



# GLOBAL TALK

Second Quarter 2010

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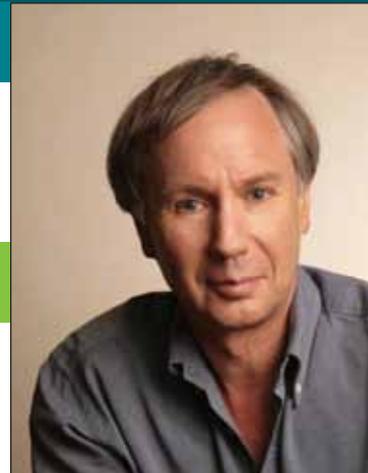
Parallax **looks long term**  
with SYSPRO





## CEO's message

### Helping you achieve a healthy ROI



**T**he world of information technology is one of rapid and frequent change, often creating a sense of uncertainty. The demands on enterprise software are not the same as they were five or even two years ago. Amid all these fluctuations, SYSPRO is keeping abreast of technology trends. We have worked with mid-market enterprises since our inception, and we know and understand this section of the market. We will continue to ensure our solutions meet your needs.

As I'm sure you've heard by now, SYSPRO 6.1 offers significant functional, business and industry-specific enhancements. This includes business process modeling, enterprise performance management, workflow for automated processing, end-to-end supply chain management and development of the cloud hosted SYSPRO SaaS (Software as a Service) offering.

There's more though - in addition to all those good things, with SYSPRO 6.1 we are able to help our customers achieve a healthy return on investment (ROI) - more so than ever before. This is partly due to modules such as Inventory Optimization and Workflow Services, and partly due to our focus on Lean principles.

The Lean philosophy is all about collaboration and working as a single unit in the most efficient manner to achieve the business objective - which is ultimately to reduce costs and increase profits. A key Lean initiative is to reduce inventory levels while improving service levels.

In fact, the basic goal of Lean manufacturing is to get more done with less by minimizing

inventory at all stages of production, shortening the product cycle times from materials to finished goods and eliminating waste.

SYSPRO supports the Lean initiative through the use of technology built on and around a solid end-to-end business solution. Technology facilitates automation in the manufacturing arena of the business by replacing manual transaction processing with bar-coding solutions; this has the immediate effect of reducing waste and improving efficiency. Introducing rules-based scheduling tools can vastly improve throughput, reduce bottlenecks and better utilize the shop floor.

We all know the issues surrounding inventory are highly complex, and that organizations are starting to understand more about the link between inventory and achieving cost savings. By getting to grips with the role inventory plays in the value chain, companies can ensure that it adds value to the organization, rather than representing cost alone. By optimizing your inventory to add value in the most effective and efficient way possible - thereby saving costs - your organization can improve profitability and competitiveness. Inventory optimization also improves the organization's ability to provide perfect order fulfillment and manage a demand-driven supply chain.

In theory, inventory is held to balance variations in demand with time lags and variations in supply. Demand draws value, and inventory, through the supply chain. As supply chains are often long and complex, it is difficult to match the dynamics of different parts of the supply chain so that the flow of goods and materials is smooth and without waste. Large

manufacturing batch sizes, long or unreliable lead times, infrequent shipping cycles, large minimum order quantities, demand that is difficult to predict and poor quality can all add to inventory that accumulates throughout the supply chain without adding value.

On the other hand, having the right amount of inventory can improve service levels and add turnover and profitability. Ideally, inventory optimization should be done across the supply chain.

SYSPRO 6.1’s built-in Inventory Optimization module provides the tools and processes to optimize inventory by tracking and managing the parameters that shape inventory and its causes. This module also includes the tools to determine the impact of changing these parameters on service levels, stock-holding, delivery performance, and manufacturing or procurement performance.

I mentioned SYSPRO Workflow Services (SWS) earlier – this module comprises a flexible and customizable workflow engine for modeling business processes. Using a graphical interface, it puts control in the hands of users to design and visualize workflow processes for specific business process needs.

The software is based on Microsoft Windows Workflow Foundation and is fully incorporated into the SYSPRO product, meaning that workflow processes can be initiated from anywhere in the SYSPRO product. The advantages of a Microsoft .NET-based workflow solution include greater flexibility, improved process controls and easy development of associated programs to augment business processes.

While we are on the subject of cost savings, I would like to point out that while other enterprise software vendors are adding to the technology stack that their customers must adopt, SYSPRO understands that you are looking for reduced complexity and ownership costs. To achieve this, SYSPRO is reducing the technology stack that organizations need to manage. This strategy includes adopting Microsoft Windows as the only platform for SYSPRO in the future. With a single product, single platform focus, the reduction of the SYSPRO technology stack will deliver exponential benefits to customers, channel partners and the development community.

This edition of Global Talk focuses on how to achieve cost savings with your ERP system, and we are proud to present case studies which showcase how SYSPRO’s various features have helped our customers in these areas. ❖

*Phil Duff*  
CEO  
SYSPRO




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## SYSPRO Asia Pacific rounds up the cost savings

*In keeping with the theme of this edition of Global Talk – controlling costs and achieving a healthy return on investment – our Asia Pacific office has created a collection of customers who have done just that by using SYSPRO. Here is a high-level overview of some of those customers and their achievements.*



### Frontline Australasia

Frontline Australasia manufactures precision components and assemblies for the automotive and defense industries. The company provides full design and engineering services using the latest CAD design and modeling systems. Its high-tech, specialized equipment is shipped to local customers as well as those in New Zealand, Malaysia and Canada.

Integration of data across the company quickly helped to gain management and administrative staff support for SYSPRO. James Clyne, Chief Financial Officer of Frontline, comments: "Month-end used to be our biggest issue. We'd still be here at 7 or 8 o'clock at night getting things done. These days we're finished at 3pm on the last day of the month."

Another big advantage has been the improvement in data quality; people trust the numbers and reports coming out of the ERP system. "Margins in manufacturing are very tight," Clyne adds. "So the ability to accurately report on costing is a vital part of what we have to do.

"In the past we found it hard to analyze the

profitability of particular products. We used to waste a lot of time going round in circles. Now if there is a problem in any area we see it very quickly."

Greater accuracy has also been introduced into the company's international activities through new multi-currency capabilities which automate formerly manual calculations.

Clyne estimates that productivity among administrative staff has increased by around 20% due to easier user interfaces and a reduction in the time it takes staff to generate and interrogate data.

"Another big advantage has been the improvement in data quality; people trust the numbers and reports coming out of the ERP system."

– James Clyne,  
Chief Financial Officer of Frontline

## Satake Australia

The ability to capture all costs related to equipment imports was a key requirement for Satake Australia. The company designs and constructs a wide range of specialized machines which ease the milling and bulk processing of cereals, pulses, nuts and even plastics. Its equipment and processes are used to speed and improve almost every area of agricultural processing from cleaning and sorting grain through to conditioning, de-hulling, polishing or pelletizing, weighing, blending and bag packing.

Accountant Mahesh Patel says Satake's requirements included strong landed costing capabilities to help track the progress of its spare parts and machinery imports, and to capture all costs related to each imported item.

Given the custom preparation that goes into each machine, a comprehensive contract or project costing module was necessary. The software had to allow Satake to record labor, stock items and a variety of other costs against each client project, and reconciling project estimates to actual costs was crucial.



## Regency Media

Gaining visibility across all of its operations has reduced costs for Regency Media by enabling secure online job booking and management. Regency Media is Australia's largest privately-owned DVD manufacturer, pressing and packaging movies, TV releases and music from its facilities in Sydney and Melbourne.

Regency Media has linked its own website with SYSPRO so that customers can place orders and submit their material securely and electronically. Entire projects can be managed via the website, reducing the cost of order processing. This has been an important benefit for a high turnover, low margin business.





## A-dec

Managing the costs associated with inventory management is one of the greatest challenges for dental and medical equipment supplier A-dec. The company maintains nearly 7,000 product lines, some of which have a lifespan of 30 years or more. Styles continue to change, so A-dec needs to be able to access a wide variety of replacement parts.

“It is crucial to decide what to keep in the warehouse and what to classify as a back-order item,” says Joe Sanfilippo, A-dec’s Logistics Manager.

“We have a three-month lead time for overseas orders and shipping, so we need to ensure safety stock levels and in busy periods we have to calculate how much extra to bring in,” Sanfilippo says. “It makes visibility into stock essential.”

To help customers understand the time for order fulfillment, A-dec classifies products as either key parts (items that sell every two months) or non-key parts (slower moving product). When customers receive a price list printed direct from the SYSPRO solution, they can easily identify which items are available off-the-shelf and which need to go on back-order.

Craig Young, General Manager of A-dec, notes that the system’s sales history data is also essential when it comes to stock control. “We literally have around 8,000 to 9,000 line items available to us from suppliers so we need good reporting with regard to fast- and slow-moving items to keep stock appropriately.”

Detailed costing information is derived through tools such as landed cost tracking, which enables A-dec to more accurately capture shipping and freight costs.





## Natural Beauty Care

Cutting costs by reducing stock levels has been a major benefit to Natural Beauty Care, a small manufacturing company. The business manufactures beauty and body care products for other companies to brand and resell.

Today, Natural Beauty Care has 60 clients and manufactures roughly 10 million individual products annually.

Managing Director John Dwyer says: “We probably have around 1,000 constantly active lines and another 1,000 which are much slower in their turnover. We deal with about 2,000

different raw materials and the same number of separate components. Mixing raw materials, components and formulations had become extremely involved. No individual could keep track of it all.”

Before SYSPRO was introduced, lack of visibility into inventory led to over-ordering of raw materials, while at other times staff would resort to physically walking around the warehouse to determine whether the materials they needed were in stock. SYSPRO introduced benefits in the areas of inventory, warehouse management, sales and purchase order processing.

“Inventory changes have led to much smoother manufacturing and compounding processes. We’ve trimmed stock by 20%, which is a significant amount. We are operating with better information and we now know what we use, so we can arrange spot and longer term purchasing deals, all of which is helping to stabilize prices,” Dwyer says.

Enhanced monitoring of raw material use-by-dates has increased overall batch quality and reduced wastage.

## Bee Jewellery

Bee Jewellery began as a tiny business specializing in jewellery polishing and electroplating. It is now one of the largest jewellery suppliers in Australia, selling to independent jewellers and chain stores all over Australia, New Zealand and Canada.

One feature essential to the business is the Bill Of Materials (BOM). As the value of gold changes daily, the ability to quickly perform BOM and WIF (What If) cost implosions has a significant positive impact on the costing and pricing of Bee’s jewellery. Since the business bases prices on ‘last cost’ due to gold’s commodity value, the cost implosion feature provides new stock pricing whenever the price of gold changes.

Steven Sesselmann, Bee Jewellery’s Director and Founder, says: “It means we have an accurate understanding of the value of our stock-holding based on the real price of gold; and it gives us the confidence that we’re always competitive in the marketplace, regardless of where the price of gold is sitting.”



## Phillips & Smith (PSL)

Phillips & Smith (PSL) manufactures, imports and distributes various fire and safety products to more than 20 countries, with distribution offices in Sydney and Auckland.

Ian Phillips, General Manager of Phillips & Smith, says: "Previously, we had poor gross margin and sales analysis. We couldn't even identify our top 10 customers without dumping high volumes of data into Excel and doing a lot of manipulation.

"We now have stable, accurate financial results and excellent detailed transactional data. It is an incredibly powerful tool for Customer Service and Sales people because they access the precise information they need there and then. With the old system, Customer Service people often had to take down a customer query manually and return the call later with the correct answer."

SYSPRO was introduced at a time when PSL faced heavy global competition from commoditization of many of its products. Low-cost producers – particularly from China – rapidly changed PSL's business model. For example, within a period of two to three years the price of a 1kg fire extinguisher fell by around 70% as China became the largest worldwide manufacturer of extinguishers.




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*Ian Phillips,  
General Manager of Phillips & Smith*

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"With a fall in product prices, we need to turn over more volume to get the same sales turnover – and this creates complexities for warehousing, importing and distributing," he says.

Investing in the right stock becomes critical. "With SYSPRO's Inventory Forecasting, we have improved customer service levels from 67% to 95%, with 30% less dollar value in stock in those product lines we now forecast.

"It is very easy to hide key problems by having a lot of safety stock and excess inventory. If you start bringing inventory levels down, it reveals true underlying problems. By using SYSPRO you have tools such as the supplier performance report for unreliable vendors, cycle counting for stock accuracy, forecasting for demand history and fluctuations. The tools are already there to bring the stock levels down and get immediate returns from it," Phillips says. ❖

## Mixing **the right** **ERP** ingredients



**O**ver the past 40 years, Orley Foods has produced a comprehensive range of quality ingredients for the South African food industry. The company specializes in the manufacture and distribution of products, as well as providing solutions services to businesses in the food industry.

The previous ERP system employed at Orley Foods did not properly cater for the manufacturing process, and upgrading the existing system was not an option. The company therefore developed stringent selection criteria for selecting a new ERP system before finally deciding to implement SYSPRO. According to Fiona Byrns, the project manager on the implementation, the costs and lack of local support were the biggest inhibitors to upgrading the existing system.

“Orley’s existing ERP system was unique in South Africa, and it was extremely difficult to find companies that understood the technology, much less support it. For this reason, one of the main criteria for Orley’s new ERP system was that it should be available locally through multiple companies, and that it could be easily supported,” she says.

EOH’s Impact Africa business unit was selected as the implementation partner. Supporting more than 800 companies running SYSPRO, EOH Impact Africa has over 120 consultants nationally, making it one of SYSPRO’s leading distributors.

Other selection criteria included a complete supply chain solution, strong manufacturing capabilities, audit tracking throughout the system, close integration with SCADA systems, local support, minimal need for customization, as well as integration of currently bespoke systems.

With the implementation of SYSPRO, Orley Foods has achieved detailed control over its manufacturing processes, expenses, and routings. “SYSPRO provides cost centers against which we can allocate overhead costs, labor and material usage,” Byrns says. “SYSPRO is also able to close works orders/jobs and account for a variety of by-products, and it provides real-time dashboard information with reference to progress and completion of jobs.”

Andrew Janik, CEO of Orley Foods, comments: “This system has the ability to cater for our environment. The integration with our factory automation system has given us access to performance data, and we are planning to add scheduling as the next phase of the project. Once this has been completed, we will have a fully integrated scheduling system which will allow us to use live data to plan procurement.”

SYSPRO has enabled Orley to generate development bills of material, allowing for costings and version scenarios. All what-if costings and estimates, as well as actual costings, are being done within the system, enabling greater accuracy.

“A future phase will be the implementation of a fully integrated Engineering Change Control system, which will be used and controlled by new product development to ensure all changes are tracked and approved,” says Janik. “We will also be implementing batch card and label generation information to replace the current systems.”

Furthermore, the system has increased information availability at order taking, with stock availability and back order status now all available on one screen.

“The change management aspects – making people feel comfortable with the new after the initial discomfort of something new, something different – was a challenge, but everyone in the company is seeing the benefits of the new system,” says Lynda Benn, Director EOH Impact Africa. ❖



## Keeping a **tight rein on inventory**

**T**ake a huge range of products (half produced by your own manufacturing facility, half imported from specialist manufacturers in the Far East), the need to react to specific client demands and seasonal changes in the end customer market, and always make sure you get the right product, in the right number, to the right place at the right time. That's exactly what George Wilkinson International, the UK's leading bakeware manufacturer, consistently does to maintain its number one position in the bakeware, kitchen tools and gadgets market.

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"We have identified many explicit savings as well as the softer but equally important operational benefits. Our headcounts have not increased; in some instances we have decreased the number of people assigned to administrative tasks and made them more productive. We have also reduced costs tied up in excess stocks, significantly streamlining the operation. The speed with which we can react to customer demands and market changes has turned GW International into a very agile business."

*Tina Carswell,  
Commercial Director at GW International*

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Based in Lancashire, GW International manages more than 2000 product lines, which equates to 16 million items a year. Manufacturing on this scale involves a mountain of associated data, all of which requires automation and management. For GW International, SYSPRO cures the data management headache and ensures that the company can meet its commitments to its 400-strong customer base.

### Meeting numerous challenges

According to Tina Carswell, Commercial Director at GW International, the company's greatest challenge is to manage its huge product range and make sure that its customers get exactly what they need, when they need it.

"Essentially, the production and supply chain requirements, together with warehouse stock-holding, are of paramount importance to our production planning. SYSPRO provides this information and is a huge improvement on our previous system," Carswell says. "SYSPRO effectively balances the manufacturing and importing sides of the business right across the board," she says.

In addition to ensuring that the bakeware presses are turning sheet metal into tins and trays, the system plays a key role in making sure that sufficient supplies of kitchen accessories are stocked and distributed to customers. This may sound like straightforward manufacturing and distribution; however, GW International provides value-added custom manufacturing for specific customers worldwide. This typically entails a change in design, color and label according to the customer's requirements. Such agile manufacturing requires efficiency and access to quality data.

GW International operates two distinct manufacturing styles: manufacturing for stock to serve the domestic market and made-to-order manufacturing, predominantly for international customers. In such situations inventory management can be a huge issue as there is a need for product visibility and traceability, but GW International has solved the problem by using SYSPRO's Advanced Warehouse Management module to help manage inventory.

"We wanted a one-stop-shop system that was totally integrated into a seamless system. We had no motivation to include a second



software company," Carswell says. "SYSPRO is providing us with full traceability of products and full documentation.

"We have identified many explicit savings as well as the softer but equally important operational benefits. Our headcounts have not increased; in some instances we have decreased the number of people assigned to administrative tasks and made them more productive. We have also reduced costs tied up in excess stocks, significantly streamlining the operation. The speed with which we can react to customer demands and market changes has turned GW International into a very agile business.

"Above all, the system has united the information for the company and rendered the idiosyncratic spreadsheets held on different PCs unnecessary. Information is now transparent and available to all," she says.

### Results that count

The results truly do speak for themselves. Since implementing SYSPRO, GW International has recorded some interesting facts to give a clear view of its Return on Investment:

- Accounts staff reduced by 50%
- Sales administration tasks decreased by 50%
- Overheads reduced by £1 million
- Stock reduced by 25%
- Stock accuracy improved by 100%
- Accounts preparation following month-end 100% more efficient (less than 10 days compared to more than 20)
- Instant stock visibility
- Lead times improved by 80% (now running at 98%)



## Hayward Gordon uses SYSPRO to **reduce costs**

**H**ayward Gordon designs, manufactures and distributes process equipment; products and systems relating to pumping, mixing, filtration, and bulk solids handling. With 78 employees and branch locations in Vancouver, Calgary and Montreal, Hayward Gordon is headquartered in Ontario, home of its custom-built 50,000-sq.ft. office and plant facility, opened in 2006.

Company President John Hayward, whose father, Len Hayward, started the business in 1952, says: "We're particularly strong in mining and waste-water treatment, but we also work with a wide variety of process industries: chemical processing, food processing, pulp and paper."

Very strong in North America, Hayward Gordon has established a growing global presence and is exporting to South America and countries such as Madagascar, Australia, the Dominican Republic, Mexico and Chile.

In 1990, Hayward Gordon decided to run its operations on SYSPRO. "We went through a number of false starts before settling on SYSPRO," says Hayward. "We used other ERP packages, and even tried to make one ourselves. When we realized what an immense task it would be to create and maintain our own ERP, we went back to the market and eventually chose SYSPRO."

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"We're very happy with SYSPRO: the product, the support, and the ongoing development. The fact that we've been with it as long as we have says a lot. We continue to build it into our operations in a very important way."  
*John Hayward, Company President*

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The decision to invest in SYSPRO was based on three main considerations. "Firstly, the work we do is highly varied – we're more of a job shop than build-to-stock. We felt that SYSPRO's Bill of Materials (BOM), Work in Progress (WIP), and Requirements Planning modules lent themselves well to a job-shop environment. Secondly, SYSPRO's integration of operations and finance was excellent – far better than anything else we looked at. Finally, we wanted to be sure that the ERP we chose would be properly maintained



and supported. Many of the ERP companies we considered back then don't exist anymore. SYSPRO has stayed, and has supported its product very well," he says.

Over recent years, the company has faced a major challenge – the strengthening of the Canadian dollar. "That's put immense pressure on us to become more productive, and to reduce our costs," says Hayward. "In response, we have been implementing LEAN practices, which has a lot to do with leveraging our

ERP. We underwent a very extensive business-process mapping project to find areas in which we could create efficiencies, and many of the ways we chose to streamline our business involve SYSPRO.”

For example, Hayward Gordon has implemented electronic time tracking in the shop, and has automated its labor posting function. “We get the tracking in real time now,” says Hayward, “and by having SYSPRO do it, we've been able to eliminate a data entry position. We've also integrated Microsoft CRM (customer relationships management) directly into SYSPRO, thereby automating our order entry. Now people in the field can enter their orders automatically, eliminating the need for duplicate entry.”



Soon, the company is hoping to implement electronic funds transfer (EFT) to streamline its payables. “The timing for all these efficiencies has been good, because despite the market challenges, we've been seeing some growth. Getting more out of SYSPRO has allowed us to expand without breaking apart at the seams,” Hayward says.

Leveraging SYSPRO has not only reduced costs, it has helped Hayward Gordon reliably meet its lead times. The company has compressed its lead times and made them more reliable, and taken advantage of the fact that processes which used to run consecutively can now run concurrently.

For example, when an order is entered, it gets reviewed and the credit check is triggered along with a customer number request



– electronically and simultaneously. Previously, a paper file would spend many days travelling to multiple departments for approval before the order was placed. Now, if there's a problem with the order, action can be taken right away.

“It's much more efficient, and it's helping us serve our customers better,” Hayward says.

Commenting on SYSPRO's ROI, he offers a useful metric: “We've seen our revenue per employee increase by around 65% in the past four years. You can't do that unless you build into your company the ability to grow sales without growing costs in lockstep. If you don't have the right infrastructure in place, your sales can cost more to make than they're worth. That's what productivity is about – if you have the right systems in place it gives your company extra capacity, without adding costs. That's how we've been able to measure what SYSPRO has done for us.

“We're very happy with SYSPRO: the product, the support, and the ongoing development. The fact that we've been with it as long as we have says a lot. We continue to build it into our operations in a very important way.” ❖





## Parallax looks long term with SYSPRO

**W**hen a hobby is infused with dedication and passion, it often evolves into a highly successful business. Meet Parallax, a California-based, privately-held company that traces its origins to founder Chip Gracey's teenage interests in programming and electronics. Gracey first transformed his hobby into a business called Innovative Software Engineering (ISE), which he ran from his bedroom. ISE made software duplication hardware for the Commodore 64 computer and within a year had sold 20,000 units. On graduation from high school, Chip and friend Lance Walley started Parallax from their shared apartment.

Today, Parallax designs and manufactures microcontrollers, sensors and robotic components for hobby, educational and commercial use. Parallax's own microcontroller design, the multi-core Propeller chip, as well as its line of sensor products, which measure humidity, light, color, proximity, vibration, location and infrared, are big sellers in the hobbyist and commercial markets. The educational market, which comprises about a third of Parallax's revenues, is a major customer of Parallax kits which are designed for microcontroller programming and robotics courses.

Parallax products can be purchased online and from mainstream electronic distributors, such as Digi-Key, and retail outlets, including RadioShack and Fry's, as well as 70 distributors around the world. Ken Gracey, Vice President of Sales and Marketing, says: "Our products are designed to empower our customers, who are a creative problem-solving bunch. We document the products extensively with applications and code examples so our customers can quickly integrate our microcontrollers or sensors into a project or product design and speed their time to market."

Parallax maintains two manufacturing plants: a 'pick and place' surface-mount assembly line and kitting operation in California, and an additional electronic assembly line and chip testing operation in China. With 120,000 individual customers, Parallax fills 100 to 200 orders a day.



Until the mid-1990s, Parallax had been using a low-end customer service program which it ran on an Apple Mac. "We reviewed our business needs, including manufacturing, distribution, sales, planning, purchasing and accounting, and realized we needed more comprehensive software," Gracey says.

"After an extensive search, we hit on SYSPRO, an integrated package with all the right pieces. SYSPRO software has evolved alongside Parallax and continues to give us the sophistication and customization capabilities we need to grow our business."

Parallax's SYSPRO environment is a typical three-tier installation. SYSPRO runs on its own Windows 2003 R2 application server. The SQL Server 2005 database runs on a separate Windows 2003 R2 server with all clients running Windows XP.

"While SYSPRO has improved our business, it's the MRP functionality that gets the most accolades inside the company," he says. "In fact, we've developed a chart showing the effects of a properly configured MRP, which caused a total inventory reduction of 16.1% since our initial efforts were put in place to configure it correctly.

"The MRP set-up requirements made us carefully analyze our manufacturing run times, operation and BOM (Bill of Materials) correctness and lead times for a variety of processes and



parts: made-in goods; sub-contracted; kitted products; and parts manufactured offshore. Throw in requirements planning from a variety of warehouse demands, and we've got a fairly complex system to manage. But we found that once it was working correctly, we were able to measure the effects of our choices."

Explains Gracey: "The use of MRP has made amazing improvements to our efficiency. Before we had MRP, we were frequently out of stock of key finished goods, yet overloaded with an excess of raw materials and the wrong finished goods. Once we put MRP to work and trained our staff, we were able to reduce our inventory by about \$350K. We are rarely out of stock on any product anymore, and the live connection between SYSPRO and our web site allows us to display our inventory levels in real-time on the web."

Parallax's warehouse setup is unique. The company maintains five SYSPRO warehouses and three physical warehouses. The SYSPRO warehouses are arranged by the functions performed: raw materials; finished goods; RMA returns; China; refurbished items sold via eBay; and reworked items.

"This set-up allows us very convenient use of MRP because we can omit certain warehouses from requirements planning and plan purchase order and job actions effectively by warehouse and/or location," Gracey says. "We just put in the EBQ (Estimated Buying Quantity) and MRQ

(Manufactured Required Quantity), the buying role and the lead time. In this manner, we have automated the issuing of purchase orders, reducing the time to write and issue them from about 4,5 days down to about two. Moreover, rather than having a central planning bureau, we've dispersed planning among our staff."

Gracey lauds Parallax IT Manager, Jim Ewald, for establishing a Service Oriented Architecture (SOA) that automates online sales. Ewald wrote a .Net application that provides an interface between the company's ecommerce web site and SYSPRO. The interface pushes product pricing, inventory and availability on the web. It also collects sales orders placed on the web site and creates the sales orders in SYSPRO. Customer accounts on the web and in SYSPRO are synchronized so that repeat orders can be attached to the correct SYSPRO customer account. The interface can also create new customer accounts as needed. Once the orders are approved, they are simply printed as a packing list for the shippers.

"The application interfaces to SYSPRO e.net solutions business objects through SYSPRO Web Services. It is installed on the SYSPRO application server as a service," Ewald says.

Gracey concludes by offering plaudits for SYSPRO's report output capability. "Having accurate data from sales, inventory, accounting and manufacturing allows us to quickly assess changes and trends," he says. ❖





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