

# Document Management Case Study



Bill Schlageter, DiCarlo's Director of IT, began looking for a document management solution and decided to seek the counsel of some of his colleagues in the Retailix Advisory Council, a group of IT leaders from prominent Foodservice companies.

DiCarlo Distributors, Inc., headquartered in Holtsville, New York, is one of the largest independent foodservice distributors serving the Tri-State Area. For an independent, DiCarlo enjoys a big piece of the foodservice business recording with an impressive \$135 million sales last year.



## DiCarlo Distributors

*Big Apple food distributor streamlines business processes with S4i Express*

Everything seems bigger on the East Coast and DiCarlo Distributors' facilities are no exception. They have 40 large trucks and maintain more than five million cubic feet of dry, refrigerator, and freezer storage space just off the Long Island Expressway. To ensure unrivalled customer service in a very demanding and competitive marketplace, DiCarlo Distributors employs 225 people who work nearly around the clock.

DiCarlo Distributors is a broadline distributor that provides everything from food staples to small indulgences, along with center-of-the-plate items like vegetables, beef, and chicken. It also sells chemical sanitizers and cleansers as well as equipment. DiCarlo's clients range from independent restaurants in the NY Metro area and small seasonal kiosk vendors on New Jersey's boardwalk, to large public schools and regional hospitals.

With rising food prices and other escalating costs between the point of production and the point of demand, food service distributors--in general--are focused on eliminating waste in the supply chain. Improved warehousing and distribution practices, as well as better integration of business processes, enable them to do business more profitably.

DiCarlo Distributors manages its operation with an IBM Power System server model M15. Their core business applications are from Retalix, a company that specializes in developing software for the food industry. Retalix Power Enterprise is a complete end-to-end suite that provides support for Supply Chain Management, Customer Relationship Management, Operations Management, and Business Management.

Having done an excellent job of using information management technology to establish a high level of efficiency in the warehousing, distribution, and supply chain areas of the business, DiCarlo still had inefficient procedures in the back office to address. Specifically, a significant amount of paper could be eliminated and replaced by streamlined electronic document management processes.

Bill Schlageter, DiCarlo's Director of IT, began looking for a document management solution and decided to seek the counsel of some of his colleagues in the Retalix Advisory Council, a group of IT leaders from prominent food service companies. Schlageter wanted to start by reengineering the credit invoicing process. As it was, an operator would transfer spool files to a PC, print them on a laser printer, run them through a scanner, and then forward the images to the inboxes and fax machines of their clients. Some of DiCarlo's customers, who didn't have email or fax capabilities, received printed documents that were mailed.

In responding, fellow advisory council members who had experience with document automation pointed Schlageter in the direction of Susanne States, S4i Systems' Director of Sales and Client Services. States listened to Schlageter's goals and suggested S4i Express as a complete document delivery



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system for IBM i that electronically captures, separates, indexes, bundles, and delivers or archives documents and reports. Output options include .pdf, .html, .csv, .rtf and other formats. It also supports automated report distribution to fax machines, a requirement uncovered during the needs assessment phase.

After taking a cursory look at a few competitive products, a member of Schlageter's team set up a test case for S4i Express that involved distributing Commission Statements and A/R reports to sales people. These reports were normally printed, scanned, and emailed to 45 sales people twice weekly. Says Schlageter, "After we defined the distribution rules, S4i Express produced the Commission Statements and AR Reports as PDF email attachments and faxes, and all of our sales people received them almost instantly and without a hitch. That got us going."

DiCarlo Distributing then licensed S4i Express in its base form, which cost around \$9,000. Since the company's IT department is manned only by Schlageter, a network technician, and a part-time programmer, the implementation team from S4i assisted in automating DiCarlo's credit invoicing and A/R statement systems. "This adds a new level of predictability to our receivables because these Invoices and statements are never delayed by any unforeseen circumstances like a postal glitch. That's important for customers who have seven-day terms."

*The central motivation for moving toward a paperless office according to Bill Schlageter, DiCarlo's director of information technology, wasn't primarily to save money or to see a quick return on their investment. Instead, he says, "We wanted to provide a service that our customers could benefit from, and at the same time give our team members more timely information." Said Schlageter, "The reduction in operating expenses was a nice fringe benefit."*

Prior to the implementation of S4i Express, 1,500 active customers received monthly statements on pre-printed forms that had the customer's address printed on the outside, along with appropriate postage. "We asked our customers if they would prefer to receive these statements via email or fax, and we were able to convert 75 percent of them. Some people don't have computers or fax machines, and that's fine. Those who are receiving documents electronically really like it and we're still saving money on pre-printed forms, postage, and labor."

Over the year that S4i Express has been in use at DiCarlo, Schlageter has automated many processes ranging from soup to nuts. "One of our multi-unit chain store customers wanted to be advised of daily returns, so we send to them a confirmation report every day. We have the technology to accommodate requests like this, so it's easier to give our customers the tailored services they need."

Schlageter explains that he's always finding new ways to deploy paperless technology. "I used to have an operator, who would spend three hours every morning printing out all kinds of reports, then break them down and physically walk around the facility to deliver them. Now, they're ready immediately after day-end processing and sent to the appropriate mailboxes automatically. Our managers can react to the dynamics of our business with much greater agility."

