

HEY, GOOD LOOKIN' | JANUARY 2012

# FashionMANUSCRIPT



**VSR SYSTEMS, INC.**

**ERP SOLUTIONS WITH A PERSONAL TOUCH**

**ERIC KRATZ, PRESIDENT, AND BARRY KRATZ, COO**



# customized for clients

## VSR SYSTEMS, INC.

Imagine an ERP system that is custom-designed for each individual fashion manufacturer, distributor or importer ... that is structured to grow as the client company itself grows ... and whose users become part of a community, helping each other solve business problems.

This is the integrated system, service and philosophy that mark VSR Systems Inc., a company that has been serving the garment, ready-to-wear, accessory and home textile markets—more than 75 clients—for almost three decades.

VSR offers its clients the choice of two different versions of its product. The flagship model is a robust system for larger corporations that have their own hardware requirements. VSR Lite, a cloud based-model, is a solution for companies that would like to utilize the cloud or SaaS benefits.

"We think of ourselves as a boutique software house," says Eric Kratz, president of VSR. "We typically limit our new installations to four per quarter, ensuring that we can allocate adequate resources throughout the installation and go-live process."

"The client is heavily involved from the early stages of an installation," he explains. "To start, we ask the client to conduct a company-wide survey to find out which systems and procedures are working and which are not—and, hopefully, why. A member of VSR's management then meets with the company's department heads to get their sense of what tools are needed. Finally, we conduct our own analysis of their systems to determine the company's information needs, whether or not those needs are being fulfilled, and how we can integrate and centralize their processes within the VSR system."

### Asking 'Why?'

"Our favorite question during this period

is 'why?—why do you need this particular function?—why do you do it that way?'" says Barry Kratz, COO.

"Many times, they don't have good explanations for the way they are operating. Drawing on our expertise and knowledge of how other companies manage their processes, we can offer simpler and better solutions, eliminating unnecessary actions or steps. Then we can begin getting the client's VSR system tailor-fashioned and up to speed. It's like taking a lump of clay and molding it to the customer's needs," Barry says.

An installation usually takes four or five months. Throughout the process, the VSR team is in constant contact with the client through phone calls, e-mails and on-site visits. "By the time VSR reaches the fifth month," Barry says, "the client usually needs only minimal support, and VSR is able to begin a new cycle."

"Our people are another driving force behind our success," comments Eric Kratz. "During each rotation period, our entire staff becomes intimately familiar with each client's account and needs. As a result, the client can speak to anyone at VSR and get the same high level of service."

### User-Friendly Systems

How complicated is it to use the VSR systems? "We work to keep our systems simple and user-friendly," notes Eric. "Like the well-known Staples slogan, VSR systems often trigger a 'that was easy' response. Clients' staffs are sometimes concerned about how long it will take them to understand and adapt to the VSR system. I tell them to give their people two-and-a-half hours. It's that fast, that intuitive."

VSR's systems perform a myriad of functions. Says one client, Iven Sandler, of

Icer Brands, which manufactures men and women's sportswear: "We use VSR's system for multiple purposes. It handles our full manufacturing process from the beginning, implementing our pre-production process, through the warehousing and shipping of the goods, the invoicing, and our accounting. About 55 people in our company actively use the system. We are very happy with it."

Says VSR's Eric Kratz: "Our systems are designed to give our clients complete information, including production data, both domestic and imports; overseas purchase orders; overseas and domestic cutting tickets, inventory control, sales information coming in from the road, EDI interfaces, warehouse management systems, sales, receivables, general ledger—all totally integrated."

The VSR systems also give users tools for gathering business information. Explains Eric: "The systems are designed to help the company gauge where it stands as a corporation. They include tools for assessing profitability, evaluating or positioning inventory, a report of forecast-versus-inventory. They also include a dashboard so managers can quickly identify issues that they should investigate."

"When you get down to it," says Eric, "we do all those things that the other guys' systems do. What makes us unique is that we give special attention to our clients to get them moving forward and to make them self-sufficient. Our focus is to help our clients enhance their businesses. We are very specialized; all of our systems are web-based, and we do our own programming at our headquarters in Harrison, New York."

VSR is a winner with clients. "We use VSR's total package," comments Kyle Soladay, chief financial officer of 4 Whatitsworth, producer of Tyte Jeans. "We like the idea that VSR custom-designed it for our





Eric Kratz and Barry Kratz

## **“WE WORK TO KEEP OUR SYSTEMS SIMPLE AND USER-FRIENDLY... VSR SYSTEMS OFTEN TRIGGER A ‘THAT WAS EASY’ RESPONSE.”**

company, that it's totally data-base driven and completely stable. Working with VSR, we've continued to mold it to our needs. VSR is a well-rounded solution for any business."

Says Ed Shouel, chief financial officer of Shalom International, "Our apparel company, one of some 30 lines we represent, converted to VSR. Among many factors, we like VSR's ease of use, flexibility and its EDI capabilities. And VSR's programmers understand accounting; when you ask for a report, they know ways to do it even better. We are planning to bring VSR to our parent company this spring."

VSR Systems was originally founded by Eric's father, Len Kratz, who remains active in the company. Eric, a graduate of the University of Michigan, first pursued a career in private banking at Citicorp, came to VSR in the early 1990s to help

with some specific projects—and stayed. Barry Kratz, a graduate of the University of Michigan and a CPA with a background from Price Waterhouse, joined VSR overseeing the firm's operations.

### **Community of Clients**

"We have a philosophy at VSR that may strike people as unusual," says Eric. "As a small-sized company, we become very intimate with all our clients. We look at them as partners—with us, and with each other. It's a real community. Very often, we invite clients to talk to each other about related situations, such as working with customers, EDI, and other aspects of their business. We are planning a VSR on-line community where clients can ask questions and share solutions with respect to daily business operations.

"They look to us as a trusted advisor," he says. "Clients often ask us questions

about issues that are unrelated to our system, such as 'how did your client do this?' or 'how did your client tackle that problem?' We have always felt that open information is beneficial.

"We believe," Eric says, "that if they do well, we will do well. If they grow, we will grow with them. At VSR, their success is very important to us." ■

*By Peter Haas*

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