



## Exceptional Leaders International

### SUCCESS STORY

---



## Enhanced Business System Supports Growth at Aerospace Distributer

### BACKGROUND

Separating a company post-acquisition from its former parent is an involved process, and, in this case, was made even more delicate by the nature of the business. The newly separated client was a distributor of aircraft parts including ITAR coded military hardware. A private equity company purchased it, and E.L.I. Partners were selected to assist in separating the company from its corporate parent.

### SITUATION

As the separation process began, it became obvious that the current application architecture at the \$250mm company would be insufficient for future growth. A full operational and systems architecture assessment would be required. The company was using proprietary software on an obsolete computer system. The former corporate parent had virtualized much of the company's information technology infrastructure and numerous connections to the obsolete computer would be difficult to reconfigure because the custom programs were missing their original source code.

### SOLUTION

The E.L.I. Partners performed a detailed operational analysis of the distribution functions within the organization and how those operations might be optimized. A thorough assessment of the pick/pack operation indicated that a complex and error-prone protocol was being used to aggregate shipments to customers due to the limitations of the software. In addition, the client had embedded stocking locations at most of the major aircraft manufacturers, which required constant replenishment as the customers could tolerate absolutely no out-of-stock situations. It was clear that the current software was inadequate to grow the company.

The E.L.I. Partners also assessed the technology infrastructure and systems architecture, and focused on a standardized commercial, off-the-shelf solution. This would mean minimal customization would be required and would allow for the preservation of the company's current investment in hardware and institutional knowledge. Detailed financial modeling demonstrated the return on investment from the implementation of the changes and a comprehensive selection methodology focused on the specific needs of the client and their ability to absorb the cultural and operational changes necessary.

---

The selection of the commercial system (SAP) and third party applications would meet the current and future needs of the company. The E.L.I. Partners also implemented the use of bar code replenishment systems at the customer's sites to directly transmit replenishment orders to the fulfillment system. A recommendation was also made by the E.L.I. Partners to replace aging hardware with a cloud-based solution leading to the hosting of their systems with managed support. Negotiation took place with multiple vendors of software, hardware, implementation services, and hosting services. And the E.L.I. Partners created a new governance structure and a program management office to oversee the successful implementation of the program.

## RESULTS

With the new system in place, the company gained significant advantages in the marketplace. With the implementation of SAP R/3 and third party applications, the company could now remotely connect to handheld scanners at client locations to insure that stock levels were accurate and replenished in a timely fashion. In addition, by leveraging the hosting of their systems at a top tier hosting facility the complexity of the technology platform at the client's facility was significantly reduced.

*This success story took place before the referenced E.L.I. Partner joined E.L.I. It is used here as an example of the types of services we offer and to display the experience and talent of the E.L.I. Partner. The formation of E.L.I. was driven by a desire to bring multifunctional expertise together in one firm.*