

Aluminum Line Products Company

AXIS™ ERP

Aluminum Line Products Company Taps AXIOM ERP for Business Transformation



ALPCO Outgrows Homegrown Software Solution

Aluminum Line Products Company (ALPCO), a key supplier of aluminum and stainless steel products to the commercial transportation industry, faced a roadblock of sorts. Founded in 1959, the Westlake, Ohio-based private company had grown to become a key supplier of standard and custom coil, blanks and other components to manufacturers and after-market suppliers of truck bodies, tractor trailers, horse trailers and other aluminum-walled trailers. Company executives, though, realized that sustaining growth would not be possible with its homegrown software system. The system, which had been in place for 12 years, had become more of a problem than a solution.

“There were three driving forces behind the decision to improve the enterprise software system,” explains Jeremy Moorman, ALPCO’s IT Director. “There were growing problems with material planning and management, production recording and shop floor control and management reporting.”

More specifically, the company’s inventory was both aging and growing. Scrap rates were too high and having an impact on margins. The company president was spending six days per month gathering information to determine where ALPCO stood on inventory and margin performance. In short, the problems were significant and getting worse.

According to Moorman, ALPCO began an open-ended process to implement new information technology that would correct the inefficiencies and lack of timely insights into operations. The company developed a list of capabilities that were essential and then evaluated several software solutions to see how they compared. ALPCO also explored what it would take to transform its legacy system into a solution that could serve its needs in the future.



ROI at a Glance:

Implementing the AXIOM ERP solution helped Aluminum Line Products Company dramatically improve core business processes. Specifically, Aluminum Line Products Company experienced the following results:

- Inventory accuracy greater than 99 percent, resulting in reduced inventory levels.
- Time to prepare profit margin reports reduced from five days to three hours.
- Scrap levels reduced from three percent to less than one percent.
- A 50 percent reduction in monthly closing workload requirements.
- A 50 percent reduction in accounts receivable activity.
- Real-time analysis of customer accounts by sales force.

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— *Jeremy Moorman*, IT Director, Aluminum Line Products Company

ALPCO Picks AXIS for Metals Industry Functionality

The hands-down winner of the evaluation was the AXIOM ERP solution. “The evaluation team was impressed with the insights of AXIS experts into the unique requirements of the metals industry, and the way they had applied those insights to develop the specific functionality ALPCO needed,” Moorman says.

To say that ALPCO faces unique challenges is an understatement. “Like any manufacturer, we have a number of production steps,” Moorman explains. “But unlike most manufacturers, we have to be prepared to sell our products at any step in the process.” For example, if a customer wants an aluminum side panel for a trailer, ALPCO will start with a blank sheet of aluminum and then add a number of features like corrugation, ridges and/or holes for rivets. “In this type of production environment, it’s a challenge to design routing and production-entry processes and manage raw materials and inventory,” Moorman explains.

Adding to the complexity is the fact that ALPCO’s primary raw material—aluminum—is a commodity, with pricing that changes by the minute. “This makes it critical that we understand the value of materials in our products so we can accurately determine pricing and profitability,” Moorman says.

AXIS and ALPCO Collaborate, Enhance AXIOM Capabilities

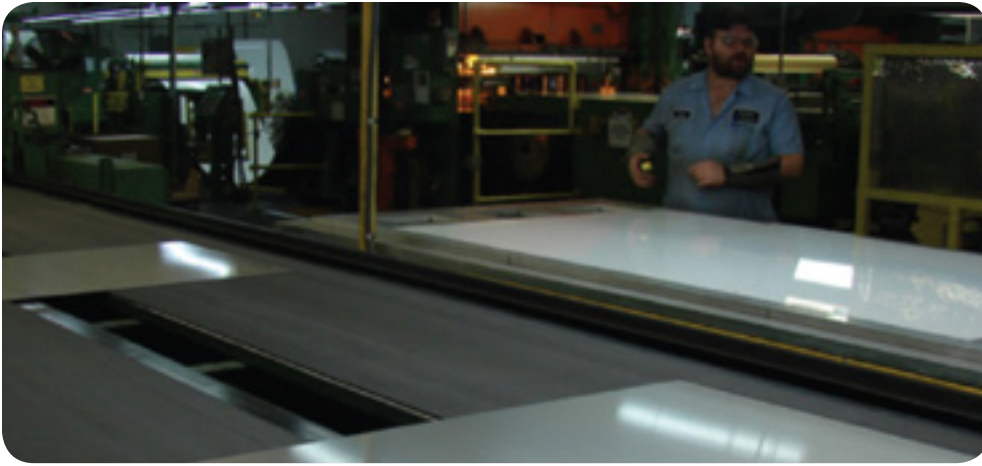
Implementing the AXIOM ERP solution involved extensive collaboration between AXIS and ALPCO. “During the implementation, AXIS wrote many customizations for us that are now part of the standard product,” Moorman explains. “Given our business model, we have very specific ways to track inventory and perform actual costing. In the evaluation stage, we realized that our actual costing data was more complex than either the ALPCO or AXIS teams realized. In response, the AXIS development team worked closely with us over an extended period of time to develop the functionality we needed.”

After using the AXIOM ERP solution to manage its business for more than three years, ALPCO has dramatically improved the efficiency of its core business processes. Gone are the days when executives had virtually no insight into key business processes and had to wait weeks for information they need to make decisions.

The company can now manage its products by attribute, such as length, thickness and color. All key business information is maintained in a central AXIOM ERP database that makes it easy for ALPCO to track the data it needs. “The solution has enabled us to transform the way information is used on the shop floor,” Moorman says. “Our shop floor is now almost entirely paperless. Machine operators and material haulers have access to the same timely information. There’s not a chance we could have done this with our old system.”

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— *Jeremy Moorman*
IT Director
Aluminum Line
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About Consona ERP

Consona Corporation is a worldwide leader in providing customer relationship management (CRM) and enterprise resource planning (ERP) software and services for companies of all sizes. Consona serves more than 4,500 customers worldwide and across a variety of industries.

Scrap Rates Drop, Inventory Accuracy Rises

According to Moorman, the AXIOM ERP solution can be credited with producing several specific and tangible business benefits. "Instead of taking weeks to prepare reports and other information, we are providing the information on a daily basis," he says.

"Our scrap performance is unbelievably good," Moorman says. "For a business that cuts up aluminum to have a scrap rate less than one percent is incredible." AXIOM ERP has enabled similar progress in ALPCO's inventory control. "With the AXIOM ERP solution, our inventory accuracy has increased to better than 99 percent," he says. "We know what we have and how much. If the system says we have 1,000 of an item, we're confident that it's accurate."

Moorman also credits AXIOM ERP with helping ALPCO make it easier for the sales force to access timely customer information and for streamlining accounts receivable processes.

There have been intangible benefits, too. As the AXIOM ERP solution has put better information in the hands of employees and managers, there has been a cultural shift in the company. "With the implementation, we've become a more analytical organization," he explains. "As we create new reports with data from AXIS, our employees are no longer satisfied with just getting operational information. They now want to know why something has occurred so they can fix a problem or take advantage of an opportunity."

Moorman believes the timing of the AXIOM ERP solution was fortuitous. The go-live occurred in 2007, just before the slowing economy produced a drop in orders. "Not having the insight provided by AXIOM ERP would have been a major problem for us at the time."

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