Case Study

Intel® Xeon® processor technology

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IT Supports Stork Craft Business Renaissance

Intel provides solid backbone for e-commerce, CRM and network

In 2002, Jim Moore took over Stork Craft as President and CEO to revive a 56-year old company that had solid business relationships but relied on manual business processes and local manufacturing.

"We were a well-known company but we could no longer compete," recalls Moore. "It was a complete redo of the company because the previous model didn't work and we needed help."

Within the next year, Moore and his team moved to off-shore manufacturing to reduce labor costs. Moore knew the company needed a complete technology-assisted makeover of the company to streamline the costs, eliminate compliance charges and remain competitive, while enhancing internal process to adapt to the new manufacturing environment.

"I could see quite clearly we needed to bring in an expert to give us the proper business solutions that could handle high level information processing, integrated accounting and customer relationship management," he says. "We could see the benefit of automated order processing and online sales as another option to expand product distribution. If we could overcome the IT obstacles and business challenges of shipping large furniture pieces, we could be a big industry player."

In early 2005, Stork Craft approached Irene Jeremic to perform the IT-assisted makeover of the company, focusing on the globalization of their industry. As Stork Craft's CIO, Jeremic led the e-Commerce, IT and Sales Services departments and influenced other vital areas of the company's business. Today, Jeremic is the Corporate Executive Advisor and Honoree of Stork Craft Companies.

She replaced a modest server network with a secure, scalable and robust environment built on Dell* servers and powered by Intel® Xeon® processor technology.

"I knew we needed a solid foundation for growth. With a flexible and scalable environment, we could implement automation and new business procedures to improve delivery times and offer new services," says Jeremic. "With Intel's dual and quad-core processor technology, we got intense power and redundancy in a rack-dense format. We needed the best processing power we could get and Intel promised next generation throughput. Thanks to the new infrastructure environment, we never missed a deadline and the Intel technology increased our productivity."

With the new environment operating, Stork Craft was also able to acquire and merge the Ragazzi, Canwood and Status brands into their operations. "Strong technology systems separate the weak from the strong right now," says Jeremic. "With Intel, we could capitalize on our investment and deliver the best solutions we can possibly build. All business solutions were robust, scalable and granular, which is ideal when you need to make quick changes."

Sold on E-commerce Solutions

Jeremic's new e-commerce model, running on Dell servers powered by Intel Xeon processor technology, reduced drop-ship fulfillment from three to four weeks to two to three days.

"By implementing a consolidated, scalable, error-free, high-volume EDI solution, we could switch from manual to integrated order processing," says Jeremic, who noted that in order to expand further into the US market, they needed consolidated EDI systems and a flawless drop ship program that they could roll out to major big box customers.

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"We have some very skilled competitors and if you can only deliver in more than seven days you won't get the sale. If you can deliver in five to seven days you will get some of the sales. If you can process the order in two to five days, you will get the majority of the sales," explains Moore. "We're in the two to three day period ... you can't do that with a manual system."

E-commerce accounts for about 48% of Stork Craft business. Moore says the processes and systems put in place under Jeremic's reign have given them a competitive advantage. "We are now known in this industry as the best at that game."

With a solid drop ship program in place, Jeremic was able to expand their e-commerce offering to include other drop ship programs including ship to store and ship to home options, offering customers more choice.

In April 2008, Wal-Mart.ca* launched a cobranded web site for selling Stork Craft furniture online. Jeremic says the Intel-powered application celebrated its first anniversary with zero downtime.

"With the infrastructure built on a solid foundation of Dell and Intel, we are ready for what comes today and into the future," she says.

Virtualizations Helps Handle Recall

In 2009, Stork Craft implemented a voluntary recall of a crib part, impacting customers in Canada and the US. With little time, Jeremic's team needed to roll out a new information system to handle a larger than normal volume of people ordering parts. In addition, the number of people visiting the Stork Craft web site for information spiked and they needed to manage the increased volume.

"As a business specializing in B2B mass-transaction exchange, we didn't require capacity for volume transactions and web hits from the general public. But that all changed," says Jeremic, who was able to quickly adapt to the new business reality.

With virtualization, Stork Craft's network infrastructure was able to scale up to meet the demands and handle the increased pressure.

Inventory Management Saves Time

Stork Craft is continuing to increase automation and has implemented a new warehouse management system in one facility, running on Dell servers and powered by Intel. The results of the new system are already showing significant time savings.

During a recent inventory, Stork Craft was able to cut two to three days off their inventory counting. Stork Craft expects further efficiencies will be gained once the system is rolled out in all Stork Craft warehouses, some of which have more than 250,000 square feet and 150,000 pieces.

Jeremic reported that all business solutions at Stork Craft are less than five years old. "Intel played a significant role in affecting our bottom line and we will continue to thrive on these successes for many years to come," she says.

About Stork Craft Manufacturing

Stork Craft Manufacturing Inc. is an industry leader in the design, manufacture and distribution of juvenile furniture products through its brands Stork Craft Furniture, Ragazzi Fine Furniture, Status Commercial Furniture and Canwood Furniture, which are sold in North America through leading retailers such as WalMart, Amazon, BabysRUs, Target and Sears; and internationally through wholesalers in China, South America, Europe, Australia and New Zealand.

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