



Using Technology to Facilitate Accurate Inventory Reconciliation with GSI



The Company

Since it was founded in 1913, Rehrig Pacific Company has known that its success lies in making products that provide true value for its customers. That vision initially came into focus when a young carpenter named Will Rehrig saw new possibilities emerging as the second Industrial Revolution was in full swing.

Merging woodworking skills with a knack for designing machinery, Rehrig built a business supplying customers with manufactured wood containers.

Over the next few decades, his company grew into a well-regarded supplier to the milk industry. When the next generation of Rehrig ownership took over, the company flourished along the West Coast and became the sole manufacturer of milk crates in California.

Now in its second century in business, Rehrig Pacific is led by Will Rehrig (its founder's great-grandson). Throughout its history, the company's scientific curiosity combined with nearly-molecular attention to detail has helped it become the industry leader in pallets, waste and recycling containers, and supply chain solutions.

Using RapidReconciler, this industry leading manufacturer reduced its monthly unreconciled inventory variance from an average of \$350,000 to just \$30,000; reduced its month-end close time by days; and saves its accounting team about two weeks of work every month.

COMPANY SNAPSHOT

Company: Rehrig Pacific Company

Headquarters: Los Angeles, CA, USA

Industry: Pallets, Waste, Recycling Containers, and Supply Chain Solutions

Founded: 1913

Locations: United States, Mexico and South America

Applications: JD Edwards

The Challenges

Soon after implementing Oracle JD Edwards EnterpriseOne ERP system a couple of year ago, Rehrig Pacific immediately faced major challenges. With seven manufacturing plants processing a high volume of transactions, the company found itself inundated with an extremely high volume of inventory, shipment, and purchase data across its operations.

“We’re talking hundreds of thousands of lines of data every month,” said Eric Wilson, Controller. “Reconciling inventory ledger activity versus the general ledger (GL) was difficult in JD Edwards —so much so that the GL was always out of sync with the inventory ledger.”

Time consuming and resource-intensive, rectifying the problem required so much manual work that it would often take up to two weeks to get the inventory ledger and GL activity aligned. “Sometimes, we’d have to get experts in to help us sift through the data,” said Wilson.

The Solution

For help, Rehrig Pacific turned to its JDE support partner, GSI, Inc. “We had enlisted a developer to help us sort through the tables and data,” Wilson said. “GSI’s RapidReconciler solution was suggested to us as a solution that might be able to automate some of the work that we were managing.”

Using RapidReconciler, Rehrig Pacific has automated the process of matching its inventory ledger and GL, and can now easily detect any abnormalities or “suspicious” transactions that require further attention. It gets detailed reports on those abnormalities and can easily see what’s causing the issue (and, subsequently, fix the problem).





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**Eric Wilson,
Corporate Controller,
Rehrig Pacific**

The Results

“Where our inventory used to be off by \$200,000-\$500,000 per month (inventory ledger versus GL), RapidReconciler has whittled that disparity down to just \$30,000,” said Wilson. “RapidReconciler is a very clean, automated solution that’s extremely effective in addressing reconciliation issues.”

“The reconciliation process that once took our financial team two weeks to complete each month now takes just three hours to finish. We’re not spending days trying to figure it out anymore,” said Wilson.

Excited at the Prospects

The solution also helped Rehrig Pacific identify when best practices aren’t being followed. If, for example, an employee isn’t following the correct process for a specific type of order—and, if inventories are off as a result of that mistake—then the issue is immediately identified and flagged for further review.

These and other “wins” are especially important for manufacturers that are dealing with large transaction volumes. “From the business perspective, we need to know what we have in inventory and that the balances are accurate,” said Wilson. “We also need good visibility over where our dollars are invested from an inventory perspective. That helps us better manage our working capital and cash flow.”

360-Degree Business View

In most cases, Rehrig Pacific's accounting team strives for a 5-day month-end close. Before the RapidReconciler implementation, that timeframe was often pushed out to six or seven days. In other situations, the month-end close took place, but with lingering issues that would take up to two weeks to go back in and fix. Wilson said all of these issues have been resolved as a result of GSI's RapidReconciler product.

Good integrity between the inventory ledger and GL is critical for accurate financial reporting. This is yet another area where GSI's solution has helped Rehrig Pacific improve its inventory management practices. "There were situations where we may not have known there was a variance between the two," said Wilson, "but now RapidReconciler calls that out and lets us know that our balance sheet inventory is incorrect."

Those errors directly impact income statement results that are distributed to executives and other stakeholders. "To have good, accurate financial reports and be able to see how the business is really doing," said Wilson, "you need software that can easily reconcile inventory to the general ledger."

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**Eric Wilson,
Corporate Controller,
Rehrig Pacific**



For more information:

Contact us today to learn more. You can also email us or call (855) 474-4377.

GSI, Inc.

GSI is a forward-thinking organization that aligns and optimizes your digital footprint with your business goals. We combine our deep business and industry experience with our expert knowledge of enterprise applications, automation, cloud and cybersecurity to deliver secure and flexible systems that allow your business to thrive and not just survive.“



GSI's comprehensive suite of solutions includes: AppCare, a 24/7 managed service that includes EaaS with flexible "on-demand" services and dynamic pricing; GENIUS AI, an Application Intelligence Platform (AIP) for creating application health and user experience monitors; GENISYS, a solution for optimizing system performance; RapidReconciler®, its inventory reconciliation software; GENOME, which automatically Detects, aNalyzes and Automates the process of converting customizations into Orchestrations; and GatewayNow, low-cost, accelerated time-to-value ITSM solution using the industry-leading ServiceNow platform in a fully managed environment.

GSI consulting and managed services are backed by its signature 100 percent guarantee. Founded in 2004, the rapidly growing company is headquartered in Atlanta with worldwide resources. With over 100 employees, GSI consultants average over 15 years of real-world experience and are certified experts in business, industry, and enterprise applications. GSI provides comprehensive 24/7 global support.

Why GSI?

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