



# GLOBAL TALK

SECOND QUARTER 2009

Industry focus: **Electronics**



**Lean** leads  
into **Green**

Leading printed circuit  
board maker implements  
SYSPRO

SYSPRO helps electronics firm  
cut \$350K surplus inventory



## CEO's message

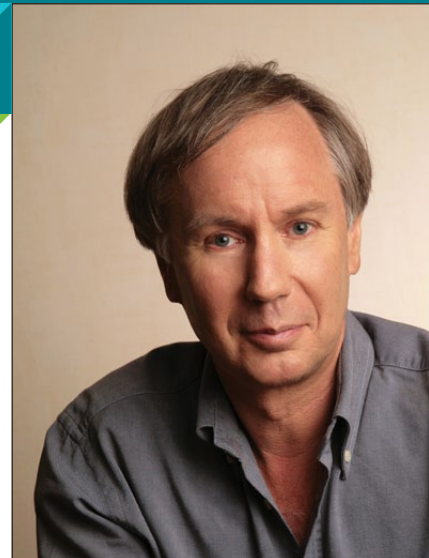
### Lean leads into Green

In the Q1 2009 edition of Global Talk, we focused on the Machinery and Equipment market, and I took the opportunity to look at the interaction between Lean Manufacturing and SYSPRO. Well, the theme for this Q2 edition is Electronics and Green which is, in a way, a natural progression.

In fact, recent academic research and surveys find the most compelling reasons for organizations adopting Lean are the economic and environmental benefits of going green. Leading organizations go beyond the basics of cutting waste and operating efficiently by embedding environmental considerations into all aspects of their operations.

Environmental regulations such as the Restriction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE) directives have forced manufacturers to re-examine the entire lifecycle and environmental impact of their products. Such compliance efforts have already resulted in cleaner, safer operations, reduced use and acceptable substitutions for hazardous substances, increased product recyclability and recovery, and improved transparency of information available to suppliers, trading partners, employees and customers.

The good news is that existing Lean programs can be leveraged to develop sustainable green practices, particularly in the area of waste reduction. Green opportunities for identifying and reducing waste in the lean supply chain can be found in various places: material costs, consumption of energy and natural resources, equipment efficiency, and education of key stakeholders. Manufacturers must be concerned with controlling pollution and environmental waste at its source in order to address the rising cost of energy and natural resources and the negative impact on



Phil Duff - CEO, SYSPRO

"SYSPRO is also forging ahead with online marketing strategies which include Twitter, You Tube and other Internet social networking media."

climate change and global warming. In fact, manufacturers can still achieve cost savings in addition to environmental benefits by integrating Lean and Green initiatives.

At SYSPRO, we believe that every company has a social responsibility, not only to the regions in which it operates, but to the global community as well. In line with this belief, SYSPRO continues to develop software solutions that enable businesses to attain new levels of efficiency - which in turn facilitates green practices. The result: implementing environmentally-friendly ERP capabilities can allow firms to cut costs while benefitting the planet.

This focus has in no way detracted from SYSPRO's performance. While the tier-one market leaders are struggling to understand the vast difference in requirements for smaller businesses, we have been in this space for over 30 years. We know what the market needs and have built these desired functionalities into the SYSPRO product. We will continue to help manufacturing and distribution companies realize their full potential by giving them an extra advantage that they can't get

from other software providers, even those serving the largest companies.

Another significant development is that SYSPRO recently launched a new corporate website aimed at providing users with a user-friendly, informative surfing experience. Given that quite a few bold marketing moves took place in the past five to eight years, including a successful rebranding exercise in 2002, we felt it was time to refresh the online user interface to ensure consistent branding as well as a clear message about 'Who we are and what we do'.

The result of 18 months of planning and development is a modern, fresh look with intuitive navigation and three-dimensional access to information. For example, you can research information by Industry, by Business Need or by Product Listing. Our development team was constantly mindful of the end user during the development phase to ensure ease of use and efficient access to relevant information.

SYSPRO is also forging ahead with online marketing strategies which include Twitter, YouTube and other Internet social networking media.

To wrap up, it gives me great pleasure to mention that SYSPRO's status as a major software supplier to SMB manufacturers and distributors has been endorsed by recent industry awards. Within the past month alone, SYSPRO USA was named 'Software Company of the Year' by the Technology Council of Southern California and 'Outstanding Private Technology Company' by TechAmerica.

As our customers, you are the key to our success. Thank you for your ongoing, loyal support. ❖

*Phil Duff*  
CEO  
SYSPRO

The screenshot shows the SYSPRO website homepage. At the top left is the SYSPRO logo with the tagline 'Simplifying your Success'. To the right is a search bar and a dropdown menu currently set to 'Africa'. Below the search bar is a navigation menu with links for Home, News, Partners, SYSPRO Product, Services, and About. The main banner features a blue background with a white seagull flying over a world map. The text on the banner reads: 'SYSPRO makes software that provides complete control over the planning and management of all facets of your business. We've been doing it for over 30 years'. Below the banner are three main content blocks: 'Global Talk' (inviting users to subscribe to a quarterly magazine), 'My Business Needs' (describing how SYSPRO helps with economic and technological challenges), and 'SYSPRO Product' (describing ERP technology for supply chain management). A 'My Industry' block is also present, describing how SYSPRO helps manufacturers and distributors. At the bottom of the page are several award logos, including 'SYSPRO technology council 2009 Company of the Year', 'SYSPRO TechAmerica 2009 Private Company of the Year', and 'Microsoft GOLD CERTIFIED Partner'. A 'Privacy | Terms' link is also visible.



# SYSPRO USA named 'Software Company of the Year' by Technology Council of Southern California

**S**YSPRO USA has been named 'Software Company of the Year' by the Technology Council of Southern California.

The award, presented on 30 April 2009, is based on extensive criteria including product innovation, commitment, sales/revenues, team building, a positive affect on the technology industry and involvement with trade organizations and legislative activities pertinent to the technology industry.

The 'Software Company of the Year' award by the Technology Council of Southern California is particularly meaningful, since Southern California is home to the second-highest concentration of software companies in the world. SYSPRO won the award in 2004 and was a finalist in 2005 and 2007.

The judging process for the 'Software Company of the Year' award is highly detailed. Nominated companies must first pass written scrutiny after which a team of judges visits the company offices of the finalists for in-depth interviews with company executives.

**SYSPRO**  
**technology**  
**council**  
**2009** Company  
of the Year

**SYSPRO**  
**TechAmerica**  
WHERE THE FUTURE BEGINS  
**2009** Private  
Company  
of the Year

Upon visiting SYSPRO USA, Technology Council Judge Charles Curton declared: "SYSPRO does have a very compelling story."

Brian Stein, CEO and joint Managing Director of SYSPRO USA, comments: "As one of the first companies to develop an Enterprise Resource Planning (ERP) software solution, SYSPRO has continued to innovate its single product offering, adding unparalleled functionality, ease of use and customization capabilities that enable SMB manufacturers and distributors to successfully compete in their respective industries by 'leaning' and 'greening' their operations."

SYSPRO USA pioneered a green solution by introducing the SYSPRO Material Yield System (MYS), which enables cut-shape suppliers to reclaim remnants for future use, saving them from landfills. Today, SYSPRO USA's 'green' leadership is embodied by 'Project Green

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compelling story."

Enable', a program focused across three dimensions: Waste Reduction and efficiencies; Recyclable/Re-Use of Resources; and Energy Efficiency.

In addition to MYS, SYSPRO USA also launched Document Management, a cost-effective, 'green-minded' solution set that enables mid-market manufacturers to gain new cost and time efficiencies while addressing regulatory compliance mandates.

"SYSPRO's more thoughtful approach to adopting new technology, such as web services and SOA platforms, also reflects the desires of its buyers who are driven by business needs and not by the latest headlines. This exemplifies SYSPRO's ongoing strategy of helping to simplify the success of its customers," Stein says. ❖



# SYSPRO positioned in **ERP Magic Quadrant Report**



**S**YSPRO has been recognized in Gartner's recently released 'Magic Quadrant for Midmarket and Tier-2 Oriented ERP for Product-Centric Companies'. SYSPRO is positioned in the report as a 'challenger'.

Gartner's Magic Quadrants graphically display vendors, rating them on two criteria: completeness of vision and ability to execute. For the varying industries, the Magic Quadrant then positions the vendors into one of four quadrants: Leaders; Challengers; Visionaries; and Niche Players.

The Magic Quadrant for Midmarket and Tier 2 -Oriented ERP for Product-Centric Companies addresses the needs of product-centric companies or divisions of enterprises with between 100 and 999 employees, and with annual revenue between \$50 million and \$1 billion. These enterprises have limited IT resources and seek ERP systems that support their differentiating business processes well with deep functionality, but do not require significant overhead in the non-differentiating business areas (meaning the systems must minimize total cost of ownership (TCO) and complexity).

Gartner is the world's leading information technology research and advisory company. It delivers technology-related insight to 60,000 clients in 10,000 distinct organizations which range from corporations and government agencies to business leaders in high-tech and telecom enterprises, professional services firms and technology investors. Founded in 1979, Gartner is headquartered in Connecticut and has 4,000 associates, including 1,200 research analysts and consultants in 80 countries. ❖

## Some **electrifying** comments



### **Extreme CCTV (Canada)**

SYSPRO's strength is its out-of-the-box flexibility.

### **Travis Industries (USA)**

Visibility is key to customer service. All personnel now have up-to-date information at their fingertips and can, therefore, pass on the most accurate data to customers.

### **McWade Productions (Pty.) Ltd. (SA)**

We are using SYSPRO 6.0 across our organization's stores, inspection, manufacturing and accounts. Previously our stores were totally manual. With SYSPRO 6.0, our dispatch clerks have gone from writing up their transactions and counting nuts and bolts manually to using the system. Our inspectors have undergone the same development. It's a great testimony to the user-friendliness of SYSPRO 6.0.

### **EPM (Canada)**

When we first implemented SYSPRO we were probably doing \$8-million in annual revenue. We're now in excess of \$60-million. When we mapped our plans for global expansion, we believed that SYSPRO would grow with us, and that's proving to be the case. We've grown relatively quickly, which can present many capacity and capability challenges. However, SYSPRO has kept up with our growth.

### **Daniels Electronics (Canada)**

We have considered much more expensive ERP products, but they didn't offer more than we already have, and SYSPRO has provided solutions to meet all our needs. As well, we've always had excellent support from SYSPRO. Any time we've had a problem they've been there to get it fixed. They've helped bring us to the next level.





## SYSPRO enables Green Tek to go greener

**G**reen Tek, a privately-owned company based in Wisconsin, needed a comprehensive ERP solution with sophisticated inventory capabilities to optimize the management of its operation while simultaneously maintaining its focus on the environment.

The company is a converter, fabricator and master distributor of packaging materials, greenhouse coverings, thermal glazing and materials handling products. From its location in the centre of the US, Green Tek is able to capitalize on the region's beneficial resources, which include a quality, skilled labor force and efficient shipping lanes to all points in North America.

Green Tek products include polycarbonate multi-wall and corrugated sheeting, shade cloth and poly films that come in multiple tints with UV protection capabilities. Green Tek cuts these products to order according to specifications from customers, which include distributors and green house growers.

## Green.tek

Because the company's business relies on smaller-size orders from a broad customer base, Green Tek President and Co-owner Eli Bracha is actively involved in sales along with an in-house sales representative and a vice president of sales who travels extensively to customer sites. The company's customer service orientation is also much in evidence from a full-time, in-house trouble shooter whose job is to track orders and ensure on-time deliveries.

Green Tek had been using a combination of MAX ERP software and Great Plains Dynamics, both of which were installed in 2000. However, the software was not meeting the company's requirements.

Sandy Boyer, Green Tek Finance Manager, says: "Every sales order required a general part





number for the material. Then, underneath there had to be a note to the customer and our shop floor with verbiage to the effect 'out of this material we need three sheets of this size, four sheets of this size and eight sheets of that size.' It was very cumbersome, and we wound up with a lot of scrap." The software also failed to maintain order histories, requiring re-orders to be treated as new orders.

When a re-implementation of the MAX software in 2002 failed to produce the kind of information needed by Green Tek, it prompted an intensive search for a new solution. "We were very hard on everyone we interviewed," recalls Boyer.

After narrowing down the choices, SYSPRO came out on top, primarily due to the software's extensive inventory capabilities - in particular, the SYSPRO Material Yield System. The MYS is unique in its ability to reclaim remnants from larger cuts and return them to inventory, enabling customer-specific dimensional requirements to be matched against existing inventory to determine if remnants can be used to fill an order.

The SYSPRO Material Yield System was initially developed at the request of Tri Star Plastics which faced a remnant problem similar to Green Tek. Tri Star estimated that approximately 40% of its inventory sat in remnants at any one time.

Richard Cedrone, company president, convinced

SYSPRO to apply its application development expertise to come up with a reclamation system. He reasoned that all cut shape suppliers, including those in steel, rubber, paper and lumber, had the need for such software. He also pointed out the highly favorable environmental impact of such a system, as maximizing the use of remnants could significantly reduce the amount of scrap relegated to landfills.

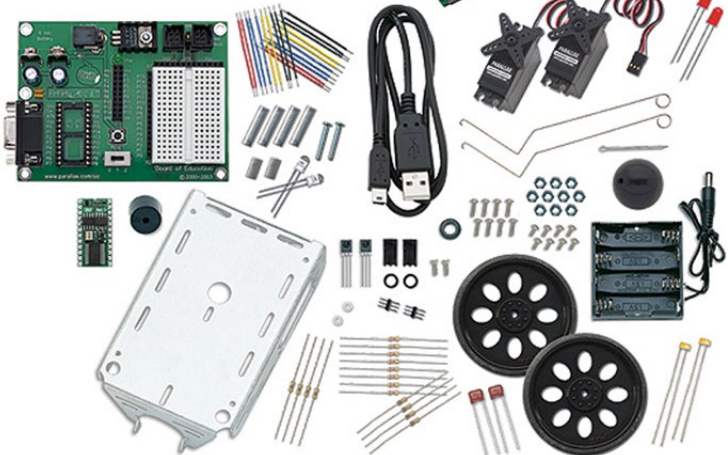
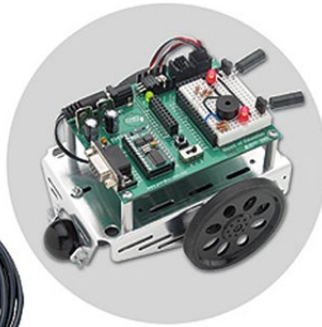
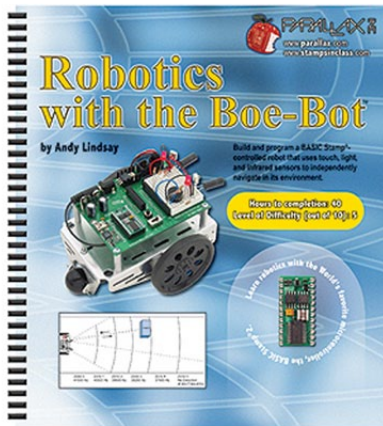
The SYSPRO software, including the Material Yield System, went live at Green Tek on 1 January 2004. Today, the software is used by 34 concurrent users who "apply the full force of SYSPRO accounting, MRP, customer relationship management and ODBC solutions to bring greater efficiencies to Green Tek," says Boyer, who particularly lauds the Material Yield solution.

"What I like about the MYS system is that it performs automatic yield calculations and, as a result, orders turn around more quickly," she says. "Plus, we can determine whether the remnant is of a sufficient size to return to stock. If it is, the MYS will automatically create new part numbers and values, and the remnants become part of the inventory from which new orders can be calculated."

Commenting on SYSPRO MYS's return on investment, Boyer says: "It certainly has made us much more efficient, saving Green Tek money on both the production and warehouse side. It has also enabled the sales side to see things faster and clearer and save time on the way we process paperwork." ❖



# SYSPRO helps electronics firm cut \$350K surplus inventory



**S**YSPRO has helped Parallax, an electronics industry customer, to reduce inventories by \$350,000 while eliminating out-of-stock conditions.

Based in California, Parallax is a designer and manufacturer of microcontrollers, sensors and robotic components for hobby, educational and commercial use.

Parallax leverages heavily off SYSPRO Materials Resource Planning to view, analyze and manage real-time inventory figures on the web. Inventory control is particularly complex for Parallax's dual manufacturing facilities on two continents - a US surface-mount assembly plant and an electronic assembly and chip testing operation in China.

Ken Gracey, Parallax Vice President of Sales and Marketing, says: "SYSPRO has made a

major difference in our ability to compete. We have an internal chart showing how SYSPRO MRP has reduced our total global inventory by 16.1%. This has made a substantial impact on our business - particularly in this market."

Prior to implementing SYSPRO MRP, Parallax was frequently out of stock on key finished goods and overloaded with an excess of raw materials and the wrong finished goods. "The SYSPRO MRP set-up requirements were instrumental in getting the company to carefully analyze manufacturing run times, operation and Bill of Materials correctness and lead times for a variety of processes and parts, including made-in goods, sub-contracted, kitted products and parts manufactured offshore. When you add in our requirements planning from a variety of warehouse demands, we've got a fairly complex system to manage," Gracey says. ❖

# SYSPRO drives **success** of smaller electronics makers

**A** new TechVentive special report details how SYSPRO software is addressing the specific needs of small and mid-sized electronics manufacturers.

According to the TechVentive report, the concerns of smaller electronic firms are many: rapid product obsolescence; high product development and capital costs; price pressures; quality control; and emerging concerns on financial compliancy, traceability and regulations.

Brian Sommer, President of TechVentive, comments: "SYSPRO offers a number of advantages, including regulatory compliance functionality that may come in handy for smaller electronics firms that hope to go public or be acquired by a larger, publicly traded firm."

"SYSPRO supports regulatory and legislative compliance requirements out of the box. Given the size of the company and the successes it has secured already in the space, we believe SYSPRO should be on the short list of many electronics technology selections."

"SYSPRO offers a number of advantages, including regulatory compliance functionality that may come in handy for smaller electronics firms that hope to go public or be acquired by a larger, publicly traded firm."

– *Brian Sommer,*  
*President of TechVentive*

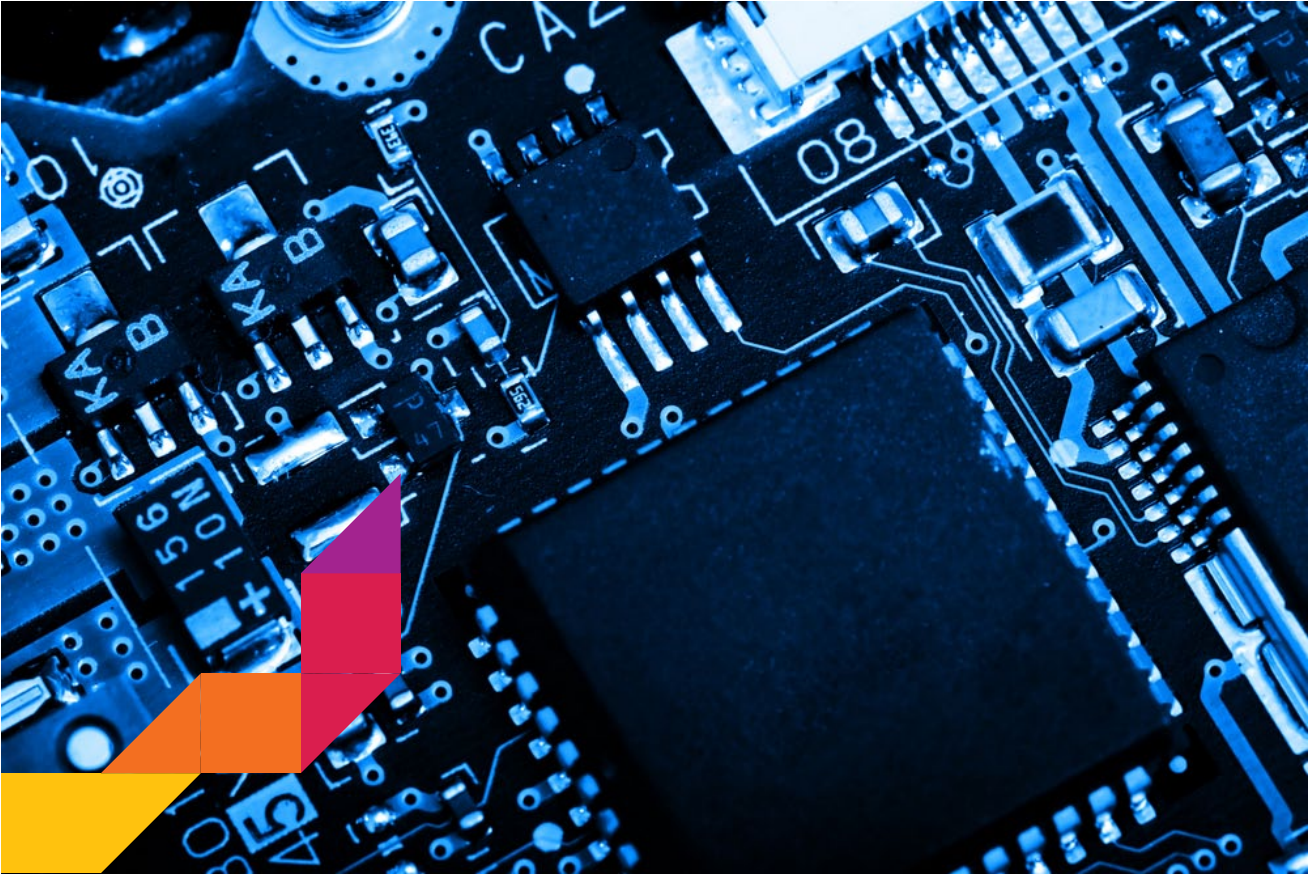
In addition to standard ERP functionality, the report indicates that interviews with electronic firms specifically cite modules such as Lot Traceability and Return Merchandise Authorization (RMA) to be of particular value, but only if they are fully integrated within the product suite architecture. The report also recommends that electronic firms choose an ERP solution with an SOA (Service Oriented Architecture) platform to connect their systems to those of their supply chains and value chain partners.

"Without a flexible architecture, the cost and time required to make these frequent connections would be excessive," Sommer says. ❖





## SYSPRO brings electrifying results to Astute Electronics' supply chain operations



**A**stute Electronics, a specialist in the sourcing, testing and supplying of high-quality semi-conductors for demanding applications, has underpinned its supply chain with an innovative SYSPRO solution.

The system has enabled Astute to surge forward as one of the world's leading suppliers of fully tested and guaranteed electronic components. Established in 1989, Astute is ISO9001/2000 approved and has a turnover of \$45-million. The company is the UK's largest independent supplier to the military and has a warehouse facility in Scotland that holds \$70-million in stock. Its UK operations also serve Europe, with the Americas and China supported by their own dedicated offices.

Astute's products are used for a wide range of applications and its customer base includes the military, aerospace, avionics, contract electronic manufacturing, automotive, electronics

distribution, IT, instrumentation and broadcast markets.

Since going live with SYSPRO in October 2006, Astute has not looked back. The solution is tailored to strengthen the company's supply chain and deliver total visibility across the entire enterprise, with links to the various sites made possible via secure Internet access. Now on the latest issue of SYSPRO (issue 10, SP2), Astute's solution includes the Finance, Distribution, Bill of Materials and Return Merchandise modules.

### Out with the old

Simon Humphreys, IT Manager at Astute, says that the SYSPRO system is light years away from the company's original system, which was antiquated, inflexible and difficult to administer.

"With SYSPRO, we can generate any type of report we need virtually instantly, giving management immediate visibility. We have also

developed dashboards for senior personnel so that they can instantly access information and this gives them the ability to gain an immediate view of business performance,” Humphreys says.

By allowing only authorized personnel to make changes, Astute has also enhanced the security of its data. SYSPRO’s security features give more control over the system, which gives the company confidence in the information.

### Lot Traceability supports Astute quality

Lot Traceability is extremely important for Astute. When goods come into the company, they are meticulously matched against purchase orders. The products undergo stringent testing and benchmarking, and the results are recorded in SYSPRO. With this rigorous approach, Astute is able to provide a comprehensive one-year warranty on all its products.

“Accurate traceability is a must for us and SYSPRO provides a centralized information resource that records everything about our products,” Humphreys says.

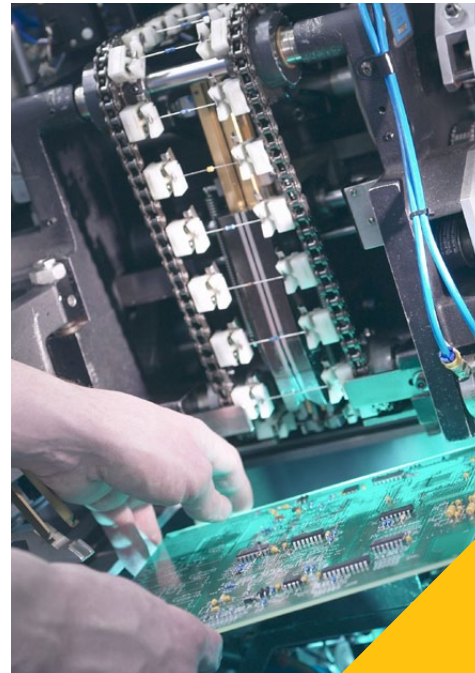
### SYSPRO delivers simplicity of use

Humphreys describes Astute’s operation as ‘straightforward’. On the surface, this is true: the customer orders a product; Astute procures, tests, warrants, ships and invoices. However, Humphreys acknowledges that this is due to the control that SYSPRO has brought to the company and that it really is an exacting, sophisticated procedure.

“Our process begins with an order and these come in various ways – email, fax and telephone. We input these into the system and obtain a quote for the items. We have to match the part number the customer uses to those used by our suppliers, but with the comprehensive records we have in SYSPRO this is not difficult. It lets us see what was bought before, who supplied and supplier options.

“We then send the quote to the customer. The customer confirms via a purchase order, we order the part, it comes in and we send it for testing to the QA Department. Once we are satisfied that the product will perform its job, it is dispatched and the accounting procedure takes over,” Humphreys says.

The cycle varies depending on the product, but with SYSPRO the company has total control,



has optimized its procedures and shortened the process.

“We are a lot more in control of what we do. SYSPRO speeds up the process incredibly – from order to shipment we have shortened the cycle by 15%. This means we can invoice earlier, and with the growth in business comes the growth in inventory levels. The system provides a clear picture of what we hold and allows us to tightly manage stock levels,” Humphreys says.

### Extending the reach of SYSPRO

Astute has interesting plans for developing its system further. This is due to the way SYSPRO moulds to the exact needs of the company.

“The great thing about SYSPRO is that all is possible. It is extremely flexible and has the power to support anything that we expect of it. Our dealer, K3, is writing bespoke add-ons to allow us to perform more customization of the system. In addition, we will integrate our dispatch agent’s booking and delivery tracking software so that we have a seamless record of when we shipped the product and when it was delivered. This further bolsters our customer records and keeps everything within our centralized system.

“SYSPRO reflects the way we approach our business. It has all the power we need to take the company forward and it fits well with our vibrant, go-ahead culture,” Humphreys concludes. ❖



## EPM & SYSPRO: An electric combination

**A**n electrical manufacturing services (EMS) company headquartered in Ontario, EPM has evolved from a focus on supply chain management to a full service, ISO-certified EMS provider.

EPM started out as a materials management company in 1993, helping its customers to buy their components more efficiently and out-source their manufacturing needs.

In 1999 EPM began buying its own manufacturing equipment. Lianne Bastien, EPM's Chief Financial Officer, says: "At first, we performed some printed circuit assembly, testing and integration. By 2000 we were 100% self-sufficient and box-build capable."

By servicing the low- to mid-volume niche of the electronics market, and by making appropriate investments in state-of-the-art manufacturing technology, the company has averaged more than 30% annual growth. EPM's



and inventory modules. "We have always found SYSPRO to be very user friendly and the training aids are helpful. From a user perspective, even from the beginning, the software was relatively easy to navigate, and over the years the on-screen drill-downs have continued to improve. In addition, one of the many functional benefits of SYSPRO is that the accounting package is integrated into the ERP."

Over the years, EPM has implemented additional SYSPRO modules and learned to use its existing applications more efficiently. Because of the company's background, one of EPM's key differentiators is the diligence with which it manages its supply chain.



core business is the provision of outsourced electrical manufacturing services to large OEMs, primarily Fortune 500 multinationals, or companies in industries that are predicted to grow.

During its early years, EPM relied on a small ERP software package. As the company expanded, Bastien and her colleagues identified the need for an ERP solution that was more flexible, scalable and user friendly.

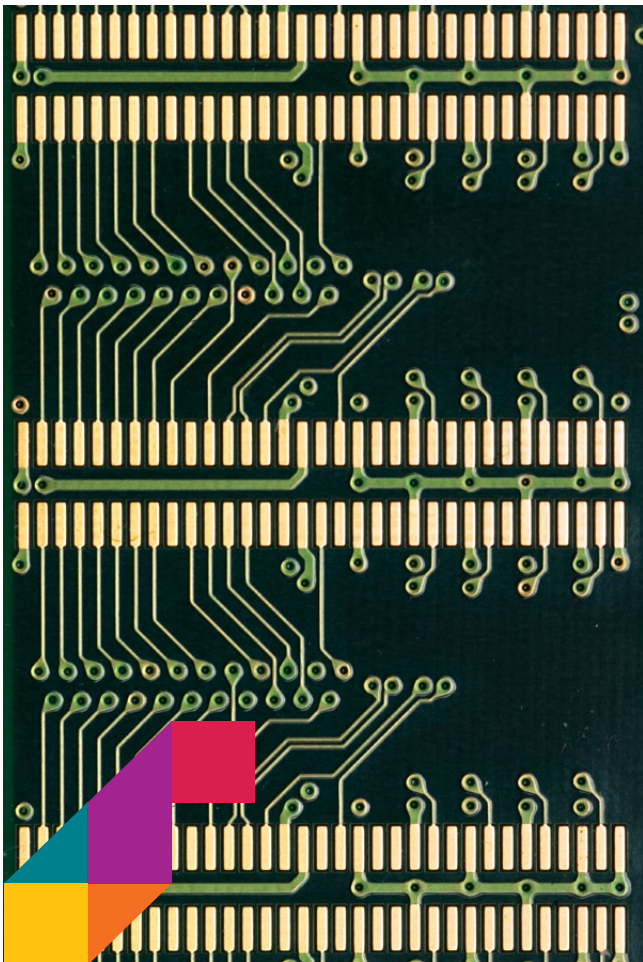
"When we looked at all the evaluations, SYSPRO appeared to be the best value overall, considering both the cost of the software and the cost of its implementation," Bastien says.

EPM initially implemented SYSPRO's financial

"We are very reliant on SYSPRO's Inventory Module," says Bastien. "Part of our success is the ability SYSPRO gives us to accurately monitor the flow of materials."

The company has expanded into new markets over the past three years. "When we first implemented SYSPRO we were probably doing \$8-million in annual revenue," says Bastien. "We're now in excess of \$60-million. When we first mapped our plans for global expansion, we believed that SYSPRO would grow with us, and that's proving to be the case. We grew relatively quickly, which can present many capacity and capability challenges; however, SYSPRO has kept up with these challenges." ❖

# Leading printed circuit board maker implements SYSPRO



**S**YSPRO Asia-Pacific acquired its largest site for 2008 when leading printed circuit board maker Apex Circuit (Thailand) selected SYSPRO to provide a new ERP system for 150 concurrent users.

Apex Circuit, a leading Thai manufacturer of double-sided and multi-layer printed circuit boards (PCB), was established in 2001 and has grown rapidly to employ around 2000 people.

The company produces approximately 130,000 square meters of printed circuit boards a month – roughly the area of 20 football fields – to supply global manufacturers including Canon, Samsung, Epson, Sharp, Sony and Thomson. Its printed circuit boards can be found in virtually every type of electronic product

from televisions to white goods, telephones and computer equipment.

With an accounting system that was failing to meet the company's growing requirements and no ERP system, Apex Circuit sought a solution that could integrate its separate databases, provide more comprehensive reporting and improve inventory as well as job scheduling across its two separate manufacturing plants.

Maliwan Chinvorakijkul, Chief Financial Officer of Apex, describes the consequence of each department writing and running its own applications. "It was time-consuming to close accounts and provide integrated management reporting. The separated systems also meant double-processing of data," she says. "Our rapid growth meant that our existing systems were no longer meeting our financial control and reporting requirements."

The new SYSPRO system is currently being implemented and is scheduled to go live in late 2009. Running off a single server in both Thai and English, the system will integrate the production, distribution and financial processes of Apex.

The new solution will assist with managing capacity and production planning to meet customers' varying deadlines, manage the shelf life of circuit boards (First In, First Out) and improve business intelligence. SYSPRO will also be linked to signage around the plant to enable live displays of measurements such as quantity, quality and defects.

Maliwan explains that after extensive evaluation of other global ERP packages, Apex chose SYSPRO because it best met the company's requirements.

"SYSPRO can be easily customized – our IT team is familiar with VB and Microsoft .Net," she says. "It had the shortest implementation time and strong local support. SYSPRO's business intelligence and graphical planning boards are additional important features." ❖



## ALC reduces inventory and frees up cash flow with SYSPRO



**A**ustralian Lift Components (ALC), Australia's largest designer and manufacturer of high quality elevator fixtures, has reduced its inventory from A\$1.9 million to \$500,000 by implementing a comprehensive SYSPRO solution.

ALC provides the buttons that bring a lift to your floor, the LED display systems that show you where the lift is now, the audio warnings that tell you what floor you are on, and the control panels that ensure the lift takes you where you need to go.

Established in 1974 and a subsidiary of Dewhurst plc, ALC supplies all the major elevator companies in Australia and in recent years extended its reach into international markets including New Zealand, Papua New Guinea, Malaysia and China.

ALC's business is one of bespoke or make-to-order manufacturing, and it operates in a competitive market where price and deliverability can make or break a contract.

In 2000, when ALC was sold to the Dewhurst Group, data was captured in a variety of documents and reporting was a manual process. In late 2000, in an effort to streamline the administration and management of the growing family of companies, Dewhurst decided it was time to deploy an ERP system and selected SYSPRO.

Coincidentally, ALC Managing Director Chris Carroll arrived at a similar conclusion at the same time. "We had excessive inventory so we



wanted to streamline our stock and improve cash flow. We're a small business but because of the highly customized nature of what we create, we used to carry \$1.9 million worth of raw material stock plus work in progress," he says.

Buoyant building conditions had brought a new competitiveness to the Australian market, so getting the right inventory mix and stocking rates for a couple of thousand line items was crucial.

"We looked at the alternatives but came up with SYSPRO as a system that would be acceptable for Australia. The software seemed to be a solution that broadly suited the group and all our differentiations worldwide."

In early 2002, ALC placed its order. The deployment involved almost every available SYSPRO module - from accounts payable and receivable, general ledger and cash book to inventory, bill of materials, quotations and work in progress.

Scott Cutler, Logistics Manager of ALC, explains that the solution is now deeply embedded in ALC's business processes. "It's used by about 16 staff on a regular basis. Whether you are looking at the installation of a new lift or a modernization project, it all starts with the preparation of a quotation in SYSPRO. If the bid is successful we convert that information to a sales order, then we bring together all the customer requirements to create a job and the bill of materials."

One of the first benefits of the system was its automated reporting. ALC now runs daily reports for local and UK management showing incoming orders, orders dispatched, and invoicing. The reports match the format used in the UK and provide an accurate, up-to-date picture of the Australian business.

In almost seven years since the solution was deployed, ALC has reduced its inventory from \$1.9 million to \$500,000 of raw material stock plus work in progress. Carroll is confident that in time this figure will be further reduced to \$350,000 worth of stock. "We've improved cash flow and therefore the dividends going back to the group," Carroll states. "The system has also helped us to be more efficient. It's been a catalyst that has led us to evaluate the business on an ongoing basis."

Co-ordination between departments has dramatically improved, with everyone focused on working towards the same goal. "People

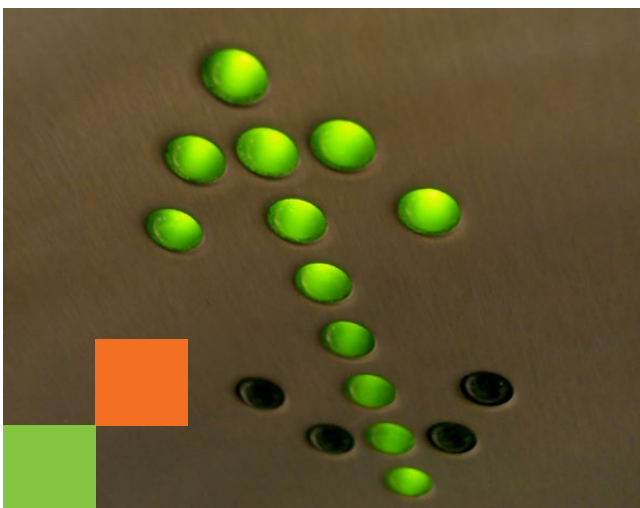


have a greater comprehension of our business and how the activities of one department can impact on another," Carroll says. "For the majority of our people who use the system on a daily basis, SYSPRO has become second nature."

The company is now looking at integrating AutoCAD and SYSPRO with the intention of generating designs and accompanying quotes more quickly. At present the two separate processes can take up to a week to complete. Cutler believes that with integration this time may be reduced to one day - delivering a dramatically faster result for customers. And once the design and quote are approved, all the information can be converted into production very quickly.

"Over the years, our business has expanded and we've moved to bigger premises, investing significant sums into the plant. Yet we've been able to retain key staff while reducing overall employee numbers because we replaced manual processes with automated ones; we were suddenly able to do more with the same workforce. Lean processes have also given us other efficiencies along with more speed," Carroll concludes.

Perhaps the final proof statement of ALC's ERP deployment is in the subsequent adoption of SYSPRO as the standard ERP solution for the entire Dewhurst group. Since going live in the UK and Australia, SYSPRO has been deployed in Dewhurst subsidiaries throughout the world including the USA and Canada. ❖





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