



CASE STUDY

Drillmex increases revenue per employee by 93% with Infor CloudSuite Distribution

Drillmex, Inc., is a North American industrial distributor of cutting tools, machine tool accessories, cutting fluids, and precision instruments headquartered in Quebec. Established in 1982, Drillmex is a premier specialized industrial distributor that has witnessed explosive growth over the past ten years, serving the aerospace, medical, automotive, energy, research, and education industries. Drillmex partnered with Infor in 2008 with the selection of Infor Distribution SX.e as its core enterprise resource planning (ERP) system, and eventually upgraded to Infor CloudSuite™ Distribution to scale and grow its business in the cloud. As Drillmex continues to grow in size and revenue, the business implemented an e-commerce platform, which presented new opportunities surrounding visibility, inventory, and warehouse oversight.



Industry

Distribution

Infor product

Infor® CloudSuite Distribution

Number of employees

23

Network group

The User Group (TUG) attendee

Website

drillmex.com

“ To do more with fewer employees, we knew we needed to embrace technology. We will now always have the latest version of Infor CloudSuite Distribution to continue to scale and grow our business. The Infor cloud delivery model is designed for progress and enables us to take advantage of new features and functions as they are rolled out to provide better service to our customers.”

CHRISTIAN OSTIGUY

VP Operations, Drillmex Inc.

Overcoming growing pains during a digital transformation journey

Drillmex partnered with Infor in 2008. Since the beginning of this partnership, Drillmex has experienced exponential growth, shifting industry trends, and an increasing need to offer new channels to market. Drillmex has needed to offer a better e-commerce experience. Throughout its journey, Drillmex remained focused on strategically growing and scaling its business, while keeping its workforce agile. The company selected Infor CloudSuite Distribution to keep its operations lean and to accomplish more with less while avoiding purchasing a new server.

Choosing Infor CloudSuite Distribution as its enterprise resource planning (ERP) platform, Drillmex was able to boost employee productivity, increasing the revenue per employee by 93% between 2012 and 2019. By circumventing the growing pains experienced by most distributors in the market, the Drillmex team could be deployed on more strategic, forward-focused projects. Today, the success of Drillmex continues to compound, as it has put a heavier emphasis on serving customers through omni-channel sales, powered by the CloudSuite Distribution platform.

“ Our e-commerce platform ties directly into Infor CloudSuite Distribution. The integration was seamless and now our customers can shop online, our employees can easily find products in the system, and our overall operations have improved. CloudSuite Distribution has made our transition to omni-channel sales a simple process, which has made a significant impact on our bottom line.”

CHRISTIAN OSTIGUY
VP of Operations, Drillmex Inc.

Business challenges

- Growing and scaling the business without increasing headcount
- Integrating third-party e-commerce platform with existing Infor CloudSuite Distribution ERP
- Lack of visibility on pricing, inventory, and warehouse operations
- Leveraging tools to their fullest potential to support the business and operate more efficiently

Seamless integration turns strategy into execution

Given the rising popularity of e-commerce, Drillmex was faced with the choice to innovate or stagnate. The company opted to continue its transformation journey by seeking out a third-party, out-of-the-box e-commerce tool to grow online sales. Rather than hiring new employees and training them on more than 800,000 SKUs, Drillmex integrated its e-commerce platform into the CloudSuite Distribution ERP system. In just two months, the premier specialized industrial distributor gained enhanced visibility and oversight on thousands of products from up to 60 active suppliers. The integration was made possible by application programming interfaces (APIs).

The integration, which was engineered to facilitate continuous improvement and upgrading, was accepting orders in just two months. This allows Drillmex to cross-reference content from its e-commerce platform and CloudSuite Distribution. At any given moment, the CloudSuite Distribution system allows Drillmex to generate and download complete lists of products that include product specifications and part numbers. Fast and reliable integration and a highly compatible user interface allow much faster time-to-market than segmented product installations.

Improved online ordering and product visibility

The integrated e-commerce platform can now operate as an additional online salesperson—allowing customers to access products with multiple search criteria including internal part numbers and vendor part numbers. Internally, customer representatives can explore the CloudSuite Distribution platform and recommend substitute products in real time. The extensibility of the system helps keep employees up to date on products, inventory, suppliers, and more, for a uniform shopping experience that doesn't require extensive salesperson training. This helps increase the speed at which large accounts are set up with custom pricing options based on volume, SKUs, and more.

“Pricing was difficult in our old system, especially for our main supplier who is responsible for more than 40% of our sales. They have about 80 different pricing schemes, so setting pricing for them was a manual and error-prone process. With Infor CloudSuite Distribution, I've been able to easily make price types for every single one of their groups,” said Christian Ostiguy, VP of Operations, Drillmex, Inc.

A smarter, more connected supply chain

Drillmex maintains one 15,000 sq. foot warehouse, where it relies on CloudSuite Distribution to oversee inbound and outbound inventory with improved accuracy, thanks to better tracking across bin locations. Streamlining warehousing operations keeps the supply chain connected and minimizes the risk of delayed shipping or problems with customer purchasing.

“ We are in the cloud for everything now and love it. We have a small team, so before when the server went down and our IT guy wasn't available, we were paralyzed. Now if something happens, we open a ticket and more often than not, Infor is already aware of it and it gets resolved quickly.”

CHRISTIAN OSTIGUY
VP of Operations, Drillmex Inc.

Business results

- 800,000 SKUs and 60 suppliers easily managed within e-commerce and ERP system
- 2 month total integration time between e-commerce platform and CloudSuite Distribution
- 93% increase in revenue per employee

Purchasing using economic order quantity (EOQ) allows Drillmex to have greater control over threshold minimums, supplier-specific demands, and order-as-needed capabilities that leverage cross-docking and drop ships. All of these channels and processes are easily viewed, managed, and controlled within a CloudSuite Distribution dashboard.

Adapt and grow, together

As a forward-thinking organization, Drillmex relies on tools and technology that can transform as its needs evolve. With Infor CloudSuite Distribution, the distributor benefits from automatic upgrades and the option to continue building on its ERP system with both third-party and Infor-developed products as necessary. Opting for the cloud-based system allowed Drillmex to reduce server requirements and minimize the need for a large IT department, which keeps it agile and adaptable even as the organization leverages extensibility functions.

After attending Infor's community conference, The User Group (TUG), Drillmex leadership realized that the ERP platform could be used to support more business functions, even outside the realm of e-commerce and warehouse management. “One of the things I realized when I came back from TUG was that we have so many tools in place that can simplify our jobs, and we need to leverage those opportunities as we continue to innovate,” said Ostiguy.

Infor CloudSuite Distribution was developed to meet the growing needs of distributors in the era of innovation. As Drillmex continues to build on the success of the past two decades, the company will be able to create a platform perfectly suited to its needs that are supported by the CloudSuite. In the approaching years, Drillmex intends to continue investing in the business to maximize growth and productivity by leveraging products such as Infor Birst®, Pricing Science, and CRM.

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