

Spin-off Hedstrom Fitness Improves Operational Health with Acumatica Distribution

OVERVIEW

When it was spun out of Hedstrom Plastics, Hedstrom Fitness, the sole distributor of BOSU kettlebell weights, balance pods, and other gear, continued to operate on Macola through its transition. But the antiquated, legacy software didn't provide what the new company needed. Hedstrom Fitness deployed Acumatica Distribution, streamlining processes, improving inventory accuracy, and gaining insights that are helping the company thrive.

KEY RESULTS

- Gained a single, easy-to-use business platform with data in one system
- Improved inventory management
- Reduced number of accounting support people from 6 to 2
- Streamlined and reduced time to complete inventory
- Improved visibility with automated accurate reporting from customizable dashboards
- Brought shipping in-house, speeding order fulfillment while decreasing times out of stock
- Reduced time to look up and verify orders by more than 66 percent (5 minutes to 2 or less)
- Decreased fulfillment time from 4 days to same day shipping, improving customer experience
- Reduced printing and paper costs

CHALLENGES

Hedstrom Fitness is the sole licensor and distributor of BOSU products, which range from kettlebell weights to balance pods - found in stores and gyms throughout the world. The Ashland, Ohio company was spun out of Hedstrom Plastics in 2020 because the fitness unit had become popular.

"The split allowed us to a hundred percent focus on the fitness industry. We no longer are paired with a manufacturer or another division that sells toys and sporting goods, which aren't really in our wheelhouse," says Seth McArdle, President of Hedstrom Fitness.

The fitness division's distribution model was different than the manufacturer, which shipped bulk goods direct from the factory to the customer via a 3PL partner. Hedstrom Fitness, which sells many products online, wanted more control over its fulfillment and needed a small pack division to ship individual orders.

Hedstrom Fitness operated on Macola, a legacy financial and manufacturing system its parent company used, for its first full year in business. Using the old system was challenging for the new company.

"Macola was like a dinosaur," says Jillian Williams, Customer Service Manager. "Or maybe like using a floppy disk to me. It was very old, outdated, and it just wasn't right for customer service, or the logistics side of things. It worked, but it definitely needed an add-on to make it work."

Adds McArdle, "I couldn't even operate Macola. The way it was set up for us was very specific to shipping or invoicing or accounting. It didn't really give me a very good view to manage the overall company from a high level. Almost everything was cobbled into spreadsheets or databases, and then pulled into reports. There seemed to be a lot of room for error."

Despite having software, many tasks felt completely manual, says Williams. "Running detailed reports was hard to do; it just didn't work. And then the built-in reports didn't grab the data that I needed. Cross-referencing data was very hard to do."



HEDSTROM® FITNESS

Company

Hedstrom Fitness
<https://bosu.com>

Industry

Distribution: Sole Licensor and Distributor of BOSU Branded Fitness Products, Sales and Marketing of BOSU balance trainers, balance Pods and other BOSU Fitness Accessories

Number of Employees

Approx. 50 full time employees

Location

Ashland, Ohio

Products

Acumatica Advanced Distribution with:

- Financials
- Multiple Currencies
- Inventory Control
- Order Management
- EDI with True Commerce
- Easy Post

Customer Social Sharing Details



www.facebook.com/BOSU.official



www.instagram.com/BOSU_fitness



www.twitter.com/bosufitness



www.youtube.com/channel/UCb3qBI6yySVqSVD9HxiMtyQ



www.linkedin.com/company/hedstrom-fitness/about

Partner Details

parallelsolutions

Parallel Solutions LLC
www.parallelsolutions4u.com

SOLUTION

Move to the Cloud, Streamline Processes

Parallel Solutions LLC supported Hedstrom Fitness through its transition to a separate company, and its use of Macola. Understanding the business, knowing of its desire to streamline processes, and move to the cloud, led Parallel to recommend Acumatica Distribution.

The cloud-based ERP could streamline processes and help them go paperless, which were two of Hedstrom Fitness' goals. With end-to-end visibility, it could improve inventory management and shipping by bringing fulfillment and warehousing in-house.

"Not having to touch things multiple times was the number one goal," says McArdle. "Going paperless was another one of our big goals."

Adds Williams, "For me, it was basically doing everything in one platform so I can input my order, click a button, see it's at the warehouse, and I was done with it."

A cloud-based system could also reduce its technology expenses. "We didn't want a server and the hassle of ongoing server expenses. It's just like anything else: a giant computer that needs to be updated, replaced and protected," McArdle says. In addition, "I do feel the cloud-based system is better than having a local server susceptible to cyber threats and ransom."

Acumatica Distribution

The team liked Acumatica for several reasons.

"When we demoed Acumatica, it just seemed very intuitive, which was very exciting to me," says McArdle. "I'm not a tech person; I just don't function well in some of the Macola-type systems where there's too many different layers of information that you have to specifically know how to get to."

"With Acumatica, you can dig in based on different links and the customer reports that we built."

Christian O'Shell, Inventory and Procurement Specialist, liked that Acumatica offered an open API that allows third party solutions to easily connect to it. "The ability for integrated solutions is massive compared to competitors," he says. "With Macola, it was next to nil. But because we sell online, tying everything together through integration is massive. The simplicity of Acumatica is even better."

Acumatica also allowed Hedstrom Fitness to start fresh," McArdle says. "We were able to pull out of Acumatica the data that we wanted that we felt was clean and accurate. We were almost going on 20 years of data with Macola that I felt that had been over-corrected and done to try to compensate for errors in the system."

Parallel Solutions helped Hedstrom Fitness deploy Acumatica and port data accumulated over 20 years from Macola.

BENEFITS

Full Visibility

With Acumatica, employees gained real-time visibility into operations and eliminated much of tedium and wasted time importing and exporting data to other systems in an attempt to analyze data and understand KPIs.

"Acumatica really allows me to have a very high level view, and it's very intuitive if I want to try to dig into some of the granular details," says McArdle. "Previously, it required a lot of different people to pull data, create a report, and send it to me. Now I can monitor 95% of what I need to on a daily basis and not put any burden on anyone else."

Previously, McArdle might wait an hour or sometimes days for someone to run a report for him. Now he has instant access to the data while his team has more time to concentrate on their jobs.

Because Acumatica is so streamlined, easy to use, and data is housed in one platform, Hedstrom Fitness doesn't need as many finance employees it utilized previously as part of the larger company. "From a logistical standpoint, we had eight to 10 people that supported our division that, while shared resources, had a great deal to do with our division."



HEDSTROM FITNESS

“Acumatica is the way to go if you want to work smarter, not harder.”

– Jillian Williams,
Customer Service Manager,
Hedstrom Fitness

Now, the company functions very efficiently with a single person handling accounts receivable and account payables, and a part-time accountant helps close the books monthly. “And that’s it,” McArdle says. “I’m able to oversee the financial piece of it throughout the month based on what’s coming in and what’s going out. I don’t believe anyone is overworked or overstressed doing the same amount of work that we were doing before.”

Moving to the cloud allowed employees to work from home when needed. “Being cloud based has definitely given us a lot of flexibility,” McArdle says. “We are not a work from home company, but we understand that employees have families and need to be home for periods of time.”

Eliminated Manual Data Entry

Williams and others have eliminated the time they previously spent manually entering data. “There was a lot of inputting that we don’t have to do now,” says Williams. “There are a lot of functions in Acumatica that we didn’t have with Macola.”

In addition, she says, “The more I think about it, the more I realize how many systems I had to use just to process an order, which was two additional systems. Then I had to use the FedEx toolbox to quote orders. Now I just put an order in, click a button, get a shipping quote back immediately, all within Acumatica. The frosting on the cake is being 100% able to do it from anywhere.”

Streamlined Inventory & Purchasing

Entering inventory tickets into Macola was very cumbersome, says O’Shell. He often waited for items to post before he could view variances. “With Acumatica, it’s a lot simpler,” he says. “As soon as you finish your count you can see the review right away. You are not waiting a day for all these postings to go through. And I have the ability to drill down through the documents on the accounting side to see where the errors may be and get to the root cause.”

The company previously counted inventory items manually. The task took about a week. “We used to order pre-printed tickets that were big and had all kinds of data we had to fill out,” O’Shell says. “It used to take a week to do a full count of everything, which included sporting goods and toys. We just did Hedstrom Fitness inventory in two and a half days with a lot less people.”

His team will soon start cycle counting by codes to keep the inventory accurate, he added. “So we won’t run out of something we need or that we think we might need from the purchasing side. Acumatica is going to streamline inventory and not let us run out. We’ll have stock on hand all the time.”

As part of its transition to a stand-alone entity, Hedstrom Fitness implemented EDI through True Commerce, brought its shipping in-house and moved its warehouse from to its headquarters in Ashland from Columbus, Ohio. Under Hedstrom Plastics, it utilized a third-party logistics firm for fulfillment and shipping.

Executives made those decisions to better control inventory, company processes, and improve its shipping times, McArdle says.

Previously, to preview orders, a person had to call up each order individually. With Acumatica, all orders come through EDI. “I can just look and review orders, which has been a huge help to me,” says Williams. “Once I see everything looks good, I just hit process and two minutes later I have 200 orders going to the warehouse, and know that we have everything we need to fulfill those orders.”

“Acumatica gives us a bird’s eye view on whether we can fulfill an order or not instantly, which means we can accommodate same day shipping,” says McArdle, explaining that previously shipping orders under the 3PL took four days. “When we get an order, our goal is to ship it as soon as we can, and we’re able to control that as opposed to sending an order to a 3PL that may send it out after they get around to building the order, and getting the shipping routed. We control that now.”

The previous company had nine people managing the Hedstrom Fitness account for shipping and logistics. Hedstrom Fitness has two people in its warehouse and another person routing and printing labels. “They are more efficient, if not more so,” Williams says.



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The company has reduced the need for paper and document storage, much of which was used to communicate with its shipping partner.

“We still might go through a couple reams of paper a month as opposed to boxes and boxes of paper,” Williams says. “Previously there was a lot of paper documents that needed to be printed because we used 3PL companies.”

Now, since the company has brought fulfillment and shipping in house, the paperwork is stored digitally in Acumatica. The paper trail is all in one system, and orders are easier to process and take less time. “Acumatica took my process from maybe five minutes per order down to maybe a couple,” Williams says, explaining she needed to access several applications to check an order status and then input shipping carrier information when customers had their own specific shipping carriers.

Increased Online Sales

Hedstrom Fitness executives are pleased with their decision to implement Acumatica Distribution, which has increased its web sales.

“Acumatica has been an integral part in helping us move from a third-party logistics company that was managing our warehousing and shipping processes, to bringing that function in house,” McArdle says. “This has helped us grow our web sales as we are able to effectively communicate promotions, and offer same-day shipping.”

Hedstrom Fitness also serves its customers more efficiently with less time out of stock, he adds.

“We look at an out-of-stock scenario as a potential lost sale. So, by reducing our lead times, we have reduced our commercial customers out-of-stock times as well as provide a better customer experience. Overall, our growth has come from improving efficiency, so we have more time to call on and service customers rather than be bogged down with tedious processes that do not generate sales.”

The team recommends Acumatica highly. “Acumatica is the way to go if you want to work smarter, not harder,” says Williams.

