

Specialty Products Company

Automotive Suspension Manufacturer Speeds Ahead with VAI's ERP Software

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Situation

Summary

Managing warehouse and manufacturing facilities is no easy task, especially if the organization is working with inefficient, outdated software. A complicated operating environment requires solutions with the ability to simplify data for ease of consumption and accurate and timely decision-making. To monitor inventory levels and obtain the ability to access sales information that the company knew was trustworthy, Specialty Products Company needed the help of an experienced solution provider to implement a completely integrated enterprise resource planning (ERP) system.

Customer Profile

Specialty Products Company is a family owned business that specializes in designing and manufacturing automotive suspension and alignment parts. Since 1972, the company has grown significantly. Headquartered in Longmont, Colorado, Specialty Products maintains and distributes over 1,200 pieces of inventory to customers worldwide. To make good on its commitment for next-day delivery, Specialty Products operates two warehouse facilities – one in Colorado and the other in Tennessee – and features three diverse product lines ranging from traditional automotive alignment and heavy-duty truck applications to off-road suspension systems and sport compact and rod/race suspension tuning solutions.

Problem

Context

Specialty Products' daily operations were challenged with the use of an older material requirements planning (MRP) system that was ill equipped to handle the company's growing business needs. Further, changes to the system proved complicated and cumbersome, and their previous software vendor offered inadequate technical support.

These issues prompted Specialty Products to seek out a solution that could help move the company forward, while providing the outstanding customer support that it had lacked with its prior vendor. Additionally, the company demanded a solution that offered a flexible, feature-rich software package to handle its expanding business needs, streamline warehouse environments and provide an integrated platform to help Specialty Products speed ahead of the competition.

Before settling on a particular vendor, Specialty Products reviewed several enterprise resource planning (ERP) packages, including companies that specialized in software solutions for the automotive industry. The manufacturer's chief concern was to find a modern system that could easily integrate into its existing system, and also support a graphical user interface (GUI). No small request, as Specialty Products would discover.

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Solution Overview

Customer Profile

Specialty Products Company designs and manufactures automotive suspension and alignment parts for customers worldwide

Objectives

Specialty Products experienced difficulty running efficient warehouse operations on its old MRP system

The company wanted a solution that could handle the complexities of its existing system and fully integrate all aspects of its business operations

Specialty Products needed an efficient way for employees to locate inventory and track movements

Solution

- S2K for Distribution
- S2K for Manufacturing
- S2K Commerce Express

Benefits

Specialty Products now has the ability to see its entire business operations on a single computer screen

With the help of VAI's S2K software, Specialty Products can easily access its financial data and sales information

Objectives

Specialty Products needed to address a variety of warehouse and manufacturing management issues. One important, non-negotiable requirement was that warehouse staff know, in real-time, the exact location of every product and the inventory counts for each item. Another key component was a one-step order processing procedure including the ability to pick, pack and ship product in one easy step. The requirement was to design a procedure whereby staff could simply scan a pick ticket that would automatically capture the freight charges and record all of the shipping data in a few easy steps.

In addition, Specialty Products also needed a system to instantaneously pull up customer orders with attached tracking numbers, link these to its GPS website, and then interface the order with UPS WorldShip™, which is a software tool used by businesses with high-volume shipping needs to notify customers of shipment status.

Finding the Right Partner

Specialty Products conducted a thorough search and review process before concluding that only one firm could adequately address its needs –VAI (Vormittag Associates, Inc.) (www.vai.net). In fact, Specialty Products was particularly impressed by the fact that VAI's S2K Enterprise software suite would provide the company with all of the ERP capabilities enjoyed by larger manufacturers and distributors.

As a small company, Specialty Products never imagined that a competitively priced enterprise software package would come equipped with standardized applications necessary to allow the company to compete, on a level playing field, with companies of all sizes. Mina Cox, Specialty Products' Chief Operating Officer, noted, "VAI's comprehensive, sophisticated ERP platform is a world-class system, and I would place it head-to-head with any major software developer. Companies like SAP and Oracle offer similar capabilities, but at a far higher price point."

In August 2004, Specialty Products selected VAI to implement its S2K Enterprise Software. Tasked with a tall order, VAI set to work to customize its solutions to meet the challenge. VAI's extensive solution portfolio contained all the capabilities – and more – that Specialty Products required. First and foremost, VAI's solution handles same day shipping – a promise at the core of Specialty Products' philosophy. Additionally, with VAI's ability to incorporate items such as, a virtual shop front and electronic data interchange (EDI) capabilities; Specialty Products knew that VAI held the experience and expertise to meet its specific business and warehouse operating needs.

Solution

Process

In January 2005, Specialty Products Company went live with the entire VAI ERP package, including all of the financials. Throughout the implementation process, VAI worked with Specialty Products to customize certain modules to its exact specifications, in particular, the development of its MRP and inventory forecasting applications.

With the addition of VAI's software, Specialty Products gained new technological capabilities including e-Commerce and EDI functionalities. These applications alone have allowed Specialty Products to eliminate the tedious, double-check system that employees were completing for every order, thus saving the company a tremendous amount of time and improving its overall warehouse efficiency.

Mina Cox, noted, "The best features of VAI's software solutions are the extensive user-defined capabilities available in the major modules.

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This allows for a wide range of flexibility without requiring a great deal of additional programming. The software can be adapted quickly and easily — a real bonus for our fast paced industry — and the dashboard allows us, as executives, to monitor the performance of all the key areas of our business on one screen."

Amazingly, the entire ERP implementation process took about four months to complete, and when Specialty Products decided that a second warehouse installation in Tennessee was needed, it took less than one month to bring operations online and begin shipping orders out of the warehouse. VAI aided the ERP implementation by providing conversions from its older package to the latest version of S2K. The rapid installation process included all of the logistics and staff training. This process was made easy due to VAI's product features and in the information that Specialty Products culled from VAI's database. This advanced preparation made the process exceptionally smooth and provided Specialty Products with the necessary resources to run an efficient, flexible operation with direct impacts to their bottom-line.

With VAI's e-Commerce application, Specialty Products customers can quickly and easily order supplies through a Web portal. Further, VAI's MRP Suggestion Manager makes inventory management a breeze. Specialty Products' buyers are notified of items that require action – whether its items to purchase or items to manufacture – the software then determines the appropriate action when inventory counts go below a pre-established minimum.

Using the Solution to Solve the Problem

VAI's S2K for Distribution and S2K for Manufacturing have helped Specialty Products to get the up-to-date, high quality information that it needs to run a competitive business. Additionally, the company has seen a tremendous cost savings. Notably, the cost of maintenance is significantly less than that of its previous vendor. In fact, with the help of S2K for Manufacturing, Specialty Products produces very little scrap, which is a significant cost saver. The company is able to control excess waste because it can manage its entire manufacturing process from one screen, allowing Specialty Products to prioritize and schedule the total production schedule—a unique feature of VAI's software package.

According to VAI Manufacturing Manager, Pete Zimmerman, "Quite simply, our S2K solution just works for Specialty Products—period. The company's previous software had too many bugs in the system to provide an efficient enterprise platform from which to run a business, and it provided too little functionality to get the job done."

Evaluation

Results and Benefits

For over four years, Specialty Products has reaped the rewards of S2K for Distribution and S2K for Manufacturing. "Every department has benefited from the implementation," remarked Mina Cox. "Now, sales information is easier to track, manufacturing processes are streamlined and shipping and warehouse operations continue to meet, and exceed, the company's goals. Easy access to financial information and the ability to see and understand the total business operation on one screen provide significant benefits for Specialty Products.

Additionally, Specialty Products is better equipped to provide excellent customer service. The company can boast 99.9% on-time shipments, 99.9% inventory accuracy, and a less than .02% error rate. This means that when a customer calls by the 3:30 p.m. cut-off time, Specialty Products can provide the product requested the very same day, even for very large orders. This is rare for a manufacturer, which usually requires a

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week to 10-days to turn around large orders. Also, an unforeseen benefit realized is that many of the company's departments have gone paperless, a direct result of the S2K implementation.

Customer Quote

According to Specialty Products' Mina Cox, "When I speak to other executives and hear about the technical issues they have experienced with other systems, I realize that we just don't have those concerns with VAI. Happily, we are busy running a business, rather than dealing with bad information or down systems. The bottom line is that VAI fundamentally provides a strong and dependable solution with the technical resources to provide back up and support if there is a problem."

For More Information

For more information about VAI products and services, call VAI at 1.800.824.7776 or email sales@vai.net To access information using the World Wide Web, go to www.vai.net .