

Diamond Manufacturing Company

Made2Manage® ERP

Made2Manage Helps Diamond Reduce Inventory Costs Below the \$1 Million Mark



Just like its name, Diamond Manufacturing Company really sparkles when it comes to customer service. Diamond is North America's leading and largest perforator of metal, plastic and other materials for OEMs, job shops and architectural firms. In business since 1915, the Pennsylvania-based company has achieved a flawless reputation by consistently fulfilling its mission statement to exceed customer expectations and achieve delivery of high-quality, low-cost perforated sheets and coils in a timely manner.

When Diamond experienced a major growth spurt in 1997, company management recognized that increasing order volume was taxing its often unreliable mainframe-based warehouse management system. "Our purchasing department never fully trusted our old mainframe system," said Jeff Alesson, director of engineering and quality assurance, Diamond Manufacturing Company. "They always factored in a huge safety margin and ended up bringing in much more material than necessary for the job—sometimes more than what Diamond would need in an entire month. We were as far from a just-in-time environment as we could be and it was next to impossible to reduce inventory costs."

Easy implementation and compatibility with a specialized job shop environment were two key factors that led Diamond to replace the outdated mainframe system with the Made2Manage Enterprise Business System. "We looked at what was available in the market and it was clear that Made2Manage was the best solution for our applications, and would be the easiest to implement and use," said Alesson.

DIAMOND
MANUFACTURING COMPANY
Perforated Metal Specialists

Consona™

Diamond implemented the Made2Manage Enterprise Business System in 1997 to achieve accurate, integrated supply chain management (SCM), sales, production, purchasing and customer relationship management (CRM). “We use the Made2Manage system to control and track the entire order process,” said Alesson. “The order inquiry goes directly into the estimating software customized for us by Made2Manage. We can then follow the order to material purchasing, through actual production, and all the way through the system to invoicing and payment.”

Greater Efficiency

Over the past five years, Made2Manage’s end-to-end solution has enabled Diamond to improve efficiency and dramatically reduce inventory costs—factors that Alesson deems attributable to Diamond’s unprecedented 40 percent growth in that five-year period. “With the Made2Manage system in place, Diamond has been able to grow from \$30 million to \$55 million in sales without adding staff,” Alesson said. “In some areas, through attrition, we have actually been able to decrease staff, which has resulted in major savings.”

A short learning curve and the ease of use of the Made2Manage Enterprise Business System are key factors that keep Diamond’s staff productive and efficient. “We are very impressed with how easy it is to learn and use the Made2Manage system,” Alesson said. “Our staff runs the gamut of different age groups, backgrounds and disciplines, and we haven’t had anyone who can’t use the system. Our best example is a long-time employee in accounts receivable, a 78-year-old woman who has been with Diamond for 54 years. Before Made2Manage, she had never used a Windows-based program or even a mouse before, and she was worried about learning the new system. But she was able to pick it up quickly with very little training and she says she loves using it.”

Reduced Inventory Costs

Inventory control is another area where Diamond has achieved a major reduction in costs. After the Made2Manage implementation, Diamond’s purchasing personnel could at last trust the system to provide accurate, real-time information on all job orders in the system. As a result, Diamond has significantly reduced the volume of materials purchased for each job, thus reducing inventory costs from \$2 million to below the \$1 million mark by the end of 2001. “With thorough job costing and real-time information, Diamond has a leg up on the competition because we have an excellent sense of our costs and delivery times,” said Alesson. “Using the Made2Manage system, purchasing can get exactly what we need when the system tells us we need it. With purchasing and production working together so efficiently, it’s very, very close to a just-in-time environment for bringing materials in for a job.”

Diamond’s tighter inventory controls also reduce manual inventory tasks and free up valuable space at the company’s 120,000-square-foot facility that can be dedicated to the company’s evolving needs. “The Made2Manage system also allows real-time bar coding that enables us to go in and see how everything is progressing with the order,” Alesson added. “Using the bar coding function frees up our personnel, who had previously been doing manual labor entries, to be utilized in other areas of the operation.”

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Improved Communication and Customer Service

According to Alesson, the benefits of the Made2Manage Enterprise Business System have had a ripple effect throughout the entire company. "Perhaps the biggest benefit of the system is the improved communication throughout all of the departments at Diamond," said Alesson. "Before Made2Manage was implemented, the sales department had to make a number of phone calls to find out the status of a job in production. Now they can go into their Made2Manage system screens and see every facet of the order—exactly when it came in, when the materials were ordered, when the materials were received, when the order hit the production floor and even where the order is on the production floor. If the order is at a subcontractor's location, Made2Manage can track that activity, as well as track shipment dates and methods. The sales personnel realize tremendous savings in time."

Alesson also noted that the Made2Manage Enterprise Business System can track all customer service related calls through the system. One representative may handle a question or inquiry and log it into the system on one day, but if he or she is not there the next day and the customer calls back, another representative will be able to bring up the customer's information on the screen and handle the issue knowledgeably. The Made2Manage system also allows Diamond to give customers the option to track order status through the Made2Manage Enterprise Portal, M2M® VIP. "Made2Manage has helped us continually achieve our goal of putting our customers and their needs first," Alesson said.

Internally, Diamond's upper management takes advantage of the instant access to customer reports generated by the Made2Manage system that tie into the company's key measurables for profitability. Managers can go into the system at any time to monitor company performance based on different criteria. "Diamond's leaders are using the reports to fine-tune corporate strategy," said Alesson. "The closer you watch your key measurables, the easier it is to stay aware of upturns and downturns in your business. The reports generated through the Made2Manage system let managers step in to tweak strategy along the way, if needed, to head off a downturn instead of seeing bad results at the end of the year."

A Lasting Relationship

Over the five-year relationship between Diamond and Consona, Diamond has consistently expanded and upgraded its original 1997 system with the latest versions of Made2Manage applications. "Diamond is ready for the future and, as we move forward, Made2Manage will be there with us," said Alesson.

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.

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