



SPS COMMERCE
INFINITE RETAIL POWER™

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BUSINESS SYSTEMS

SPS Commerce & Valencia Pipe Company: A Network Success Story



Executive Summary

With its leading gas tubing, HOME-FLEX, and other products' sales on the rise, Valencia Pipe Company sought to replace its manual order and fulfillment processes with one that would scale to support its long-term plans.

By deploying SPS Commerce Fulfillment (EDI), the supplier was able to meet the ever-changing trading requirements of its retail customers, expand its product lines, and launch an online sales strategy. Valencia had a goal of scaling their business and they have successfully succeeded in doing so.

With more than 170,000 EDI documents managed by SPS Fulfillment annually, the supplier is now leveraging its automation to take additional brands to market with its retail partners. In 2017, their streamlined and headache-free supply chain empowered the company to begin representing other brands, including Toto toilets, with plans to expand assortments by more than 700 percent.

Industry: Manufacturing
Headquarters: Valencia, CA
Retail channels: Stores, E-Commerce, Drop-Ship

SPS Product: Fulfillment
ERP: Sage 100
Network Member Since: 2011

Challenge: Replace manual processes and provide a scalable platform for growth initiatives.

Solution: Use SPS Commerce Fulfillment to automate the supply chain.

Results: Accelerated e-commerce and marketplace sales, including new brands, with no additional staff.

Keeping ahead of the game

Valencia Pipe Company, Inc., a division of VPC Global, manufactures HOME-FLEX® CSST Gas Pipe and Appliance Connectors and similar products for the retail and wholesale industries in the United States and Canada, including retailers such as Amazon Marketplace, Home Depot, and Home Depot Canada.

As orders for their products soared in recent years, the company sought a way to replace its manual order entry process with a scalable EDI solution.



“We’d reached the threshold where managing orders manually was no longer sustainable,” said Ian Howard, Interconnected Retail Sales Manager at Valencia Pipe Company. “Our plans included branching out into new product lines and selling into Canada. Increasing order volumes across a larger number of SKUs demanded that we automate the process with EDI. This was not just a matter of compliance, we wanted to be poised for growth and any EDI requirements our retail customers or new brands would introduce.”

In 2011, Valencia selected SPS Commerce Fulfillment as its EDI solution. It was deployed to directly communicate order, shipping, and invoicing documents with Valencia’s Sage 100 system for hands-free order processing. The solution included Sage experts, SWK Technologies, and their MAPADOC integration tool that is used by more than 400 SPS customers to integrate with Sage and Acumatica systems.

“As a leader in its marketplace, business for Valencia Pipe was proliferating and demanded a scalable supply chain,” said Gary Berman, Executive Vice President at SWK Technologies. “The MAPADOC solution is a proven integration tool that quickly and accurately links Sage ERPs and the SPS Commerce network, enabling the scalability and reliability to support Valencia’s future success.”

Growing the business with new SKUs and sales territories

Valencia has recently begun to represent other brands including Toto Toilets, using its automated trading connections through SPS Fulfillment. In 2017, they shipped more than 80,000 units across 20 SKUs. In 2018, the company has expanded to more than 150 SKUs.

“Using a drop-ship model, we can represent other brands to our retail customers and deliver them directly to the retailer’s customer, store, or DC,” stated Howard. “We never manage the physical inventory but use our automated order and fulfillment process to efficiently manage the order process with distributors, retailers, and suppliers. Valencia is now well adept at shipping pallets or packages, whichever works best for the consumer.”

With more than 90 percent of its sales through its retail channel, Valencia has big plans to expand. It recently added Home Depot Canada as a customer. SPS Commerce’s expertise and knowledge of this retailer’s trading requirements allowed for rapid compliance. When they added Amazon Marketplace, their SPS Fulfillment solution for EDI expanded to support this new channel and increasing order volumes without additional staff or infrastructure.

“SPS Fulfillment and its ability to manage direct-to-consumer orders provide us and our retailers with the flexibility to add new product lines with minimal risk,” said Howard. “Retailers can test out our newer SKUs with online consumers, letting their sales performance govern when and where to add Valencia products in-store. It’s a win-win for both companies, made possible with our automated supply chain.”



“SPS has enabled our advances into e-commerce, opened up new sales channels, and scaled our traditional business growth with ease.”

Ian Howard
Interconnected Retail Sales Manager,
Valencia Pipe Company



Partnering for the future

In 2018, the manufacturer plans to deploy even more integrated solutions, including expanded use of barcodes and labeling to further improve communication with its retail customers and maximize its warehouse space.

“SPS Commerce is more than an EDI provider to Valencia, their expertise and recommendations show they understand our business and the needs of our retailers,” commented Howard. “They’ve enabled our advances into e-commerce, opened up new sales channels, and scaled our traditional business growth with ease.”

