

S & S Hinge Company makes a successful swing to Sage ERP X3

Inventory carrying costs are down 30% and inventory turns up 20%



Customer

S & S Hinge Company

Industry

Industrial manufacturing

Location

Bloomington, Illinois

System

Sage ERP X3

For more than 80 years, family-owned S & S Hinge Company has been making industrial hinges used across many diverse sectors. It's a highly specialized industry, and to drive growth and profitability, the company must continually seek ways to boost efficiency, speed production, and lower costs. One tool S & S Hinge Company uses to its competitive advantage is Sage ERP X3.

Lean objectives

Rich Sade, vice president and COO of S & S Hinge Company, was hired to modernize the company's manufacturing efforts, primarily through the implementation of lean production practices. Sade is certified in Production/Inventory Control Management (CPIM) and holds an advanced degree in Industrial Management.

"Our objective was to replace the company's outdated ERP software, along with its separate quoting, scheduling, and CRM programs with a

single, powerful, integrated ERP solution capable of handling all aspects of the business," he says. "We have achieved that with the help of Sage ERP X3."

Sage ERP X3 beats the competition

The company spent several months mapping its own workflow, job tasks, and shopfloor operations and reviewed ERP packages in order to select the best solution to meet its needs going forward.

"We narrowed the field down to five options," says Sade. "Sage ERP X3, Oracle, Made2Manage, Plex Systems, and Epicor were all evaluated. Ultimately we decided on Sage ERP X3 because it offered all of the functionality we wanted in an ERP solution at a competitive price. The others were either too complex, too expensive, or lacked vital core functionality."

By implementing Sage ERP X3, the company was able to eliminate three legacy software systems. "We now have just one version of the truth," Sade says.

"We've been able to reduce our inventory carrying costs by 30 percent; that represents nearly \$500,000 in cash freed up."

Rich Sade
Vice President and COO
S & S Hinge Company

Challenge

As part of a lean manufacturing initiative, S & S Hinge Company sought to replace three disconnected applications with a single, integrated solutions capable of managing its accounting, manufacturing, and quoting tasks.

Solution

Sage ERP X3 was selected from a field of five potential solutions based on its comprehensive functionality and competitive pricing.

Results

Inventory carrying costs are down by 30 percent, which immediately freed up more than \$500,000 in cash. Inventory turns are up by 20 percent. The time to produce a custom quote is down by 75 percent. More than 100 customers were added in one year.

“We are closing more sales because we can quote even complex configurations in minutes. With rapid turnaround like that, we find our customers don’t bother seeking other bids; they go with us.”

Rich Sade
Vice President and COO
S & S Hinge Company

“Sage ERP X3 vastly simplifies reporting and data accessibility. We have streamlined our business processes through tailored workflows, document management functionality, and automated alerts.”

Configured to win

The product configuration capabilities were one of the deciding factors in the selection of Sage ERP X3, allowing the company to vary its finished goods according to customer-specific requirements. Comprehensive cost-tracking functionality ensures that labor, material, and overhead costs are accurately accumulated and associated with each order, leading to more accurate pricing and the ability to identify potential problem areas in the production process.

“Our customer service team is able to quickly build custom hinge assemblies for our customers. They can save the assembly as a quote, and when the quote turns into an order, Sage ERP X3 creates the appropriate routing, bill of materials, and cost records,” Sade explains. “Plus, while we are in the quote phase, we can track the quote through the CRM functionality in Sage ERP X3 to be sure we’re not letting opportunities get away.”

Inventory carrying costs down 30 percent

In addition to its custom build-to-order manufacturing, S & S Hinge Company also builds many products for stock, and Sage ERP X3 helps the company maintain the right product mix to satisfy customer demand without overstocking.

“Through better projection and sales forecasting tools available in Sage ERP X3, we’ve been able to reduce our inventory carrying costs by 30 percent; that represents over \$500,000 in cash freed up,” Sade says. “And supplier turns are up 20 percent.”

Quote turnaround time down by 75 percent

Generating complex custom quotes used to take a substantial amount of time. Using Sage ERP X3, S & S Hinge Company has slashed the time involved in this task.

“The time it takes our staff members to produce a quote is down by 75 percent,” says Sade. “We now produce 40-50 quotes per day with just two people. Because we can quote more quickly and more accurately, we’re not just winning more sales, we’re winning more profitable sales.”

S & S Hinge Company is enjoying an increase in sales that it attributes to the better and faster service it can now offer customers. “We’ve added 100 new customers this year alone,” says Sade. “We are closing more sales because we can quote even complex configurations in minutes. With rapid turnaround like that, we find our customers don’t bother seeking other bids; they go with us.”

He concludes, “The efficiency gains we’ve seen with Sage ERP X3 are measurable and quantifiable. We are on track for a full return on investment in less than five years.”

About The Sage Group plc

Sage Group plc is a leading global provider of business management software to small and medium sized companies, creating greater freedom for them to succeed. Sage understands how and why each business is unique. We provide products and services that suit varying needs, are a pleasure to use, and are secure and efficient. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has over 6 million customers and more than 13,380 employees in 24 countries covering the UK & Ireland, mainland Europe, North America, South Africa, Australia, Asia, and Brazil. For further information please visit: www.sage.com

For more information about Sage in North America, please visit the company website at NA.Sage.com. Follow Sage North America on Facebook, Facebook.com/Sage, and Twitter, Twitter.com/SageNAmerica.

Sage
6561 Irvine Center Drive
Irvine, CA 92618-2301
866-530-7243

www.na.sage.com/sage-erp-x3