Diamond Machine Werks, Inc.
Made2Manage® ERP

Diamond Machine Werks Cuts Costs With Made2Manage ERP

Engineer-to-Order Manufacturer Also Streamlines Business Processes to Maintain Leadership Hold

Time for a New Approach

Founded in 1959, Diamond Machine Werks, Inc. (DMW) has established itself as a world leader in the engineering, manufacturing, and integration of packaging, labeling and continuous-motion assembly machines and turnkey systems for automated, high-speed product assembly in the pharmaceutical, battery, and other industries. Today, DMW has 84 employees located in a 100,000 sq. ft. facility in Arlington Heights, Ill.

Replacing an ERP system is a strategic decision that companies should not take lightly. Usually, there is a catalyst or specific event that galvanizes the company to take action. In DMW's case it was the fact that their legacy ERP system no longer provided the functionality to support a growing engineer-to-order company.

DMW Treasurer Marty Plesh explained: "The ERP system we had been using was acquired, and the new owners were taking the TCM product in a different direction. We didn't feel that they were improving the product to meet our needs."

Search for a System to Fit Unique Requirements

DMW needed to reduce costs and streamline its business processes if it was to maintain its leadership position in the market. Management realized that a new ERP system would help the company reach its goals.

ROI at a Glance:

The implementation of Made2Manage ERP has helped Diamond Machine Werks, Inc., a world leader in the design and manufacture of custom automation equipment for pharmaceutical, battery, and other high-speed assembly applications, to grow its business while at the same time reduce indirect costs. Specifically, the implementation has helped DMW achieve the following results:

- Reduced the time to create an estimate by 25 percent.
- Streamlined engineering, manufacturing and purchasing departments.
- Reduced the time taken to create a job order by one third.
- Decreased indirect costs by 15 percent during the past four years.
- Streamlined and automated business processes and eliminated duplicate data entry.

Consona™

> **Made2Manage ERP has helped us grow our business, while reducing indirect costs by 15 percent.**
>
> — *Marty Plesh*, Treasurer, DMW

"The primary goals for a new system were to track job cost, improve the scheduling of jobs, and automate our procurements process," said Plesh. "To create a purchase order was very time-consuming and involved a lot of mundane tasks and duplicate data entry. We had a purchasing assistant that spent half of her time assisting our purchasing agent going through shortage reports to create purchase orders manually. Our goal was to automate and streamline that process."

"Another requirement was to be able to access the status of a job on the shop floor in real-time. We needed to know what materials had been issued, how much labor had been booked against a job, and the percent complete. And finally, the software we selected had to fit our business, and not the other way around. We wanted an ERP system that was flexible enough to handle our unique requirements and allow us to run our business our way."

After a comprehensive evaluation process, DMW selected Made2Manage ERP from Indianapolis-based Consona ERP. Plesh explained the reasons behind the choice: "We evaluated between three to five vendors' products, but we narrowed it down fairly quickly. What really attracted us to Made2Manage ERP was the ability to drill down into the data. The Purchasing Queue function provided us with visibility of future purchase requirements, and the Job Order Queue provided the same functionality for manufacturing. In the end, we selected Made2Manage ERP because of its ease-of-use, its ease-of–access to data, and because we could configure it to meet our needs."

Service and Support Make for Successful Install

A successful implementation takes more than computer hardware and software. It takes people. The Made2Manage team provides customers with unparalleled service and support, and is recognized as a leader in delivering Web-based support and services.

"The Made2Manage implementation consultants were professional and thorough," said Plesh. "They really understood that we wanted to run our business in a certain way, and they made sure that the system was configured to enable us to do just that."

"The training and support we received from Made2Manage was fantastic. The Made2Manage trainers were always very knowledgeable, and were able to help us with our specific business needs. Over the past couple of years, the ability to access classes online has been very beneficial. We still utilize them today. This was the best training I have ever experienced from a software vendor."

"The M2M Expert online support function has also been a tremendous help. When we had an issue we were able to find a resolution 98 percent of the time. It's hard to believe that we could get an answer without having to contact a support person. On the rare occasions when we need to contact the Help Desk, we always get a response in less than 24 hours, and they have always been able to resolve our problems."

> **What really attracted us to Made2Manage MRP was the ability to drill down into the data. The Purchasing Queue function provided us with visibility of future purchase requirements, and the Job Order Queue provided the same functionality for manufacturing. In the end, we selected Made2Manage because of its ease-of-use, its ease-of–access to data, and because we could configure the system to meet our needs.**
>
> — *Marty Plesh*
> Treasurer
> DMW

Benefits From a New Way of Working

Progress billing is an essential requirement for an engineer-to-order company to maintain a positive cash flow. With lead times ranging from 9-15 months, and machines costing in the millions of dollars, DMW needed to ensure it invoiced customers in a timely manner.

"We were tracking milestones in a separate spreadsheet, and it didn't always get updated properly. This caused delays in invoicing, and that impacted our cash flow," Plesh explained. "The progress billing function in Made2Manage ERP has saved our order entry person one day per week. Now, when we hit our milestones, we just select what we want to invoice and bill the customer. The progress billing functionality in Made2Manage ERP makes that process a 'push of a button.' It has definitely helped our cash flow, as we are no longer late in invoicing orders."

Made2Manage ERP has enabled DMW to streamline its processes and free staff from non-value added activities. Key to these improvements was the Purchase Order and Job Order Queue functions.

"The Purchase Order Queue has enabled us to automate and streamline our procurement process," said Plesh. "The ability to have one screen where we can access in real-time everything we needed to procure has essentially saved us half a person in the purchasing department. Similarly, the Job Order Queue provided us with the ability to understand what jobs need to be created (without running MRP). This has enabled us to reduce the time it takes to create a job order.

"The ability to access the data any way we wanted was crucial. With the Made2Manage SQL database, we easily created custom reports in Excel® using ODBC."

DMW has grown its business while still reducing indirect costs. By automating many manual tasks, Made2Manage ERP has enabled the company to eliminate several positions.

"We now import all of our engineering changes automatically into the system," said Plesh. "By eliminating the need to manually enter all of the engineering changes, we were able to cut one full position. In addition, we created some macros to import engineering and job order BOMs directly into Made2Manage ERP, allowing us to eliminate a scheduling position in manufacturing."

In an engineer-to-order environment, creating estimates is very time-consuming. The ability to create an accurate estimate can make the difference between simply winning business and actually making a profit.

"Made2Manage ERP provided us with more accurate information to improve our ability to create estimates. We are able to create more accurate estimates faster, using costed BOMs, and we have reduced the time to create an estimate by 25 percent," said Plesh.