

Follow the stars

When it's clear that a select few of your manufacturing peers are on a winning streak, it makes sense to look for what they might be doing differently. Guy Amoroso says some of it might be attitude

When a broad church of manufacturers is scoring well above accepted norms despite difficult times, and there is one discernible common denominator, it is difficult to escape the conclusion that said denominator might be important. Maybe it's direct or possibly indirect, but, if the correlation is striking enough, it has to be worth checking out.

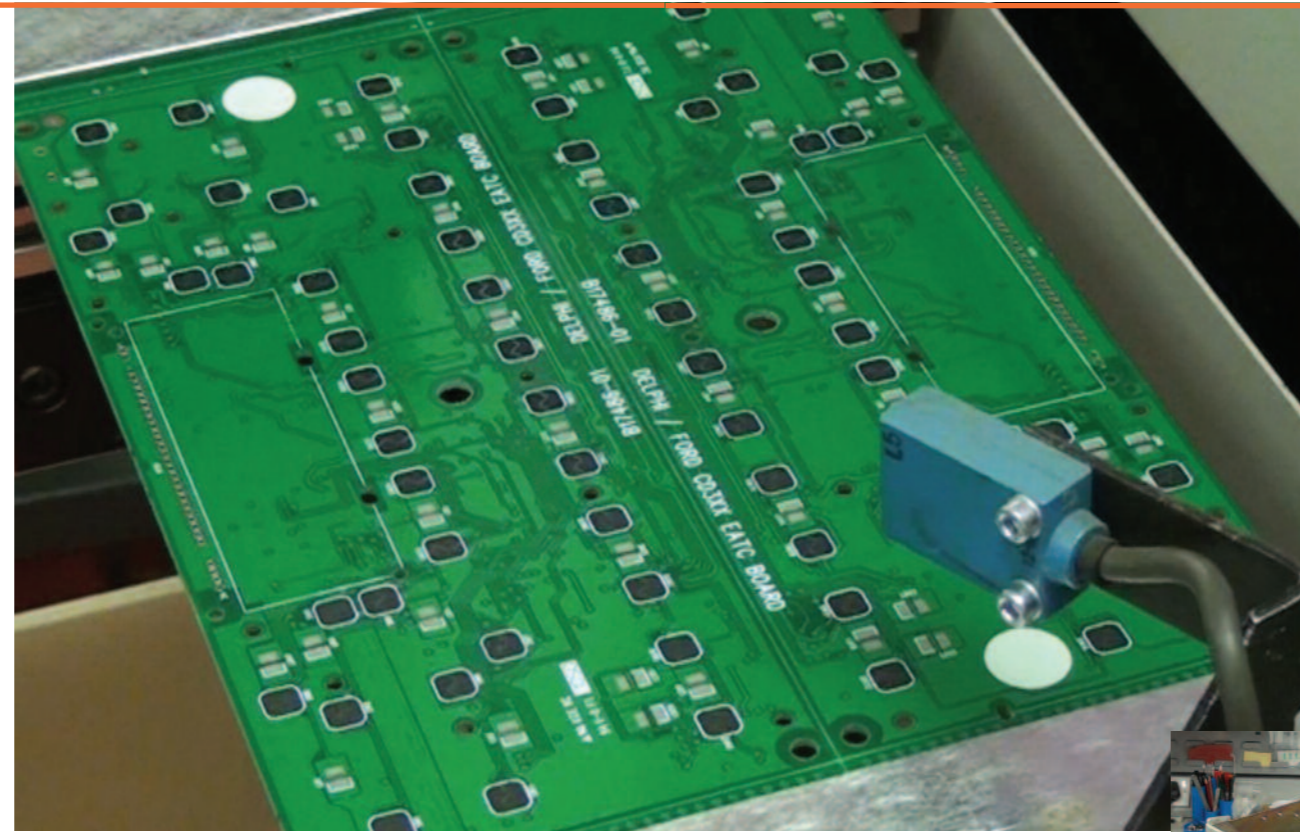
So says Guy Amoroso, managing director of 123 Insight, whose eponymous ERP solution, with its unusual engagement and deployment model, has been quietly but increasingly gaining ground among all sorts of manufacturers over the last decade. Now well into the firm's 2011 customer care programme, which has seen its management team visiting users up and down the land, he reports that many are experiencing unprecedented growth, with some reporting record sales and the majority back to pre-recession levels.

"Our customers cover the widest possible spectrum of manufacturing, from start-up businesses with one system licence to companies with turnovers of £100m and more than 100 licences," he states. "What's more, they cover industries all the way from food to plastics, electronics, engineering and textiles – and from subcontract, to product- and project-based operations. Some are producing one-offs and others are in the millions-off game. So I reckon 123insight users should represent a reasonable barometer of the state of UK manufacturing."

But, clearly, they do not. "Nothing scientific, but we are seeing what I can only describe as a noticeable disconnect between what we read in the papers and the experiences of 123insight ERP system users," agrees Amoroso. "Almost without exception, their businesses are thriving. They've gone through the most difficult period, made the adjustments and come out the other side in better shape than ever."

He cites Advanced Plastics of Hull, which has doubled staff numbers this year, and Cobra UK Automotive, which is currently looking to recruit an extra 50 to the workforce, having secured new contracts worth £20m. "Even customers whose figures haven't increased, report optimism for the future," he observes.

Hence the obvious question: is it something about his customers? Amoroso falls short of suggesting that 123insight should take the credit. His thinking is as



follows: "Was it the can-do mentality which plainly led these businesses to make the difficult decisions and get their companies winning, that was also responsible for leading them to consider 123insight in the first place? The very fact that they were willing to look at an entirely different approach to MRP/ERP adoption points that way."

He could well be right. Certainly, some analysts are noting that so-called world class manufacturers' management teams tend to view the world and its received wisdom somewhat differently. They challenge the old order where its efficacy might objectively be deemed dubious, and generally take a robustly pragmatic approach, rarely dogged by custom and practice. So 123 Insight offering to eliminate the usual significant capital spend on ERP – with its alternative per-user, per-month software pricing model slashing costs and moving what remains out of capex and into opex – would certainly start exciting interest.

Add to that the company's no-risk contracts, where customers are free to cancel at any time (but practically never do), and, again, it's not difficult to see a growing attraction. Then there's its markedly transparent 'selling' regime, managed entirely through free evaluation workshops leading to no-obligation training days, the fact of no salespeople, no account managers... The list goes on.

That said, these manufacturers would also have had the comfort of observing 123 Insight's sub-1% attrition rate: Amoroso cites one or two withdrawals due to companies changing ownership, but that's it. Due diligence would also reveal that 123 Insight is on a good growth curve – a respectable 17.6% year on year for 2010 and 25% for the first three quarters of 2011. And they would have noted that enquires are almost entirely

through recommendation – currently 80% and including some customers' parent companies.

What about the software itself? Just as important, these directors would be advised of 123 Insight's significant investment, through its Indian development partner, in a modern .Net-based suite. They would note that its mainstream SQL database and emergent Microsoft Azure-based cloud extensions tick the boxes, and that everything, from financials to MRP and CRM, is covered, with the usual phased enhancement releases. "2012 brings our first cloud-based applications – 123insight Service Repair Centre – followed by 123insight Mobile, which is currently being developed in collaboration with a number of customers," boasts Amoroso.

But what do existing customers say? Take gas analysis equipment manufacturer Systech. The Thame, Oxfordshire-based firm went live with 123insight back in 2007 and company secretary Steve Hanks says it has never looked back – recently adding CRM and also migrating its US sister company to the system via Citrix.

He explains that the decision to move ERP systems was forced when Systech's former supplier was acquired, its software development frozen and the upgrade path turned expensive. Having looked around, found 123 Insight and attended its evaluation workshop and no-risk training days, the company went through the usual data cleaning and staff training, and went for a big bang.

"From a standing start, we were up and running immediately, getting payback from day one," recalls Hanks, adding that sales saw the first major benefits – adding prospects and creating quotes in 123insight, and turning them straight into production orders. But visibility of stock

and work in progress soon followed: "The whole process was much more streamlined... We now have windows on stock [and] fewer stock issues and errors."

Hanks cites other benefits as a massive decline in paperwork, and adds that other parts of the business, including the test area, are now connected – in this case tying in repair costs. Next up will be the cloud-based Service Repair Centre functionality, he says, explaining that Systech is one of the collaborators.

It's a similar story at electronics manufacturing contractor ANM Electronics, based in Mountain Ash, Wales. Managing director Richard Mollison set up the company two years ago, purchasing assets from a failed predecessor, although not its AS/400-based ERP system. His search for new software led him to offers of systems from a few hundred pounds to £30,000, including hardware – and some with significant additional sums for annual maintenance.

Then he found 123 Insight. Of the evaluation workshop, he says: "It was completely different to the approaches of the other companies. There was no pressurised selling. I had a host of questions I wanted to ask, some of which I did ask and some of which

were asked by others. The answers were surprising, in that I wasn't expecting to have all of the system for the price quoted."

Within three weeks of implementation planning, ANM went live across stock control, production and despatch, and Mollison states that it was a painless process leading to "pretty much instantaneous" ROI, through reduced stockholding, data errors and staff.

He also talks of the system's support for ISO9001:2008 and MET certification requirements, and the value of being able to drill down but also up into BoMs. "I can put in a child component and see every parent. Previously, this would have required several custom reports [but] all the information I need is on screen." And he adds: "I've proven that it works, and you pay monthly, so you can vote with your feet if you don't think so."

Sounds interesting? The last word goes to Amoroso: "We can also help with start-up businesses by offering rental payment 'holidays' but also cost-spreading help for exiting companies on alternative systems. For example, for manufacturers saddled with existing, expensive support contracts we can waive rental payments until they're off contract, so they don't pay twice."

No brainer, isn't it? ■

Guy Amoroso: our customers are thriving

