



SUCCESS STORY – Kwalyti Tool



Kwalyti Tool Implements Epicor to Support Profitable Growth



Success Highlights

Challenges and Opportunities

- During the core start-up years, Kwalyti Tool lacked an integrated business software solution to support business management and control
- Without a system in place to accurately track job hours and material costs, Kwalyti Tool was grossly under charging for their services, which resulted in year-over-year profit loss

Epicor Solution and Services

- Epicor ERP

Why Epicor?

- Depth of functionality, affordability and excellent customer support services
- Epicor has proven to be one of the most valuable investments Kwalyti Tool has ever made

Benefits

- Grew sales from \$300,000-\$500,000 a year to more than \$5.5 million
- Realized ROI in less than three months
- Achieved more efficient job management
- Improved the speed at which jobs are created and completed
- Reduced postage cost from \$3,500 a year to less than \$1,200 using Epicor Advanced Print Management (APM)

Company Facts

- Location: Batavia, Illinois
- Industry: Industrial Machinery
- Number of Locations: 1
- Web site: www.kwalyti.com

KWALYTI®

“Epicor radically improved our profitability. We weren’t growing prior to the implementation because we weren’t accurately charging for our work. Without a proper quoting system in place, we were glancing over materials and underestimating hours spent on projects. Now with Epicor, we track every asset that goes into a job, which has made us more profitable and much more competitive.”

Gordon Erickson, owner, Kwalyti Tool

Based in Batavia, Illinois, Kwalyti Tool is a leading supplier of top quality parts, services and custom tooling for the thermoform packaging industry. Since 1990, Kwalyti Tool has been working with industry-leading food, medical and consumer goods companies finding solutions to their packaging requirements and providing guaranteed services that consistently meet OEM specifications. Typical products the end user would package include meat products, like sliced lunchmeat or hot dogs, to medical products, such as suture removal kits and syringes used in hospitals.

About Epicor

Epicor is a global leader delivering business software solutions to the manufacturing, distribution, retail, hospitality and services industries. Founded in 1984, Epicor serves 20,000 customers in more than 150 countries, providing solutions in over 30 languages.

EPICOR®

The Challenge

Kwalyti Tool is a very successful company with exceptionally satisfied customers. During the core start-up years, however, Kwalyti Tool lacked an integrated business software solution to support business management and control. Without a system in place to accurately track job hours and material costs, Kwalyti Tool was grossly under charging for their services, which resulted in year-over-year profit loss. Challenged with manual reporting procedures, and highly fragmented information systems, the decision to integrate was critical to boosting Kwalyti Tool's bottom line. Kwalyti Tool went shopping for an end-to-end enterprise resource planning (ERP) solution with a built-in warehouse management system (WMS) that could track everything.

The Solution

Epicor came highly recommended, and in 1995 Kwalyti Tool purchased Epicor Vista software, and later upgraded to the Epicor 9 next-generation ERP solution. Epicor provides Kwalyti Tool with a powerful solution to ensure no hours are lost on the shop floor, and usage of all machines and equipment are accounted for in order to provide accurate quotes and estimates to their customers, thereby increasing profits and gaining a compelling advantage over their less efficient competitors.

With a fully integrated solution in place, Kwalyti Tool immediately became more profitable and realized an impressive return on investment (ROI) within the first three months. Profits increased significantly in the first year and grew to be much larger than what Kwalyti Tool originally invested to buy the software. Today, Kwalyti Tool has dramatically grown its sales from \$300,000-\$500,000 a year to more than \$5.5 million.

Gordon Erickson, owner of Kwalyti Tool, said, "Epicor radically improved our profitability. We weren't growing prior to the implementation because we weren't accurately charging for our work. Without a proper quoting system in place, we were glancing over materials and underestimating hours spent on projects. Now with Epicor, we track every asset that goes into a job, which has made us more profitable and much more competitive."

Leveraging technology to free up internal resources, Epicor has also helped Kwalyti Tool maintain a small, yet more productive staff. "We have 18 people doing \$5.5 million worth of business, and we compete with other companies that employ more than 50 people to do the same amount of work. With Epicor, we continue to be more profitable each year without having to make changes to our staff," said Erickson. By automating routine administrative processes, Epicor has decreased the amount of staff time spent on managing non-value added tasks.

Improved Job Management

Switching from hand-written job records filed in three-ring binders to a serialized tracking system that automatically monitors assets, inventory, materials and labor, Epicor supports Kwalyti Tool in efficient job management. Kwalyti Tool uses Epicor Manufacturing Execution System (MES) to accurately record and manage time across projects, jobs and services for better planning and costing. Within Epicor MES, Kwalyti Tool can also search material availability at the time a job is entered to determine whether a project can be started and completed within a scheduled time period – knowing what's in stock has also reduced the amount of time spent on searching for parts.

Job setup is faster and easier too. Epicor Job Management and part method entry keeps track of both custom and repetitive part methods of manufacturing for the shop floor so minimal effort is required for repeat parts. Plus, built-in analysis tools provide the quick and accurate reference necessary for re-quoting a part. Using Epicor Business Process Management (BPM), employees are automatically prompted if information is missing or is wrong when a job is entered into the system, further reducing errors downstream.

"We are gaining efficiencies and saving costs at every level with Epicor," said Erickson. "Epicor has greatly improved the speed at which jobs are created and completed. With automated controls in place, we are ultimately accomplishing more in less time with substantially fewer mistakes. A job that used to take 16 to 20 hours can now be completed in as little as four to six hours."

Better Customer Service

Epicor has made Kwalyti Tool's customer service extremely powerful. Epicor monitors and controls every aspect of a job, so employees can easily access information to quickly and easily respond to customers. Additionally, everyone is trained and has access to the system so customer calls are not just limited to a salesperson; instead anyone who picks up the phone can take an order to meet customer deadlines, check on the status of a job, or look up the history of a previous job.

"No competitor comes close to the job records we keep," said Erickson. "With Epicor, we have better access to historical records. We can find anything a customer has ever done with us, all the way back to 1996, by simply looking up a job number. Epicor has improved our overall responsiveness to customers which has significantly increased customer satisfaction."

Better Financial Management

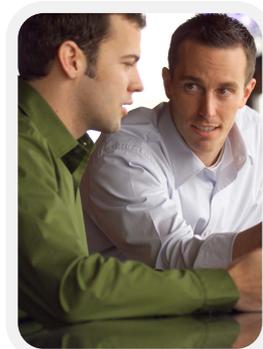
Kwalyti Tool needed more than a simple accounting packaging to manage their financials. Epicor Financial Management acts as Kwalyti Tool’s in-house accountant, enabling the company to issue invoices, generate balance sheets, and prepare revenue and expense reports, all internally. With powerful built-in financial management modules that are tightly integrated with their ERP suite, Epicor’s financial services solution has significantly improved accounting accuracy, and greater financial transparency has lead to better future planning. Kwalyti Tool monitors jobs on a daily basis, and can easily produce month-end reports to review vital areas, and help determine trends for both the purchasing and inventory departments.

With greater visibility into sales, Kwalyti Tool will also be more successful in justifying the case for buying new equipment. Plus, with a new virtualized server, Kwalyti Tool has cut down postage cost from \$3,500 a year to less than \$1,200 using Epicor Advanced Print Management (APM), which enables Kwalyti Tool to send invoices, quotes and job orders to their customers electronically. Epicor APM also allows everyone at the company to generate exactly the same document at a later date if a customer misplaces it.

Epicor Over the Competition

Over the years, other competing software vendors have approached Kwalyti Tool to try to persuade them to trade their ERP solution, but Kwalyti Tool has never been able to justify a switch, and never thought other solutions would exceed what they have with Epicor. “Epicor is a far better software solution compared to what other vendors are selling. Even SAP, for example, didn’t show us a system that was better or more powerful then Epicor, and we would still need to pay extra for training,” said Erickson.

Kwalyti Tool remains committed to Epicor for its depth of functionality, affordability and excellent customer support services. A lot goes into being a successful manufacturing business. Using Epicor over the years has proven to be one of the most valuable investments Kwalyti Tool has ever made.



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