

Weber Manufacturing Limited

Encompix® ERP

Weber's Accounting System Becomes a Catalyst for Change



Weber Manufacturing Limited, located in Midland, Ontario, is a preferred full service tool supplier for plastic molders around the world, offering the widest choice of tooling materials and unique mold construction options in the toolmaking industry. It has been a technological leader in the North American large mold manufacturing industry for the past 20 years. The company develops, designs, manufactures, and tests molds using the very latest in CAD/CAM engineering and high-speed 5-axis CNC machining technology. Weber supplies many OEM, Tier 1 and Tier 2 plastic molders in the housing products, automotive, and aerospace industries around the world.

Business System Evolution

As Weber grew it implemented stand-alone computer systems to address the needs of various business functions. As these systems were developed, usually independent of each other, data often became inaccessible, redundant, inconsistent, and outdated. Furthermore, many departments still relied on manual systems. Management quickly realized that the combination of manual and obsolete computer systems could not effectively support the business or provide a platform for the future. Doug Gould, vice president of administration at Weber Manufacturing, recalls the history.

"In finance we used an old accounting system. We used various systems, both manual and computer-based, for order entry, contract management, job costing, requisitioning, purchasing, and material control. For low value, high usage parts we operate a stock room, but there was no system in place to manage that inventory. Shop labor hours were entered into another separate system that would accumulate hours and costs by job. Those aggregate costs were input into the accounting system at the end of each month resulting in more duplicate data entry with the potential for error. So, we would collect a lot of detail by employee, but we couldn't get the detail into or out of the accounting system."

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Time for a Change

The myriad of systems starved Weber of good, accessible management information on which to base decisions, but there was a more immediate need to change.

"In our case, the catalyst for the change was the accounting system. It was not very reliable, frequently crashing, and it was no longer supported. We had one individual who could deal with the technical issues, but there was no other backup in the company. The next failure could have been catastrophic. Accounting controlled all the data input, as you would expect, but as an information base suitable for all other staff (such as those needing job cost information), it provided little value. Like all engineer-to-order (ETO) manufacturers, the common thread throughout our business is the job number and associated data. This common thread was being administered with separate, un-reconciled systems with limited accessibility," said Gould.

As Weber grew and started taking on larger contracts with slimmer margins, the risk to the company increased. It became clear to senior management that improved cost visibility would be essential to ensure that projects remained profitable and the company competitive.

"While the accounting system was the main administrative reason why we had to change, our real goal was to improve the way we ran the business. We wanted the people who had the information to share it with each other so that it could be used to make informed decisions more quickly," said Gould.

Search for the Right System

Weber recognized the importance of making the right choice for selecting a new Enterprise Resource Planning (ERP) system and performed their search with due diligence. Doug Gould explains the process.

"We used a variety of sources to identify potential ETO software vendors including the Internet and trade publications. We collected literature conducted preliminary research on about 20 companies. We narrowed this down to four vendors that we invited in for presentations and demonstrations. In 1999, Weber had purchased another ERP system and was struggling with its implementation when I arrived at the beginning of 2000. It was a process that was doomed to failure, not only because it was wrong for our business, but also we had no expertise with ERP systems implementation," reported Gould.

This experience gave the company some good insight into what to look for in a new system.

"We wanted a flexible, multi-currency software package that dealt with the operational issues faced by Canadian-based ETO manufacturers, including revenue recognition, progressive billing, our Canadian tax structure, change order management, part numbering flexibility, etc.," said Gould.

Why Encompix?

"Encompix covered our 'must have' list and from the start they demonstrated that they understood our business issues. We were confident that our decision to select Encompix was the right one," said Gould.

Encompix's track record in the Moldmaking industry was a key factor in the decision process.

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“What confirmed our selection of Encompix were the references. We focused on talking to Encompix’s Canadian Moldmaking customers such as Hallmark Technologies, Inc., Windsor, Ontario, and Reko International, Oldcastle, Ontario. These were people in our industry, in Canada, that were able to make the software work,” said Gould.

Six-Month Implementation

Weber took delivery of Encompix in late June and went live January 1, 2003, with a 30-user system.

“Encompix provided structure and a proven implementation process, a key reason why things went so smoothly. If you don’t implement systems for a living you don’t know how to go about it properly. We were ready with the accounting system at least a month before our January 1st live date. Overall we were ready at least two weeks before and just waiting for the January 1st date. We could have gone live December 1st, but it didn’t make sense,” said Gould.

Top Management Commitment

Another key success factor is the involvement and support of top management during the implementation. Gould explains the process.

“Our implementation team consisted of just four individuals, and as a real demonstration of top management commitment, our senior division general manager joined me on the implementation team, not in a managerial role, but as a team member who worked through the details of what we had to do in the shop floor control area. I managed the project, focusing on our stock room and supported our new controller who was responsible for configuring the financials. We always felt that purchasing would represent our biggest challenge, and opportunity, as it had operated in a totally manual environment. Our purchasing manager’s assistant was anxious to be part of the implementation team and her willingness to take on the challenge and sell all the changes that moving to an integrated system entailed, was critical to our success.”

Support from Consona was always available when needed.

“Our Consona consultant helped us develop the implementation plan. We followed his guidelines, and we always ensured that we completed our tasks on time for his next visit. He had a lot of credibility with the team,” said Gould.

Benefits

The implementation of a new ERP system is really about improving the business; it is not a technology initiative. After running the system for nearly a year Doug Gould highlights some of the benefits Weber has seen so far.

“The accounting side has seen a tremendous improvement. Before it would take us 10 working days to close our books; now we can close our books in less than half that time. Accounts Payable work is cut in half, because the information coming in is validated through the up-front processes. We are satisfied that we met our critical need.”

“However, in terms of the whole business, the key words are speed and accessibility. If you think about it, we don’t create any more information than we used to, we just share it, quickly. For example, at production meetings, Encompix is projected on a screen to facilitate a live review of job costs when needed. On a daily basis supervisors can monitor their people in terms of the hours worked against individual operations. A business unit manager and our accounts receivable person can share the specifics on a customer account. There are countless other examples.

The overall efficiency gains provided by the system have allowed Weber to increase its volume by almost 40% in 2003, without any increase in administrative staff. “We have seen very few situations that the system can not handle,” commented Gould.

The Future With Encompix

Prior to 2003, Weber had no visibility of its stock room inventory and had little idea of what the turnover was. Now, with a year’s data to work with, these inventory levels can be optimized.

Having an integrated, formalized management information system is also expected to yield other opportunities in the areas of quoting, material price negotiations with vendors, and labor productivity, to name a few.

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.

Consona Corporation

450 East 96th Street, Suite 300
Indianapolis, IN 46240

P: (888) 826-6766 or (317) 249-1700
F: (317) 249-1999

info@encompix.com
consona.com
encompix.consona.com

