



## Case Study: D&H Distributing

by iNymbus, August 2018

iNymbus interviews Tony Warfield, Vice President of Credit Services and Heather Reso, Senior Director of Credit Services at D&H Distributing. They answer the question ... Why iNymbus to permanently solve their Deductions & Chargeback issues?

*D&H Distributing saves time, reduces deductions, and re-allocates resources with iNymbus!*



**Q: Before you had automation to process deductions and chargebacks, what was the day-to-day or triggering event that made you say, “You know, maybe there’s a better way?”**

**Tony Warfield:** You may have heard of a company called Walmart. Obviously the volumes are incredibly high with the number of suppliers they have, and they are incredibly complex. They would email us these freight issues, and we would basically take data from the email, typing into one system, inputting into another system, and typing into another system. We started looking for some sort of simple, automated solution to manage the kind of repetitive nature of deductions.

**Heather Reso:** Yes, Walmart. It was that particular customer. We’d get an email notification, and it went from about 500 a month to 3,000 a month in about two months’ time. They had changed something in their process or system, and we couldn’t keep up. We had two full-time people working on it, as well as the whole team working overtime, before work, after work, and Saturdays, just to keep up with that volume. And if we don’t get responses from the carriers in a certain amount of time, Walmart would deny the claim and not pay us back.

**Q: To solve this problem, how did you go about trying to find vendors to consider?**

**TW:** Well two of them we were already engaged with. One was a company that was a full service AR and cash app, almost a VRP type solution for AR and credit. They offered to create a tool for us, and it turned out to be very, very pricey. So we scratched them off the list. The second company we used for proof of delivery and some other things. They again offered to create this sort of thing, but again it was a larger investment. It’s tough to get ROI when you can hire temps for data entry, and moving paperwork around. It just didn’t make sense.

**HR:** We’re distributors with a very lean margin, only about 3%, so cost is really a big factor for us. It had to be something that made sense to our business model.

**Q: In what way did you find the iNymbus solution to be different from the competitors?**

**TW:** iNymbus had done this before. They’d engaged with folks in the credit business that feel our same pain of doing this for years and years, and they already knew how to engage with customer portals. They knew exactly what to do, so they didn’t have to reinvent the wheel. They’ve rolled their sleeves up and resolved chargebacks, they’ve gone onto customer portals, they’ve taken boxes of paper into mass-merchants and said, “alright, let’s get through these 7,000 chargebacks, we’ll be here as long as we need.”

And secondly, they weren’t trying to do a bait and switch. They weren’t providing a tool that would solve the problem, but it had to be bundled with 15 other solutions that we didn’t need. We didn’t need an



online payment system, or an OCR recognition system, or a workflow system, and all those other things the other companies wanted to bundle together. It's like a Lego system; we just wanted one piece of the set, not the entire box of Legos.

**HR:** We needed to do something fast. We had some special needs having to do with filing freight claims because we dropship to a lot of our customers. iNymbus already had an ETI with FedEx and UPS, and what they could do for us was design robots to automatically dispute and resolve. They were willing to take that on for us.

**Q: How have things changed since implementing iNymbus?**

**TW:** When all we were doing is plugging holes, now iNymbus plugs them automatically. It gives our staff the ability to figure out where those holes are coming from in the first place. We take our resources and get to the root cause and stop them from occurring in the future. So iNymbus is our knight in shining armor that says, "Not so fast Amazon. We've got our own little robot army here and we are going to fight you each single step of the way." And Amazon says, "You know what, these guys are a hard target. Let's move on to an easy target who we know is going to take it."

**HR:** From the beginning they've felt like a partner. They come from a background where they know and understand our customers, the processes, and what we need. We would be in dire, dire straits without iNymbus.

**Q: What percent of things has iNymbus resolved versus not?**

**HR:** For freight claims about 80% of all the claims that we do. iNymbus is also disputing certain infraction types for us with Amazon. For example when Amazon will say we shorted them, and they only received 98 of the 100 items we shipped, and iNymbus disputes that automatically. Which is very, very helpful.

**TW:** It's the 80/20 rule. We're not going to apply this type of software development to a customer that does 15 or 20 deductions per month. Obviously most of the deductions and issues come from the big national guys and the big e-tail guys; the Amazons' and retail customers like Bed, Bath and Beyond who have a reasonable online presence. They all have their own unique set of issues and complexity, whether it be fines and penalties, or various shipping issues. So we apply it to the guys who give us 2,000 to 10,000 deductions a month, that are repetitive and routine.

**Q: Do you have any idea how much money or time iNymbus has saved you?**

**TW:** Well right now iNymbus is supplanting what we would have done with manual processes before, so our saving isn't necessarily in new recoveries. It's actually the ability that we haven't had to add staff, we reallocated capable folks into more valuable, more enduring paths, like the root cause analysis to help



reduce the deductions. And, it allows us to engage in customer distribution that we generally try to shy away from, because they are known for being troublesome. Particularly in the segment of grocery and drug stores, that are incredibly difficult to deal with. When we have this kind of tool in our arsenal, that allows us to engage with a different customer.

**HR:** I mentioned how an email will come in with a freight issue. We timed it, and it takes approximately between 7 and 10 minutes to process one freight claim. Think about that when you have 3,000 of them. iNymbus can now do up to 500 in a day. We were never able to do that, so it's definitely a time saver and a people saver. We can reallocate headcount now, and use staff in another area that needs attention outside of this world. And as we grow, we don't have to add bodies. We can make it work for us.

**Q: What do you like about working with iNymbus?**

**HR:** My favorite part about iNymbus is they are open and customizable. They listen to us and they deliver something that they have never done before, with the freight claims. They were willing to listen to us and design something for us.

**TW:** Their nimbleness, their flexibility. I like their cognizance of the issues that we are dealing with, because they have the folks who have dealt with it themselves. They understand what we need them to do. And when we have an issue, there is never a "no," there is a "yes, we will figure it out, we will get it done."

**Q: What's next for D&H and iNymbus?**

**HR:** Our next phase is working on Best Buy, Costco, and Bed, Bath and Beyond, and getting a little further into return reconciliation. We get about 5,000 deductions a week from Bed, Bath, and Beyond alone. They have horrible processes and it's really daunting, and it's a morale thing. This isn't fun work. It is challenging and there is a certain personality type that likes that, but they don't want to be overwhelmed by it.

**TW:** We'll see working capital improvement. We'll be able to engage with strong companies like CVS and Walgreens, that we've been terrified to do business with, because they are a complicated customer with a vendor agreement that is several hundred pages long and full of all these requirements. With our gross margin at 3%, we've previously said "no way," but this allows us to say, "this is a scalable thing, and we can set up the templates and processes with iNymbus, and we'll be ready to rock n' roll." That's actually really cool.



## About iNymbus

iNymbus DeductionsXchange resolves and disputes deductions and chargebacks automatically, while increasing speed and efficiency by 30X. DeductionsXchange introduces cloud robotic automation for uploading denied claim packets to retail vendor portals and submitting disputes on the customer's behalf. Not only are processing costs reduced dramatically via elimination of manual labor, companies can take back revenue from previously invalid and undisputed chargebacks and deductions. iNymbus is a business-to-business software as a services (SAAS) solution provider for Consumer Packaged Goods and Equipment Manufacturing industries with a laser focus on cutting costs and reducing processing time through utilization of cloud robotic automation.

## About D&H Distributing

D&H Distributing believes the most important element of doing business is developing relationships for mutual success. The company continues to build upon its 100-year-old culture by providing its manufacturers, co-owners, and partners with the utmost customer care, consultative guidance, and multi-market expertise. As one of North America's leading technology and consumer electronics distributors, it delivers a wealth of enablement resources and hands-on support services that empower retailers, e-tailers, dealers, integrators, and resellers in the supply channel. The company engages with its customers to meet their current business needs, as well as forecast their evolving, real-world requirements and prospects for lucrative growth opportunities even in challenging retail markets.

D&H delivers a diverse product assortment spanning consumer electronics, mobility, home entertainment, smart home automation, small office/home office, video surveillance, digital imaging, video gaming, cloud-based solutions, home and outdoors products, housewares, and sports and recreation. The company also focuses on emerging technologies such as augmented reality, virtual reality, AI-based virtual assistant solutions, and wearable technologies, to provide early opportunities for customers to profit from new platforms.

The distributor is headquartered in Harrisburg, PA, in the US; and in Brampton, Ontario, and Vancouver, British Columbia, in Canada. Additional warehouses are located in Atlanta, GA; Chicago, IL; and Fresno, CA. Engage with D&H toll-free at (800) 340-1007, via [www.dandh.com](http://www.dandh.com), or follow the distributor's Facebook and Twitter feeds, <https://www.facebook.com/DandHDistributing/> and @dandh .