



# Dichtomatik

## Manufacturer Decreases Labor Costs and Improves Inventory Efficiencies With WMS From HighJump Software

### Company Profile— Dichtomatik

Efficient warehouse management is critical to the core business goals of Dichtomatik, a leading international distributor of seals and bearings. Achieving consistent, high product quality and total customer satisfaction are top priorities at Dichtomatik—challenges that require efficient and cost-effective operations throughout the organization, especially in the areas of warehousing and distribution. As the company planned for the future, it needed to prepare an infrastructure that could handle the increase in capacity, yet integrate with existing accounting systems.

Headquartered in Minnesota, the company manufactures and distributes more than 12 million seals in 7,000 sizes ranging in type, material and style. Dichtomatik boasts one of the largest inventories of metric shaft seals in North America and a “Code Blue” priority inventory program that guarantees common shaft sizes will always be in stock for its distributors.

An ISO 9002-certified company, Dichtomatik has been building a reputation for excellence in providing high quality products,

technical support and service since 1978. The company’s 380,000-square-foot manufacturing facility has the capability to produce 320,000 seals per day, and the entire production process from raw materials to in-house components is performed there. The Burnsville, Minn. headquarters house the sales, inventory control and distribution functions for the company.

### Adaptability Triumphs Over Complexity

Company President John Rice realized the warehouse management system was long overdue for an upgrade. He instructed Distribution Manager Dennis Bollinger to launch a search for a new solution. After four years of evaluating systems from several well-known vendors and coming close several times to selecting one, a frustrated Bollinger still had not found a vendor whose warehouse management system could integrate with Dichtomatik’s complex legacy host system—until HighJump Software entered the picture.

“HighJump assured us that HighJump™ Warehouse Advantage would have no problem

interfacing with our host system,” said Bollinger. “The new system went live in February 2001. The system has been running at 100 percent for the past three months, and HighJump Warehouse Advantage is giving us everything we expected and more, especially in terms of decreased labor costs and improved inventory efficiencies.”

Armed with knowledge and practical experience with the host systems, a HighJump Software technical support consultant worked closely with Dichtomatik personnel to solve the integration issues that would enable the HighJump software to “talk” to Dichtomatik’s host system. “It was a tough road, but HighJump Software had the right people to get it done,” said Bollinger.

Dichtomatik also took advantage of HighJump Software’s onsite customer training opportunities. “I was very concerned about changing over to a new system, but it was absolutely great,” said Bollinger.



“HighJump provided the training at our facility and within a couple of days everyone was using the system without any major issues.”

## Delivering Tangible Business Benefits

With its integration issues overcome, Dichtomatik was able to upgrade its warehouse management system to HighJump Warehouse Advantage including the management visibility functionality. This empowers operations managers with a Web-based, graphical view of real-time data and performance indicators to support decision making and improve inventory control. Password-protected access helps ensure a high level of security, while the system’s ease of configuration and flexibility help Dichtomatik respond to changes in its business and the marketplace with ease.

With visibility to key metrics, Bollinger can manage inventory levels, order volume and order status in a convenient, real-time Web environment. Time consuming and error-prone manual processes have been eliminated, and Bollinger is empowered to have access to a live view of all warehousing processes 24 hours a day, seven days a week through a secure Web portal.

“I can watch all of the orders move through the system, monitor how much time it takes to process a specific order, and check the status of all open orders. Being able to access real-time data is a plus. Everything I need is online. It’s fascinating.”

## Fast Results

Bollinger reports dramatic improvement in inventory efficiencies. “In the past, it used to take up to four days to receive a container for shipment and move it through the system,” he said. “Since the implementation of HighJump Warehouse Advantage, we can now process the shipment in just eight to 10 hours. As a result, we average about 300 orders per day

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-Dennis Bollinger, distribution manager

and can ship them out the same day. Our customer satisfaction level has risen, too, because we can process orders with fewer back orders and promise same-day shipment.”

Getting those 300 orders ready on time for the daily UPS pick-up deadline is another challenge that HighJump Warehouse Advantage has helped Dichtomatik overcome. “Our orders, for example, go through a carousel with 9,000 SKUs on it. With our old system driving the carousel, it would take two or more people to get those orders out, and a year ago we had a very difficult time getting 300 orders ready for UPS,” said Bollinger. “Now, using fewer resources, it takes 60 to 90 minutes less time to clear out the carousel orders, all thanks to our new HighJump system.”

Using HighJump Warehouse Advantage also enables Dichtomatik to more efficiently manage the process of stocking incoming inventory and locating it quickly when orders are placed. “The HighJump system turns our orders around and gets them out the door faster because we’re getting stock into the system much more quickly and accurately than before,” said Bollinger. “Everything is now bar coded in the scanning process, so you have accurate knowledge of inventory levels at all times. No longer do we have a scenario in which orders are delayed because we can’t locate the stock in the warehouse. HighJump Warehouse Advantage takes you right to the location, generates the pick order,

scans it, and it’s out the door—it’s great.” Bollinger is also realizing quantifiable cost benefits from managing real-time information through the visibility functionality. “Thanks to improved labor efficiencies, we’ve also been able to reduce our line item costs considerably, with line picking costs down by 50 percent,” said Bollinger. “I can easily access all of the metrics I need—such as total number of SKUs going out, or total number of labor hours—to calculate line item costs. With all of the benefits we’ve seen already, I’d give the HighJump system a nine on a scale of 10.

