and they had a dedicated staff and successful clients. They had the full solution we wanted."

The MACH implementation included some custom work for specific Cal-Mustang requirements, and a labor-intensive records extraction from the outdated proprietary system.

Once the data was retrieved, however, it was quickly converted into MACH. The DMA staff set up a test lab at the Cal-Mustang location to fine-tune the system before it went live and to train Cal-Mustang staff. The new system went live in September, 2002.

Since the launch, the company has grown from one to three websites. Lekutis said it's easier to deal with three through MACH than it was with just one on the old software because it didn't integrate with their daily business.

Cal-Mustang's kitting ability also has improved dramatically. Though their old system technically had kitting, it was extremely inflexible. MACH gives them the ability to delete or replace individual backordered kit components without having to backorder the entire kit. Cal-Mustang can retain the sale and ship the backordered item prepaid once it arrives. Cal-Mustang also now has the ability to build kits in advance, leading to better inventory planning and reduced picking errors.

Cal-Mustang has seen other benefits throughout the company.

- In retail stores, sales associates can process orders up to 50% faster because they can save an order and create new ones while the cashier is processing payment on a different one.
- Sales Associates can order and ship items from the warehouse when they are not available in the store.
- The warehouse has saved countless man-hours and has reduced picking errors by 20% because MACH verifies the order when it is packed.
- The system's multi-channel integration has reduced the daily internet orders importing time from eight hours to less than two hours.
- Automatic credit card authorization has improved order efficiency and eliminated staff-hours since authorizations and settlements don't need to be requested manually one-by-one.
- Statistics and reports can be pulled instantly. Previously, it was such a labor-intensive process, not many reports were produced. Because they are so easy to retrieve, tracking has improved in all aspects of the business. Marketing campaigns, for instance, can be reviewed quickly and adjusted accordingly.

California Mustang has continued its growth path. It has grown sales by about 30% since it implemented MACH. Cal-Mustang has enjoyed that increase in business with only a 5% increase in staff and Lekutis credits MACH.

"That 5% stat is definitely due to the benefits of MACH – both the software and the staff," Lekutis said, "They work extremely hard to produce a very high quality product. I'd be happy to recommend them to anyone who is looking for a fully-integrated, multi-channel solution."

