

CASE STUDY: INFOR AND MIDWEST WHEEL

Infor OS Automates Fast-Growing SMB at Midwest Wheel

How a One-Person IT Team Relies on Infor OS and Cloud
ERP to Automate Enterprise



Holger Mueller
Vice President and Principal Analyst

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AT A GLANCE

Midwest Wheel, a fast-growing small- and medium-size business (SMB) known as one of the largest truck part distributors in the midwest United States, switched from a vertical specialist to Infor CloudSuite Distribution and now successfully automates a complete enterprise resource planning (ERP) and field service offering with a one-person IT team. This case study proves that SMBs need the same tools and automation that large enterprises do and that Infor OS is a fit at both ends of the market, for even the smallest of IT teams.

AT A GLANCE

Problems

- Traditional vertical vendor did not deliver automation, which triggered the selection of a new ERP suite.
- More process automation was required to grow the business.

Solutions

- Selection of Infor CloudSuite Distribution and Infor Field Service
- Automation of integration, repetitive, and analytical tasks with Infor OS

Benefits

- Operating a world-class ERP system with an IT team of one
- Building automation that works day in and day out with Infor OS

Business Themes



New C-Suite



Data to Decisions



Future of Work



Technology Optimization

THE COMPANY

Midwest Wheel is a 110-year-old company headquartered in Des Moines, Iowa (see Figure 1). The company opened in 1911 as the first rubber vulcanizer west of the Mississippi and has evolved into a warehouse distributor across the Midwest.

Midwest Wheel operates in six locations: Des Moines, Clear Lake, Davenport, Cedar Rapids, and Sioux City in Iowa and Kansas City in Missouri, making it one of the largest truck parts distributors in the Midwest. It is growing fast as well, adding its seventh location in Joplin, Missouri, with a planned opening of May 1.

IT was handled for a long time by Midwest Wheel Vice President of Marketing and Technology Steve McEnany—an atypical combination of duties at larger enterprises but typical for SMBs. Only recently the organization added its first full-time IT employee.

Midwest Wheel

- **Company:** Midwest Wheel
- **Headquarters:** Des Moines, Iowa
- **2020 Revenue:** Privately held
- **No. of Employees:** 250
- **Industry:** Heavy-duty truck parts and accessories
- **Other:** Fifth-generation family-owned business

Figure 1. The Start of Midwest Wheel as Iowa Vulcanizing Co.



Source: Midwest Wheel

THE CHALLENGES

Midwest Wheel was using a software solution specialized for the trucking industry, but after 20 years, McEnany felt that his company had outgrown the offering. He saw the need to add more technology, with field service and e-commerce high on the list of requirements—ideally within a single product suite. But McEnany observed little innovation coming from the small vendor.

At the same time, the enterprise wanted to raise its reporting game to the level of business intelligence (BI), helping decision-makers make better decisions. Again, those capabilities ideally would come from the same integrated suite that would power the rest of the enterprise.

The need for integrated automation was high because Midwest Wheel operated with a single part-time IT resource—McEnany—who was also serving as vice president of marketing. That led to the search for a vendor that could provide an easy-to-implement product that would promote greater automation while being easy to use and maintain. Midwest Wheel was not ready to add IT resources at any substantial scale.

THE SOLUTION

Midwest Wheel ran a request for proposal (RFP) process in 2014, specifying the requirements for maximum flexibility and automation quality without the need for an IT team to implement and operate the system. The demand for flexibility prompted the company to look for a vendor generally specializing in larger enterprises to find the automation and functionality it required. The challenge was to get the large-enterprise ERP package without the high cost of personnel to operate and implement it.

In the end, Midwest Wheel selected business cloud software vendor Infor and started implementation of its CloudSuite Distribution product in 2014, going live in May 2015. Next, Midwest Wheel added Infor Storefront for e-commerce operation and integration (with plans to replace it with Infor Rhythm in 2021), followed by Infor Field Service.

During the same time period, Infor acquired Birst, whose cloud-native BI and analytics platform became the BI backbone of all Infor products and is now heavily used by Midwest Wheel.

Right from the start, McEnany appreciated the integration and automation capabilities provided by Infor OS, Infor's enterprise application platform (EAP). Advantages gained thanks to Infor OS-automated workflows include:

- **Automated credit checks.** Credit checks on larger orders are important; Infor OS was able to automate the decision process for the bulk of Midwest Wheel orders via its workflow capability. This reduced substantial manual review time by the finance team.
- **Focus on what matters in account setup.** In the account setup process, McEnany was able to configure the system to focus on the key fields, making them mandatory and enforcing consistent data entry via custom fields.
- **Identification of training needs based on system usage.** Midwest Wheel uses Infor OS to see where its people may not be following the established processes correctly or as intended and uses this information to trigger training plans.
- **Ability to leverage APIs to ensure data quality.** Infor OS enables Midwest Wheel to specify more-complex logic in APIs that are built once and then can be used across the product portfolio.
- **Cross-channel automation with Infor OS.** When an order comes in via e-commerce, Midwest Wheel automates the notification of sales staff to complete the order and/or take action as needed.
- **Ability to manage and monitor integrations with the Infor portfolio.** Infor OS enables Midwest Wheel to keep Infor CloudSuite Distribution and Infor Field Service in sync to, for example, exchange accounts payable (AP) and accounts receivable (AR) records. Midwest Wheel also is using Infor OS bot capabilities to keep transactional applications and Infor Rhythm (for e-commerce) in sync.

- **Integration with third-party applications the easy way.** Midwest Wheel uses Infor OS to integrate with third-party systems such as F9 and Inovia (via electronic data interchange [EDI]).
- **A single place for all workflows.** In the past, Midwest Wheel had multiple ways to integrate its applications, creating training and operational costs. Now, with Infor OS, there is a single solution for all of the company's workflow needs.
- **Adoption of AI with Coleman AI.** Midwest Wheel is getting into AI automation with Infor OS's Coleman AI service, with a focus on anomaly reporting for sales and pricing.
- **Integration of Infor and third-party data with the Infor OS Data Lake.** Midwest Wheel is bringing all data from both its Infor applications and its third-party applications together in the Infor OS Data Lake. This gives the enterprise a single source of reporting and a single source of truth.
- **Ability to leverage Birst to automate insights.** Key reports and spreadsheets for management at Midwest Wheel are being generated and then distributed via email with the help of Infor's BI platform, Birst.
- **Ability to avoid customization by just using Infor OS.** Midwest Wheel was able to avoid any hard customization and has not modified a single line of Infor code, because it was able to perform all necessary adaptations and enhancements with Infor OS.

Midwest Wheel opted for a big-bang approach, going live with the full scope of Infor CloudSuite Distribution in 2015. Changing how everybody “but the CEO” was working every day was a massive change management challenge for the company. Fortunately, the Infor solution was easy to learn—in fact, says McEnany, the Infor user interface (UI) “is as easy to use as Google.” Infor's intuitive UI helped Midwest Wheel get its users up to speed fast.

THE IMPACT

Having worked with Infor since 2015, Midwest Wheel is:

- **Running Infor with one full-time IT employee.**

Midwest Wheel was able to implement and go live on Infor solutions initially with no dedicated IT team. The only IT resource was McEnany, who split his role between marketing and IT. Today Midwest Wheel runs a 250-employee enterprise with an extensive automation portfolio—with one full-time employee (FTE) in IT.

“Without Infor OS, we could not run our enterprise with this degree of automation and sophistication with an IT team of one FTE.”

— Steve McEnany, Vice President, Marketing and Technology, Midwest Wheel

- **Running all the time with Infor OS after automating once.** Given the nonexistent/very small IT team, Midwest Wheel wanted to focus on automating as much as possible, and Infor OS enabled the company to do so.
- **Benefiting from having one place for all integration with Infor OS.** In the past, Midwest Wheel used multiple tools to integrate its software automation portfolio. Now it uses just Infor OS, which delivers on standardization efficiency with a single tool that can do it all.
- **Getting standardized BI from Birst, which creates transparency.** For the first time, executives and employees benefit from a single source of truth by looking at company performance via the Infor BI platform, Birst.
- **Ready to grow with Infor.** Previously growth was restricted by older legacy applications. Now Midwest Wheel has a modern enterprise application platform with Infor OS and is ready to grow further, with no software or platform restrictions.

A CLOSER LOOK AT IT SAVINGS

The truly remarkable financial takeaway from the Infor OS implementation at Midwest Wheel is the very limited use of IT resources and the concomitant limited costs. Several peer studies have put the number of IT staff needed to support an employee base at between 1/42 on the high end and 1/18 at the low end for small enterprises. Constellation assumes a midpoint here, putting an effective IT-to-employee base ratio at 1/30 for SMBs such as Midwest Wheel (MWW in the table below).

EMPLOYEES AT MWW	AVERAGE RECOMMENDED IT/EMPLOYEE RATIO	CALCULATED IT EMPLOYEES NECESSARY	AVERAGE COST OF IT IN MID-WEST U.S. (FTE)	TOTAL CALCULATED IT COST	DEDICATED IT AT MWW	TOTAL CALCULATED IT COST	DEDICATED IT AT MWW
250	1/30	8.325	\$80,000.00	\$666,000.00	1	\$80,000.00	\$586,000.00

Note: All costs are annual.

Every total cost of ownership (TCO) model has its limitations, but in this case, it is fair to say that the Midwest Wheel savings on IT personnel costs alone are in the half-million-dollar range. These savings are more than impressive and more than paying for the full subscription and overall operation cost of running Infor at Midwest Wheel.

THE TAKEAWAYS

Key takeaways from Infor's implementation at Midwest Wheel include the following:

- **Infor scales for SMBs.** Midwest Wheel is a great showcase for how a sophisticated enterprise system such as Infor can scale even for a small-to-medium enterprise with fewer than 300 FTEs.
- **Infor OS delivers scale.** The secret for scaling Infor to the SMB is Infor OS, which is easy to learn and intuitive to use and delivers automation that enables companies to build once and then move on. Being able to implement Infor's ERP with multiple

additional modules with only part-time IT support initially and now with just a single FTE is more than impressive.

- **Change management matters.** Changing processes is never easy, and change management is crucial for enterprise software success. Midwest Wheel went live big-bang style and had to make sure processes were understood and working both internally and externally with customers and partners.
- **Infor OS can deliver impressive savings.** Via its automation capabilities, Infor OS enables far-below-average IT staffing ratios, enabling impressive savings that may pay for the overall cost or at least a large part of the cost of the IT project.

THE RECOMMENDATIONS

Constellation makes the following recommendations based on the Infor implementation at Midwest Wheel:

- **Get on the bigger boat.** Midwest Wheel migrated from a specialized vendor to Infor, and the change is paying off well for the company. More innovation, more automation benefits realized, and higher efficiencies from an integrated suite are the top three benefit drivers from the change. Infor's microvertical strategy is a key enabler for enterprises switching from vertically specialized vendors to Infor, allowing for the vertical automation needed in individual industries.
- **Automate, automate, and automate for substantial TCO savings.** Especially for small enterprises, it is important to have a foundation under their ERP packages that enables them to automate all key integrations and extensions. The focus on automation enables enterprises to keep operational costs—most prominently personnel costs—down. The IT personnel and TCO savings can be impressive, as illustrated in this report.

- **Consider Infor even for small SMBs.** That a sophisticated ERP package such as Infor CloudSuite Distribution can be implemented with a part-time IT team, and moreover operated and continued to be rolled out, is the most remarkable capability to glean from this case study. A smart IT and implementation strategy can deliver automation to a smaller enterprise that enables it to consistently “punch above its weight class” when it comes to innovation and automation delivered by its ERP vendor—in this case Infor.
- **Incorporate Infor OS, which is key for the success of Infor customers.** Midwest Wheel could not have been successful in its Infor implementation without Infor OS. CxOs need to utilize the EAP as the foundation of their ERP suite at its fullest, and for Infor that means that Infor OS needs to be used to its maximum extent.

ENDNOTES

¹ This ratio is based on Constellation's average of calculation of ratios from the following sources:

- "Organizing for Results: IT Structures and Staffing Survey," by people3, Mercer Human Resource Consulting, and ITAA, 2003. See Workforce staff report at <https://www.workforce.com/news/ratio-of-it-staff-to-employees>
- Lon D. Gowen, "Predicting Staffing Sizes for Maintaining Computer-Networking Infrastructures," The MITRE Corporation, November 2001. https://www.mitre.org/sites/default/files/pdf/gowen_predicting.pdf

² Constellation calculated the \$80,000/year average salary for an average IT worker in the Midwest based on an average of five years of experience and assuming one manager for a team of eight, deriving the figures from Glassdoor. <https://www.glassdoor.com/Salary/Midwest-Data-Center-Salaries-E1008014.htm>

ANALYST BIO

Holger Mueller

Vice President and Principal Analyst

Holger Mueller is vice president and principal analyst at Constellation Research, providing guidance for the fundamental enablers of the cloud, IaaS, and PaaS, with forays up the tech stack into big data, analytics, and SaaS. Mueller provides strategy and counsel to key clients, including chief information officers (CIOs), chief technology officers (CTOs), chief product officers (CPOs), investment analysts, venture capitalists, sell-side firms, and technology buyers.

Prior to joining Constellation Research, Mueller was VP of products for NorthgateArinso, a KKR company. He led the transformation of products to the cloud and laid the foundation for new business process as a service (BPaaS) capabilities. Previously, he was the chief application architect with SAP and was also VP of products for FICO. Before that, he worked for Oracle in various management functions—on both the application development (CRM, Fusion) and business development sides. Mueller started his career with Kiefer & Veitinger, which he helped grow from a startup to Europe's largest CRM vendor from 1995 onward. Mueller has a Diplom-Kaufmann degree from the University of Mannheim, with a focus on information science, marketing, international management, and chemical technology. A native European, Mueller speaks six languages.

 [@holgermu](https://twitter.com/holgermu)  constellationr.com/users/holger-mueller  linkedin.com/in/holgermueller

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info@ConstellationR.com



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