



# **ANALYSIS & INFORMATION SERVICES**

Expert Automation with Integrity

## **Flexible Accounting & ERP Software Solutions**

### **Case Study: Manufacturing Company**

### **Solving Problems and Cutting Costs—Year In, Year Out, for 24 Years**



## Solving Problems and Cutting Costs—Year In, Year Out, for 24 Years

A manufacturer of custom-built modular home additions has used technology to steadily grow their company for 24 years so far. They make custom-built modular additions, rooms, screens and porches for mobile homes.

In the mid-1990s they needed to replace outdated accounting software and their many manual processes, spreadsheets and pieces of paper. They knew they had some unique processes in their workflow that out-of-the-box software couldn't handle.

The AccountMate system that AIS set up for them back then has grown with their needs ever since. A key to their success is that they continuously drive productivity improvements and process automations via flexible accounting and ERP software, plus technology consulting in partnership with AIS.

### Profile of a proactive general manager

The longtime general manager at the custom manufacturing company had an accounting background. He oversaw sales and production, managed the reseller channel, and was interested in all departments, from the plant to the warehouses to purchasing to anyone who had a problem.

The buck stopped with him. Anytime problems got escalated, he got a firsthand picture of what was broken. Then he took steps to find the problem sources and get them fixed.



# Innovation-focused leadership

## 1. Use technology to drive down costs

The GM used his business system as a tool to be responsive and drive constant, incremental change. Even for problems that only affected a few people, it was valuable to ask AIS to address these problems to reduce costs:

- The cost of preventable emergencies that led to hassle and resentment for employees
- The cost of lost profit
- The cost of a lower lifetime value from unhappy customers and resellers

## 2. Ensure the company is solid—don't just hope it's solid

He methodically turned his attention to each department in turn. Over decades, AIS has modified their AccountMate system for sales, purchasing, inventory management, warehousing, manufacturing, scheduling, and more.

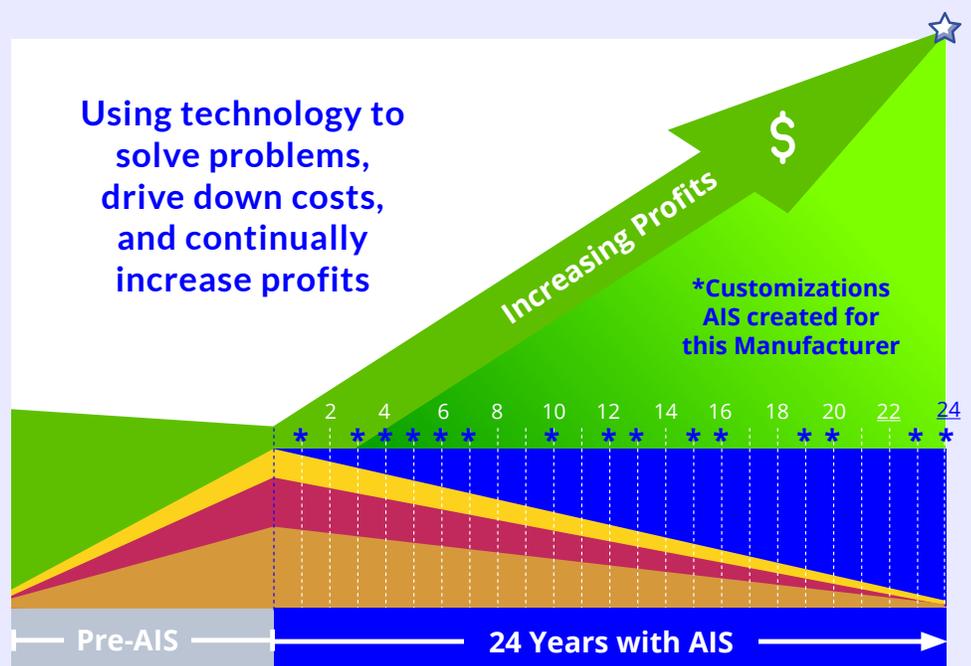
## 3. Chip away at any problem that hurts productivity and quality

The GM wasn't a technical person. He would explain to AIS consultants what wasn't happening as it should, and what he wanted to be able to do instead.

He'd say, "Make it simple. Make it so my people don't yell and complain. Make it so they don't say 'No, I didn't use that because I didn't understand how to use it.' Make the software validate that the sales orders were done right, that my customers signed off on them."

Implementing AIS software and customizations helps this company enjoy continuous success. They drive productivity improvements and process automations via flexible accounting and ERP software, plus technology consulting in partnership with AIS.

-  Continuous success
-  Increasing profits
-  Investment in AIS software & customizations
-  Cost of preventable emergencies
-  Cost of lost profits
-  Cost of a lower lifetime value from unhappy customers and resellers



## Examples of Automations added by this Manufacturer

### Production Cycle Tracker

#### Coordinate Production Across Shops

The company's manufacturing campus with shops covers over one square mile. The build workflow is unique to their products and they didn't want to change it.

But the workflow was being done on paper. People were jogging across campus to take notes to different shop managers, to update inventory, and to try to stay on top of the overall production status for sub-assemblies. Dependencies and complexities were expanding.

#### SOLUTION

AIS created a production cycle tracking system that consolidated shop status and inventory status across the manufacturing campus. The system shows key dependencies by job, such as a backorder for a sub-assembly part—allowing action to be taken to prevent job delays.

The system lets Production track specifications, inventory requirements and real-time production updates for components and jobs—all customized to fit the company's workflow while overlaying management tools to gain efficiencies campus-wide.

*"Each time we can fix something in our process, it gets easier and better to sell to our customers."*

► General Manager

### Production Schedule Dashboard

#### Show Everyone the Production Status for Jobs

The Sales department complained that it was hard to get status updates for customers. The Production department complained about the frequent interruptions to answer questions about their status. It was time to expand access to the new production cycle tracking system to the rest of the company.

#### SOLUTION

AIS added a production schedule area to their system that makes all the status details available in one place for everyone to see.

Now it's easy for Production and Shipping to update the schedule in real time throughout the day. Sales and Customer Service can look up any job and give immediate, accurate status information. The production schedule allows the company to always tell the truth to customers and resellers about the status of their orders.



**It's about being more responsive**

## Sales Order Configurator, and Reseller App

### *Cut Mis-Built Orders to Zero*

Delivering incorrectly built items had become a costly problem. Sometimes errors were made when working from hand-drawn specs, or verbal requests from the customer didn't make it into the spec sheet. Other times, Sales didn't gather key answers from the customer for custom orders; assumptions would be made by Production or Sales and then the order could be built wrong.

Then the incorrect item had to be picked up from the customer, re-manufactured and re-delivered. This hurt customer satisfaction and profit. And the re-manufacturing interrupted schedules for newer orders.

The company's resellers were angry about the frequent errors, especially because the end users would blame them. They'd be on site installing the item for the end user when the problem was discovered. One reseller might represent 100 orders per year to the manufacturer, so a few incorrect orders could have a much bigger negative impact on sales if resellers got fed up and quit.

### **SOLUTION**

AIS customized a sales order configurator that ensures all required prerequisites are defined before the order can be finalized. It also requires that the customer review and sign off on the specifications with Sales before Production begins work, fully documenting the customer approval.

The new process eliminated miscommunication and incorrect builds by ensuring that Sales is 100% successful in getting job information. It makes it easier to train new salespeople to take orders for complex custom jobs. And resellers can now count on receiving the correct parts to install.

### *Make the Reseller Channel's Job Easier, Too*

"When problems with your orders impact your reseller's customer, it derails the success of those sales," said the General Manager.

"You might sell \$1M. But with order screw-ups, poor support, issuing refunds—your resellers stop trusting that they can deliver a good customer experience so they stop selling your product. You end up with a warehouse of unusable items or you go out of business. That's why we've gotten a huge return on investment by automating more things."

## Pre-Validation of Credit Worthiness

### *Stop Non-Collectable Production*

The company noticed a growing problem with their receivables. The problem was that Sales wasn't aware of payment or credit issues that Accounting had with customers. So new orders for those customers would go into production even though the previous collection issues were unresolved.

Production then spent time building and delivering orders that weren't paid for on time—or at all. This was very costly.

### **SOLUTION**

AIS built rules into the Production system that require Accounting to validate the invoice before a new order goes into production. This stopped wasting time and materials in Production on orders which weren't paid for, shortened receivables time and headaches, and increased cash flow.

## Validation System for Purchasing

### Stop Receiving Unordered Items

Vendors were delivering items—but some of the items delivered weren't ordered. This wasn't noticed during receiving, because the company works in multiple units of measurement. So they might order a case but stock it by the carton and sell it by the each. That complexity made it too easy to receive incorrect items or quantities without discovering the problem until later when the correct item was needed but not on hand.

### SOLUTION

AIS added extra validation to their system that allows only correct receipts, i.e. only items and quantities from open purchase orders. This allows Purchasing to get reports of receipts and see everything that's happening—and it prevents the acceptance and cost of unwanted items.



## Labor Cost Allocation System

### Understand Production Costs Better

The company's many job production areas used to be treated as a single cost logged on paper time sheets, with no labor allocation at a granular level. A job might be billed as "15 hours in manufacturing" after it spent 3 hours in cutting, 6 hours in building, and 6 hours in finishing—stages that have different labor rates and shop costs.

### SOLUTION

AIS set up an automated time sheet entry system. It allows detailed work allocation to departments and multiple labor rates per shop. The company now has easy and accurate insight into production costs and profitability per shop and job.

### Why keep adding automations?

*"Anytime we screw up, it takes my people and facilities time to redo it and fix it. And therefore, I'm not giving time to my new and real orders either. Process automation and streamlining the workflow greatly reduces errors so we can focus on new orders."*

► General Manager



## Trouble Ticket System

### *Handle Manufacturing Problems Smoothly*

When a manufactured item had a problem, the solution could range from rebuilding the item to getting missing parts, or replacing damaged parts, or something else. Someone would make a paper ticket to urgently request what was needed, and walk the ticket to the appropriate shop on campus perhaps a quarter mile away.

To that shop, it was a disruptive, high-pressure order and other orders got bumped. People would call to check the status, or forget to tell the customer the status, or lose the paper trouble ticket, or write down the wrong spec on the ticket.

The shops got a reputation for delays even though they were working hard to respond. Customers were unclear about the status and would demand to speak to the manager.

### **SOLUTION**

AIS automated the trouble tickets. The Shops now enter a ticket for issues online while they're speaking to the customer. The ticket immediately appears on the plant's schedule.

Details and status are accessible in real time by everybody. Customer Service can confidently tell the customer, "It's in process and should ship out on Friday," without calling the shop.

The automation lets people be proactive. The customer experiences a responsive, caring team. Trouble tickets went from a poorly managed problem that caused tempers to flare—to a calm, clear and dependable process.



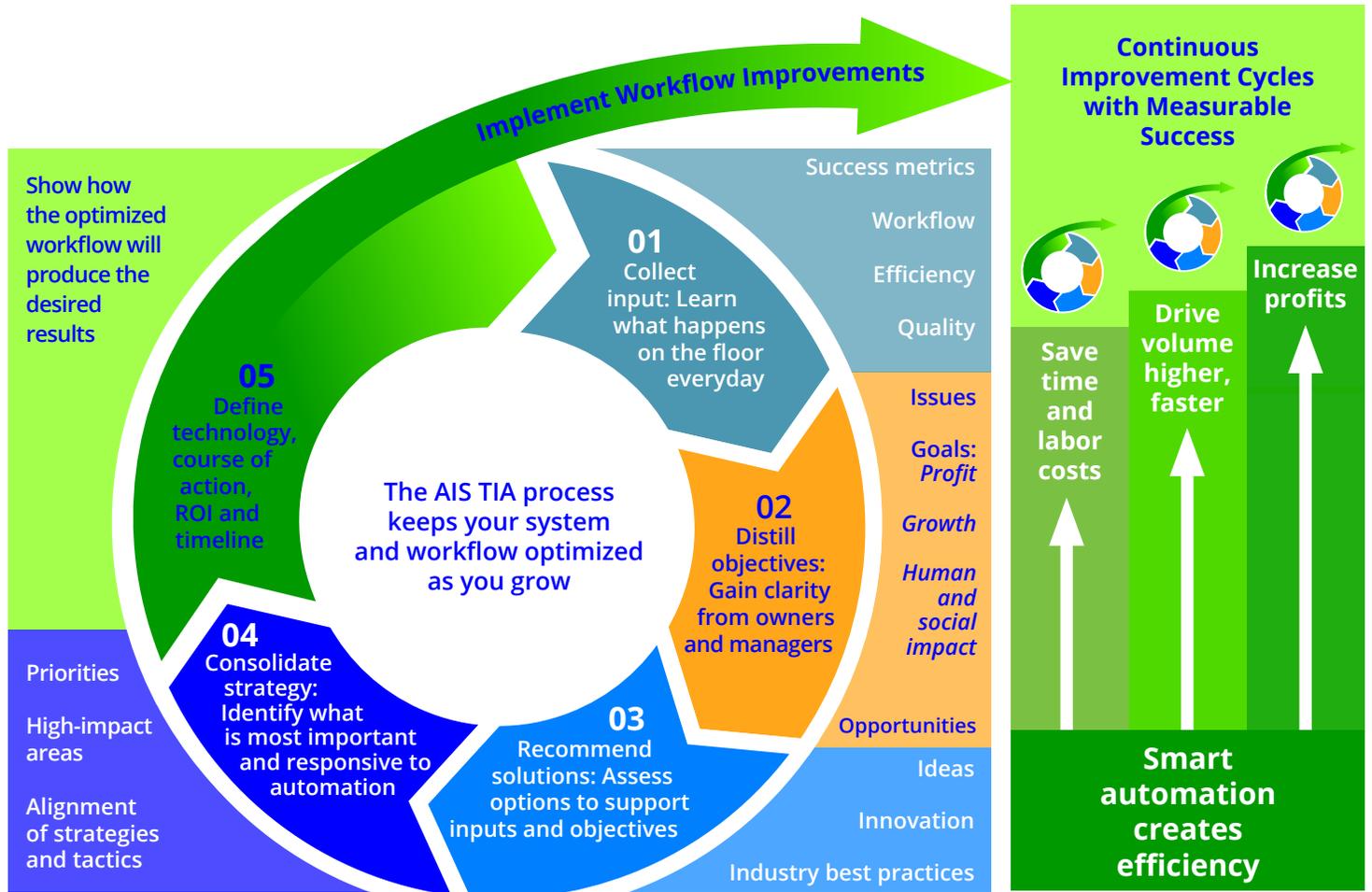
## Additional customized solutions that AIS created for this Manufacturer

1	Bill of Material costing functions
2	Production Scheduler for shop detail
3	Additional detail fields to Inventory
4	Automatic conversion of units of measure
5	Purchase validation to assist Receiving
6	Sales Configurator Question Maintenance
7	Alerts for automatic notification of schedule changes
8	Modified Shop entry for Work Order speed
9	Additional Sales Reports for regional analysis



## The AIS Technology Impact Assessment Process

We take a fresh look at your workflow with you and each of your departments annually to clearly define what's changing in your business. Then we pinpoint the technology, training and automations that will deliver the highest value benefit, and update your technology roadmap and priorities.



## Ongoing assessment

### How AIS ensures that technology helps this manufacturer do business their way

AIS created a personalized road map for this manufacturer showing how software would best optimize the workflow in their departments as they managed change, addressed problems, prepared budgets and mitigated risk. This Technology Impact Assessment (TIA) clearly defines problems, solutions, and a course of action to optimally automate their success. As technology experts who understand business processes and accounting, we lead an annual assessment with their team to uncover any workflow bottlenecks and problems, and identify where new capabilities are needed.

Then we recommend any additions and customizations that are specific to how they want their workflow to operate. Each project is connected to a measurable return on investment.

This beneficial process is the foundation for a flexible, integrated ERP solution that allows this manufacturer the ability and freedom to do business exactly the way they want—year after year.

## With AccountMate, You Can Change Anything

The manufacturer chose AccountMate because it's the most flexible accounting software available. It's a powerful mid-tier system that does 80% of what high-end corporate software does for only 20% of the lifetime cost.

Most importantly, it's the only system that offers the source code. That means that a consultant like AIS has the ability to change anything in the software's programming, cost-effectively, to fit the needs of a company. It's astounding how much freedom this brings—when you're not limited to just changing a few custom fields and reports.

The manufacturer knows they can state a problem or idea, and describe how they want things to work. And there always will be a way to make that happen for them in AccountMate.

### Problems drag down the profit margin

*"If it costs me \$1.5M to sell \$1M then I've lost money. It's not gross revenue. It's increased profit margin that I want. All these extra pieces of work—extra to produce, deliver, provide customer service, labor—diminish the profitability of a job."*

► General Manager

## Create a higher quality of life when you can change things easily

The company wasn't focused on transactional selling. They would never tolerate a company culture of believing that they can't trust their customers or their customers can't trust them. They were constantly challenging themselves to make it so that people had a better experience.

Flexible software from AccountMate gives the ability to improve the individual's experience at work and to help them produce their best work. When people can be successful and work is enjoyable, the business benefits too. By solving employee issues, they solve customer issues.



## **AIS: What can we fix, and make it better than ever for you?**

Our clients who've found the most value from technology are the ones who keep incrementally modifying their systems to help their people. When the manager says, "OK, now what department needs something next?"

It's worth it to spend a couple hours to make something flow better. If the AP clerk has a repetitive 20-step process spanning 5 AP screens, let's move all 20 functions to the same screen to free up their time for other work. AIS builds structures that expand with a great level of fluidity, making it possible for companies to keep growing without adding staff as often.

## **Use technology to create a culture of empowerment**

"If you have a problem or a pain point in your business you speak it aloud. Many companies don't do that, and then their pain increases," said Mark Hambleton, Founder of AIS.

"Once you name the problem, you clarify it, assess it and resolve it. You break out of the inefficiency of Dilbert. It's not, once it's set up it's as good as it gets. You can't even conceive of some of your best stuff right away. Technology is an ongoing process and you keep developing your business model and refining your workflow. Our intention is always, how can we make your people more self-reliant?"

*Let's start a conversation about your custom automation solution*

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Please [click here](#) to schedule a 30-minute consultation with AIS

