

CUSTOMER INNOVATION STUDY

Drillmex Inc.

grows revenue over 211% with Infor Distribution SX.e and upgrades to Infor CloudSuite Distribution with Infor Services

“ 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.



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infor.com/customers

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Facts at a glance



HEADQUARTERS
Montreal, Canada



INDUSTRY
Distribution



EMPLOYEES
30



PARTNERS
Infor Services



WEBSITE
www.drillmex.com



INFOR PRODUCTS AND SERVICES
Infor CloudSuite™ Distribution

Executive overview

Situation analysis

- Implement a scalable ERP solution to prepare newly acquired company for rapid growth.
- Improve daily business operations with Infor® Distribution SX.e and integrate new strategic acquisition with multiple warehouse capabilities.
- Reinvest in hardware for an on-premise implementation or move to the cloud and upgrade to Infor CloudSuite Distribution.

Innovation strategy

- Invest in a software solution that wouldn't need to be replaced, regardless of how fast Drillmex grows.
- Eliminate hardware refresh costs and free up IT resources to focus more on strategic initiatives by transferring former on-premise maintenance responsibilities to Infor.
- Partner with Infor Services to deliver a smooth transition to the cloud and successful go-live.

Results

- Successfully and rapidly grew revenue without the need to hire staff in the same proportions by reducing the manual effort required to process and deliver a customer order.
- Increased customer service by reducing the number of backorders, resulting in more on-time deliveries to customers.
- Eliminated cost categories and shifted responsibilities to vendors to free up IT time and focus on strategic projects.

High-level impact

211%

increase in revenue since new management takeover and implementation of Infor Distribution SX.e

1

month to get acquired business running on Infor Distribution SX.e

97%

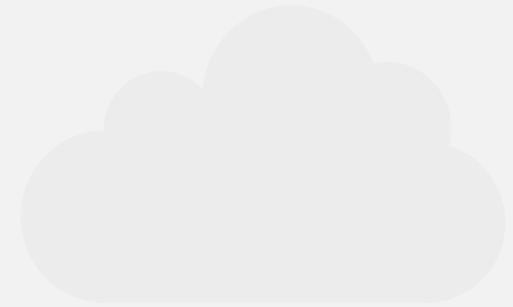
server capacity reached

\$167,000

reduction in hardware refreshes; database maintenance; hardware, storage maintenance, and IT resources over 5 years

SITUATION ANALYSIS

Building a solid distribution business with Infor



Moving to the cloud

Outils de Coupe Drillmex, Inc. is one of the foremost, specialized industrial distributors in Quebec. Established in 1982, Drillmex sells industrial cutting tools for machining materials and associated products to aerospace, medical, petrochemical, automotive, energy, research, and education customers. Ghislain Veuilleux founded Drillmex in the basement of his home, after the tool company where he was employed shut down its operations.

On Feb 1, 2005, Drillmex's first employee, Paul Ostiguy, and his brother Christian, purchased the business from Veuilleux, adding Stephane Tremblay as head of sales, and their third partner, in 2013.

Drillmex has been an Infor customer since 2008 when it chose Infor Distribution SX.e as its core enterprise resource planning (ERP) system.

Since the buyout in 2005, Drillmex has expanded its distribution business organically and inorganically, growing its revenue by 211% since the takeover, thanks to the implementation of Infor Distribution SX.e. Wanting to upgrade to the latest version and having reached 97% of its server capacity for its on-premise set up, Drillmex evaluated upgrading and moving to Infor CloudSuite Distribution.

Scaling the business



Getting strategic

With big growth plans, Drillmex's new owners took a long-term view of the business. As such, they decided to invest early on in a software solution that wouldn't need to be replaced, regardless of how fast the company grew. As the use of Infor Distribution SX.e matured, the business became a more coordinated operation, meeting product demand more quickly and efficiently. Infor Distribution SX.e helped Drillmex scale its business, improve efficiency, increase revenue, and made it easier to add acquisitions to the operating company. Drillmex was already looking to upgrade to the latest version of Infor Distribution SX.e to take advantage of the solution's enhanced functionality.

By moving to the cloud, the company realized it could avoid a sizeable capital expenditure for the extra servers required to run its installation on-premise. With its system in the cloud, Drillmex's IT team no longer has to manage the infrastructure required for the on-premise deployment. Over five years, costs like hardware refreshes, database maintenance, hardware and storage maintenance, and IT resources involved in these processes will be reduced by \$167,000. By shifting more responsibilities to Infor, Drillmex's IT team can now refocus its efforts on more strategic projects.

“ We are always trying to push the envelope coming up with the latest and greatest to offer better services to our customers. If you just stay with the status quo, your business is at risk. Being able to easily add on to our existing Infor CloudSuite Distribution footprint gives us a lot of flexibility as a company.

Christian Ostiguy
VP Operations,
Drillmex Inc.



Value realized

Since using Infor Distribution SX.e to scale Drillmex's business, the company has increased its revenue per employee by 98%. Drillmex's employees can do their job better and have increased their impact on sales. Previously, order desk employees could only process an average of 30 orders a day because each transaction took 15 minutes; now they can do 50, because processing an individual transaction only takes 2 to 5 minutes.

With the move to Infor CloudSuite Distribution, Drillmex's staff can drill down and filter data within the application, reducing the need for IT to create custom reports on demand. This has freed up time and allowed IT to begin focusing on more strategic projects, like improving the customer experience with an enhanced e-commerce platform.

RESULTS

Achieving economies of scale

Enhancing customer experience

Many of Drillmex's customers are repeat buyers that make similar or identical orders on a regular basis. Customers want their transaction to be completed as simply as possible. For Drillmex's employees, having a system where information is easily accessible helps reduce transaction costs for customers when placing an order with the order desk. With increased automation and less manual processes thanks to Infor, Drillmex reduced its number of backorders, resulting in more on-time deliveries to customers.

Since Infor CloudSuite Distribution can automatically calculate economic order quantities (EOQs), day-to-day inventory purchasing decisions have been eliminated. This has enabled employees to deliver more attentive customer service, while also ensuring there is adequate stock to fulfil orders.

Detailed impact

98%

increase in revenue per employee since the use of Infor solutions

67%

increase in the number of orders an individual on the order desk can process in a day

15%

reduction in backorders

25%

of IT team's time freed up that can be redeployed on strategic projects

LOOKING AHEAD

Growth trajectory selling online

Drillmex has big growth plans in mind and is continuing to look for ways Infor CloudSuite Distribution can help the company meet these goals. One goal is to enhance Drillmex's e-commerce capabilities. Drillmex is beginning to explore whether Infor Storefront or Infor Rhythm would be the best solution to help improve the customer experience and increase sales. Drillmex is also looking to enhance workplace collaboration with Infor Ming.le®.

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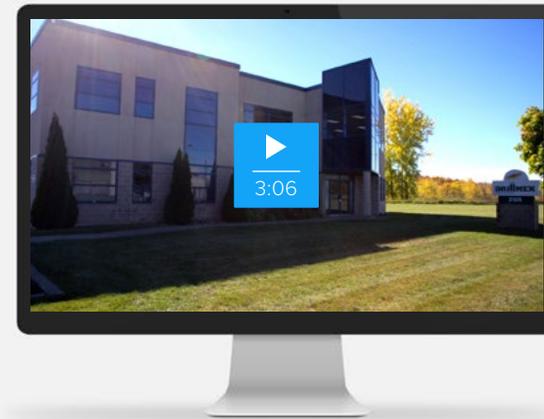
Infor Ming.le can be used like a private Facebook® page, including messaging capabilities. **We plan to use Infor Ming.le** to create discussion boards by topic and include relevant employees to improve productivity.”

Stéphane Cloutier
IT Manager, Drillmex Inc.

Learn more

Drillmex moved its ERP system to the cloud with Infor CloudSuite Distribution.

[Drillmex video >](#)



Innovations built for the distribution industry

Legacy enterprise solutions struggle to keep up with the pace of change in your business. To manage thousands of transactions, suppliers, and customers, while also accommodating evolving buyer behaviors, controlling costs, and effectively tracking potentially millions of inventory items, you need an agile, modern distribution solution. Meet Infor CloudSuite Distribution, a complete distribution solution that combines the benefits of the cloud with functionality that's designed specifically for SMB wholesale distributors like you.

[Infor CloudSuite Distribution >](#)

Get your business moving

Optimize your entire operation—from inventory and warehouse management to financials, multichannel orders, and purchasing—with Infor's distribution solutions, backed by 30 years of practical application, continually enhanced with the latest innovations, and trusted by over 6,000 customers.

[Infor Distribution >](#)

Customer Innovation Studies

Customer Innovation Studies are in-depth stories that document our customers' business challenges, how Infor solutions solved those problems, and the measurable business results achieved by our customers. These powerful value realization stories are differentiators that document real numbers.

[Value Engineering Resource Center >](#)



Infor builds beautiful business applications with last mile functionality and scientific insights for select industries delivered as a cloud service. With 15,000 employees and customers in more than 200 countries and territories, Infor automates critical processes for industries including healthcare, manufacturing, fashion, wholesale distribution, hospitality, retail, and public sector. Infor software helps eliminate the need for costly customization through embedded deep industry domain expertise. Headquartered in New York City, Infor is also home to one of the largest creative agencies in Manhattan, Hook & Loop, focused on delivering a user experience that is fun and engaging. Infor deploys its applications primarily on the Amazon Web Services cloud and open source platforms. To learn more about Infor, please visit www.infor.com.



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