

Varco Industrial Sales Limited

Staying Ahead Through Technology

Varco Industrial Sales, an independently owned industrial distributor with locations in both London and Chatham Ontario, has stared national and global competition in the eye and has come out ahead of the pack.

How are they able to accomplish this when so many others fail? Simple... instead of being intimidated by technology, Varco actively embraces and exploits it. They have realized the power of harnessing the technology available in today's market and have continued to expand and grow where many competitors have fizzled and disappeared.

A Similar Mindset

Phil Faulkner, President of Varco's London location, says that Modular Software's similar mindset was one of the determining factors when Varco was choosing a software provider in 1991. He says, "Modular Software doesn't stand still – they are always trying to improve and add different functionality to their software." Even more important however was a partner who understood Varco's industry. "We looked at other software providers but they were a 'band-aid' solution... they weren't really focused on our kind of business. We realized very quickly that Modular Software had a strong background and understanding of what our business was all about. Modular was a proven software company as far as industrial distributors are concerned. It was a 'no-brainer' to hook up with them."

Location, Location, Location

Faulkner adds that Modular Software's geographic location is a big asset as well. He says, "Because Modular is located right here in Canada, they understand the needs of the Canadian business world." There is also the advantage/benefit of accessibility. "If we need to talk to someone about our system, we know that we can reach someone immediately and that the person we're dealing with is intimately aware of our company's computer systems. We can deal directly with 'the source' and not just a branch office." Another advantage, adds Faulkner, is that "Modular does everything in-house – you don't have to buy the hardware one place, the software another and the training yet another. Modular is a one-stop shop – you get everything under one roof."

Ease of Use... and Reliability all in One

Another aspect of Modular Software that impressed Phil and his colleagues at Varco was the ease of use of Modular's Matrix software suite. "Matrix is user-friendly and quick to get a handle on. You can see how it is tailored to our industry." They have also been very pleased with IBM... especially with the dependability of the iSeries servers. "The iSeries is a wonderful piece and extremely reliable. If there has ever been any kind of an issue, both Modular and IBM responded quickly. I am impressed with their level of service."

Vendor Managed Inventory

Varco is responsible for managing and maintaining the correct level of inventory in their major customers' factory storerooms. Sounds like a daunting task? It was. It used to be a daily, manual and time-consuming process... and was prone to error. The solution? Modular Software's Vendor Managed Inventory System (VMI). VMI is a fast, automated and simple system using PalmPilot bar code scanners that automatically upload to the Order Import module of Varco's Modular Matrix system.

The results are impressive: tighter customer relationships; less man-hours needed to capture data and process it; fewer mistakes through automation and integration; and fast investment payback.

"Once you get Vendor Managed, you tie a customer up," says Faulkner. "There are other companies... good companies... that are not getting involved in this and they're going to lose business for no reason other than the fact that they don't have the technology in place."

IDI – Another Crucial Partnership

Another important partnership for Varco is the one that they enjoy with IDI – Independent Distributors Inc.

Founded in 1982, IDI is a fast expanding Canadian business group of industrial distributors. IDI currently consists of over 100 member companies in more than 200 locations across Canada, employing thousands of people and commanding annual sales in excess of \$550 million.

IDI's mission is to advance the interests of its members, customers, suppliers and staff, and to increase their success by leveraging technology in today's highly competitive industrial markets.

Varco has been a member of IDI since 1988, and Phil Faulkner cites this partnership as one of the major reasons for Varco's growth. "Being with IDI

allows us to compete for national accounts which are much bigger and broader than what we would find locally. It gives us a larger grasp on the market.”

Modular itself has partnered with IDI for over 15 years, supplying software and services to IDI itself, along with many of their members. Most recently Modular was awarded IDI’s National Accounts e-Commerce contract. The new Modular system will arm IDI with the latest competitive weapons to win and retain major National Account business. It will automate the handling of transactions from and to each National Account and the IDI Members across Canada, using the latest Modular technologies in:

- Web-based procurement
- EDI hosted services
- P-card, FTP and XML processing
- Secure Internet VPN transactions
- High-speed ADSL digital networks

Each National Account can view IDI as a single entity, choose the transaction medium best suited to them, with the Modular system receiving and splitting transactions to the appropriate Members, consolidating the shipment data and producing a single invoice. Competitiveness and Customer Service is maximized for IDI and the Members, with the lowest possible processing costs.

This evolution of growth between Modular Software and IDI makes Varco more of a force in their industry. “We’ve seen the problems other IDI members have had who haven’t gone with Modular, “ says Faulkner. “They lag so far behind that they spend a lot of time, and money, trying to just keep up. With Modular as our provider we don’t have to worry about what’s going on with technology... we can focus on our business.”

Confidence in the Future

“We have seen so many changes in the industrial industry in the last 2 years, that we can’t even imagine what changes will occur over the next 2-5 years... but we are confident that Modular Software will keep us right in pace with what is happening in the technological world. Modular continues to listen to our concerns and to listen to what changes need to be made. Modular grows with us.”

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