# CAPITOL LIGHTING IMPROVES SALES BY MOVING TO A MODIFIABLE ERP SYSTEM

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*Customer: Capitol Lighting*
*Headquarters: Boca Raton, Fla.*
*Business: Retailer of lighting fixtures and other related products*
*Challenge: Improve customer support without being hampered by rigid technology*
*Solution: Deployed VAI's S2K ERP suite and, with the assistance of VAI, modified it to better fit the company's business model*
*Hardware: An IBM Power Systems server running IBM i*
*Software: VAI S2K*

When you hear the phrase "turning an operational foundation into a sales foundation," it's often part of a rah-rah annual meeting with staff and investors. It's a good sound bite to energize the troops but it's unlikely to turn into anything tangible.

However, when Jason Lebersfeld, vice president and CTO with Capitol Lighting, says it, he means it and puts his company's IT investments where his mouth is. That's partly why Capitol Lighting's sales have increased over the past year despite the still-struggling economy. Getting to this point wasn't a simple, hit-a-switch-and-you're-done proposition. Instead, it required finding the right solution for Capitol Lighting's foundational-change philosophy.

Now, with VAI's S2K ERP suite, the company is looking ahead. As Lebersfeld explains, "Instead of being bogged down by technology, we're now much more able to interact with our customers, which of course equates to increased sales opportunities—and who doesn't want that?"

Certainly not Lebersfeld's great-grandfather Max, who with his wife, Ethel, established the company in 1924 with a single storefront in Newark, N.J. Seven members of the Lebersfeld clan head up the business, and Capitol Lighting now has eight physical stores in New Jersey and Florida, with headquarters in Boca Raton.

**Shedding Light on the Business**
Capitol Lighting might be best known for its Internet presence: 1-800lightingPRO.com. The site went live in 1994, driven in large part by Lebersfeld and his cousin, Eric, after they snagged the 1-800-lighting phone number, purchased what was then a state-of-the-art modem, and posted a single Web page with a photo and phone number. In 1998, they moved to a Yahoo store and, after finding a suitable IT partner, started a burgeoning website.

That's when things really took off, progressing from a single photo and a curated list of 500 items on Yahoo to the 500,000 items it carries today. Its products include not only lighting fixtures, but also outdoor lighting, landscape lighting, ceiling fans and patio furniture. Capitol Lighting has since bolstered its Web presence with a related secondary site, 1-800lightingPRO, which caters to professional contractors and designers, allowing them to manage multiple customers under one account, according to Lebersfeld. "They can see

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their order histories. They can fill shopping carts. They can communicate with their customers," he says.

And that's not all, as Lebersfeld further explains. "We have a function called 'Expert Finder,' where professionals can post their information to our Expert Finder directory and regular customers can search for, for example, an architect, a landscape designer or an interior designer. It's yet another way to help out our experts, professionals and their prospective clients," he says.

> *"Capitol Lighting has grown from a single storefront in 1924 to eight stores and a strong Internet presence with its websites 1-800lighting.com and 1-800lightingPRO.com."*

Before standardizing on VAI's S2K, the company's operations had essentially been split into two, with its New Jersey locations running legacy RPG code and the Florida locations using an earlier version of VAI's software on an IBM Power Systems* server. The disconnect between the two systems created some problems for Capitol Lighting. Inventory reporting, for example, was often delayed until overnight batch processing took place.

"We were in a position where we didn't have real-time inventory information," Lebersfeld says. "We would have people checking on computers, but they couldn't tell if the information was accurate. They would have to call locations to confirm the validity of what they were being told. Because of this disconnect, the merchandise flow wasn't easily tracked, where you would start an order and go from there to check on a purchase order and then verify the order status. Very little of this was linked," Lebersfeld says.

**Minimal Effort, Maximum Flexibility**

Wanting a unified and more flexible system, Capitol Lighting began searching for a solution that it could modify as needed to best fit its business model. Because it already had experience with VAI—albeit on an older package—it decided to revisit the vendor to see what it could offer. After reviewing S2K, the company decided that was the way to go.

"We needed a system that would allow all of our showrooms to run point of sale, see each other's inventory and integrate with our website. It also had to be reasonably modifiable to allow us to run our business like we wanted, with the ultimate goal

being able to get merchandise to our customers as quickly as possible from any location," Lebersfeld recalls.

This included having real-time inventory transparency across locations, as well as on the website, allowing the company to, for example, have items shipped from one location to another or products drop-shipped directly from manufacturers at customer locations. The company also wanted a product flow that was tightly integrated with its general ledger to ensure everything was being properly accounted for.

S2K fit this wish list perfectly, most importantly because it was easily modifiable. "VAI simply says, 'All we do all day long is modify for our end users,' " Lebersfeld says. "And we've taken advantage of that. Now, S2K has been personally modified for us to the tune of 90 percent modified, 10 percent base; all of it geared specifically to how we do business," he adds.

> *"I have no doubt that the abilities of this system have made it easier for us to sell our products and give our salespeople more time to deal with our customers than on technology." —Jason*

*Lebersfeld, vice president and CTO, Capitol Lighting*

It took a mere 10 months to get to that point, with a go-live date of February 2010. Along the way, the company trained its personnel on what to expect with the new system and how to best take advantage of it, with VAI's assistance. It also brought a new Power Systems server running IBM i as its preferred platform for running S2K.

As an added bonus, Capitol Lighting gained access to S2K Analytics as part of VAI's offering. S2K Analytics is also highly modifiable and allows company users to easily find the information they need by themselves, without having to request individualized reports from others within the company, including IT.

"Even laymen are able to go out and author their own reports," Lebersfeld says. "This has given us the ability to dive into our data from multiple angles. We can start with a product and get further detailed information, such as sales orders and purchase orders. We can look at items from an order perspective and see items on order and in inventory. VAI has done a great job of meeting our requirements and allowing us to jump from one view to another with very little effort."

**Nimble and Efficient**

This modifying effort was undertaken with the operational-foundation-to-sales philosophy in mind. As a result, the company's sales have increased since the S2K implementation, although Lebersfeld attributes some of the success to Capitol Lighting's marketing, e-commerce and other initiatives.

Whatever the reason for the company's growth, Capitol Lighting is more customer focused than ever before. By unleashing the power of modifiable and, in some regards, nearly invisible technology, it can now go about business the way it wants to, without IT being an inhibitor.

As Lebersfeld explains, "I have no doubt that the abilities of this system have made it easier for us to sell our products and give our salespeople more time to deal with our customers than on technology. Of course, we still need technology, but it's now allowing us to be more nimble and efficient than we had been in the past."

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