

CASE STUDY:

TECSEW LTD



 5 LICENSES

August 2006
Attended Evaluation Workshop

October 2006
Training

November 2006
Partially Live

February 2007
Additional Training

March 2007
Fully Live

Selected over systems costing over £50,000

Recommended by Business Link

Barcode scanners make data entry quick

Using AAI to tightly interface with Sage

Personalised orders include photos of staff

Paper reduced by 80% as now all electronic

Scalable licensing allows for increase or decrease

Leadtimes much more accurate

Overtime cut by 90% and stock inaccuracies to 0%

Essential business tool and recession proof

Initial training costs of £5710

Low monthly rental of £450

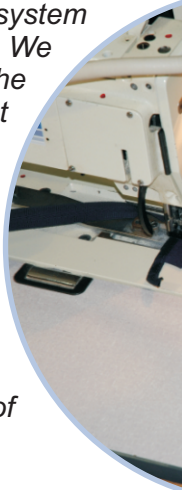
Tecsew Limited, based in Gosport, Hampshire manufactures yacht canopies. Their industry demands that prices are quoted and then held for several months up to and beyond the next boat show, which often caused problems when cost prices increased. Their accounts were run with Sage Line 50 and production was managed using a series of Excel spreadsheets. The company realised that if it were to expand and move away from the inherent problems that a fragmented approach to production management causes, they would need to upgrade to a more integrated solution.

Tecsew considered upgrading their accounts software, with the vendor also offering a manufacturing and CRM solution, however with a cost of over £50,000 for the software and training, plus additional annual maintenance Tecsew felt that they were being oversold. Said John Bland, Managing Director; *"We were already sceptical of upgrading to MRP after one of our suppliers bought a different system and, after a year, put it back in the box because of a failed implementation. We were working with Business Link who recommended that we asked the vendor to show us the product working on-site with a customer, but they got quite defensive about it. The fact that we even asked to see it working seemed to be a no-no."*

Business Link suggested that Tecsew attend a 123insight Evaluation Workshop. John added; *"We went to the workshop and then watched the movies on the DVD and were happy with what we saw. We got to evaluate it without any hard sell. Without getting too far down the road in terms of commitment we had a good idea of how the product worked, even without being too familiar with MRP. We realised that there were a lot of aspects that it could bring to the business that we hadn't thought of."*

In October 2006 Tecsew decided to register for 123insight and two people attended the five days of training. By the end of November the company went live across quoting, sales acknowledgements and invoicing. Integration between Sage Line 50 and 123insight was handled by the Advanced Accounts Interface (AAI) developed by 123insight Approved Partner Applied Business Solutions. John Bland attended further training in February 2007, increasing the number of licenses from four to five and bringing the system live across all departments the following month. Said John; *"We spent a lot of time working with suppliers to get the right information into the system. We emailed them spreadsheets which they then populated with product codes of all of the items we purchase from them which we then imported directly into 123insight."*

Working with vendors in this way delivered some unforeseen benefits. From the spreadsheets supplied by the vendors John could see that some items were stocked in large denomination boxes e.g. 144 per box, whereas Tecsew may purchase in quantities of 50 or 100. This meant that not only were they paying a premium for vendors to repackage based on their orders but that these orders had to be manually counted upon receipt and were prone to error. Also, it has allowed Tecsew to identify items that often run into short supply, for example due to late customs clearance. So while stockholding values have actually increased, it has reduced leadtimes and improved their accuracy. Stock inaccuracies have been virtually eradicated, with John citing that previously stocktaking had been performed only occasionally as the amount of time take to perform it was prohibitive - now rolling stock checks are done against generated stock lists.



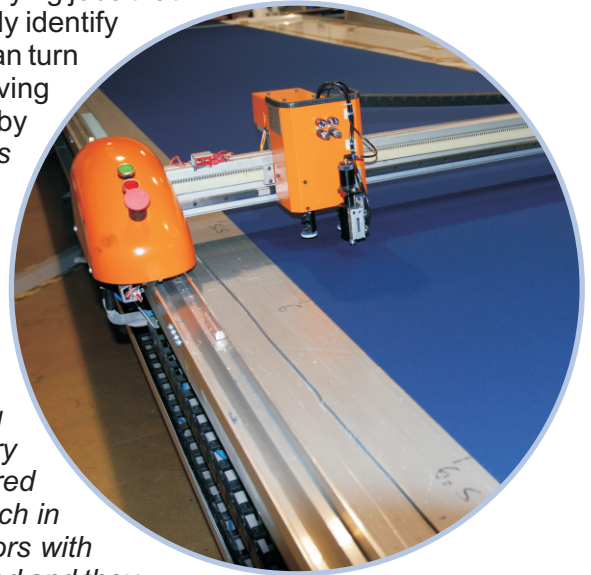
CASE STUDY:

TECSEW LIMITED

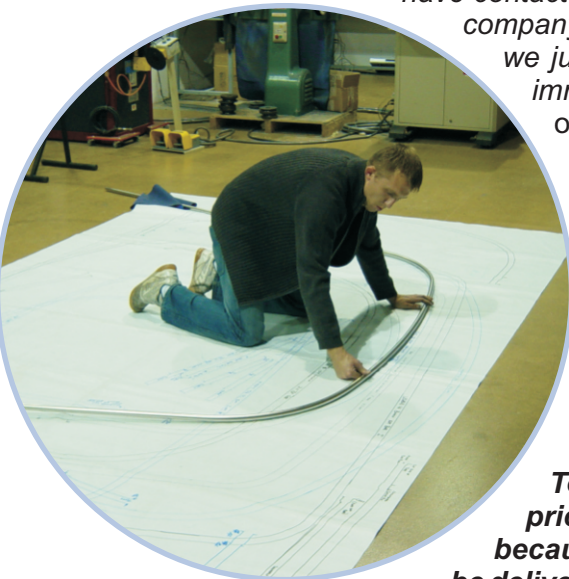


Upon go-live the visibility of where jobs were in production became clear. Having visibility of work in progress has also allowed Tecsew to maximise cashflow by identifying jobs that can be pushed out before month end for invoicing. "We can quickly identify where labour intensive jobs are and prioritise those jobs that we can turn around quicker." To take advantage of quieter periods fast moving items are manufactured for stock. Overtime has been reduced by over 90% due to much better planning. John noted; *"What was previously unnerving for us was that in one week we would have tight deadlines on orders, but then the following week we would be working well below capacity."*

123insight has completely changed Tecsew's approach to purchasing, due to the immediate visibility of purchasing history for any item; *"As we are now buying much more strategically and have the visibility of purchases, we now have much more buying power than before, which we are using to our advantage. It is very easy within 123insight for us to handle tenders and this delivered huge savings recently when we tendered for stainless steel, which in recent months had doubled in price. Now we can provide vendors with larger purchase orders with call off dates - we get the price we need and they get a firm commitment, which is a big carrot. Companies are now queuing up to be invited to tender for our business and we have seen a downward trend on cost prices."*



John cites that the company now has a much more professional image; *"All of our quotes and sales orders have contact details and photo, which personalises them. Rather than dealing with 'a company over there' we find that customers are asking for staff directly. Previously we just jotted enquiries down somewhere with no tracking. Now it goes out immediately in PDF format via email."* The amount of paperwork generated overall has also decreased by around 80%, as purchase orders, sales order and invoices are emailed wherever possible.



Tecsew implemented bar code readers to take advantage of 123insight's in built shop floor data capture facility. At each stage of the production process the operator simply scans the works order, scans their ID card and scans the job status - this is immediately live for all staff to see. *"I can't believe that more companies aren't using barcoding. It's so simple to implement as 123insight puts barcodes directly onto worksheets."*

With the economic downturn likely to hit the leisure industry hard Tecsew has made a commitment to their customers of holding their prices for the coming year, which John attributes as possible only because of 123insight; "Our customers sell boats at shows that may not be delivered for 9 months. We could not have made this offer if we did not have the control that 123insight now gives us over our production and purchasing. We are looking to expand the company once the country is out of recession. We are now lean and on a good footing to take on new business. Having the right system in place gives us much more confidence to take planning decisions. MRP in general may be taken as something that only large companies need but that simply is not the case. During the last recession we cut down on all non-essentials, but I could not envisage being without 123insight now - it pays for itself."