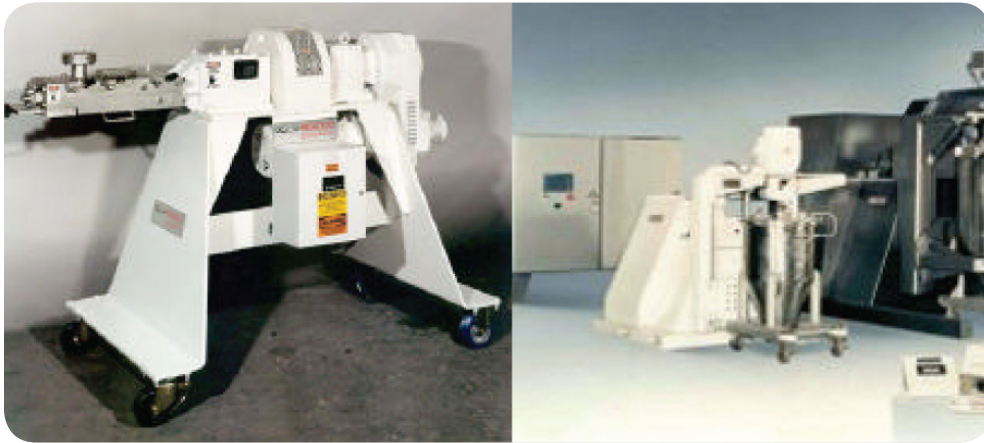# Readco Manufacturing
Made2Manage® ERP

Made2Manage Helps Readco Stay on Top of Its Game

For nearly a century, Readco Manufacturing has been a pillar of industry in the small central Pennsylvania city of York. Founded in 1909, Readco has grown from a company serving local businesses to a world-class producer of continuous mixing and powder blending technology. Continuous processors are currently Readco's leading products. These machines represent a technological leap over traditional batch mixers, as they allow manufacturers greater control over their production processes. The company's processors and mixers are used by numerous global manufacturers in industries ranging from chemicals and cosmetics to processed foods and pharmaceuticals. Among the more well-known brands whose products are produced using Readco machinery: DuPont, Estee Lauder, M&M Mars and Monsanto.

"As with many manufacturers who have experienced change in the business environment, an important part of maintaining the 'success story' at our company has been keeping up with that change throughout the enterprise," says Roy Gerhart, Controller at Readco. "Business has become increasingly competitive, and as part of our strategy to maintain a competitive edge, we acquired another company in the first quarter of 2000. Shortly after this acquisition, we realized our business systems had to change to accommodate the changes we were experiencing."

The Need for a New System

In January of 2000, Readco acquired United Equipment Technologies (UET), whose line of open tank mixers allowed Readco to move into new markets. "The UET equipment was a different type of mixing equipment than we historically manufactured," explains Gerhart. "Because of its nature, there were many more orders than we were accustomed to, and we realized that we would quickly become bogged down in paperwork if we didn't change systems. So the main impetus was to become more efficient, particularly in the handling of paperwork related to the business."

Readco's legacy system was 25 years old, an IBM-based MAPICS system that was highly customized internally. Its software applications were not aligned with the company's changing business requirements, and because it wasn't integrated across the enterprise, it required different departments within the company to re-key data. "A lot of manual work was required to enter information and get the reports we needed, which led to inefficiencies and bottlenecks in the performance of day-to-day tasks," says Gerhart.

As the volume and complexity of its business changed with the addition of UET, the increased number of transactions processed by the system soon exposed its limitations. "We realized that we needed to fully automate our business processes or risk not being able to provide the same level of service our customers had come to rely upon," says Gerhart. With that realization, the search for a new solution became a priority.

The Selection of the Made2Manage® Enterprise Business System

In June 2000, Roy Gerhart was placed in charge of the search for a new solution to meet Readco's information processing needs. "We looked at a pool of prospective vendors, but eventually narrowed the finalists to three—an IBM AS/400-based solution and two PC-based solutions, including the Made2Manage Enterprise Business System," he says.

According to Gerhart, there were a number of factors that positively influenced the decision to implement the Made2Manage solution from Indianapolis-based Made2Manage Systems Inc.:

1. Readco's engineering department was impressed with the way Made2Manage linked to AutoCAD. With Made2Manage, they would be able to make drawings in AutoCAD and transfer them to Made2Manage to create the bill of material. They also liked having the ability to review a drawing in AutoCAD while in Made2Manage.

2. As the Made2Manage solution was server-based, hardware costs were lower than with the AS/400-based system.

3. Readco also felt that the Made2Manage solution, which comprises a fully-integrated suite of software modules specifically designed for mid-market manufacturers, was an ideal fit for their business.

"In December 2000 we issued the purchase order," says Gerhart. "In January 2001, the installation process began and we were live in August 2001."

Smooth Implementation

According to Gerhart, Readco management and the Readco selection team took ownership of the project from the get-go. "Earnest helped us sketch out how our processes might work using Made2Manage, which helped us visualize how the software would process information across the enterprise," he says.

Early on, Readco established a committee comprised of representatives from each of the company's major departments. At the project's outset, this team met on a daily basis for general discussion and to review task assignments. As the project moved towards implementation, the frequency and duration of these meetings were reduced.

"Everyone on the team also took advantage of Made2Manage's online training classes," adds Gerhart. "We practiced transactions, and even set up a dummy company using some of our own data to run. This helped us to get up to speed very quickly."

"This streamlined process has resulted in a 50 percent savings in time for data entry by the accounting department," and Gerhart estimates that throughout operations the new system has improved efficiency in the range of 10 - 20 percent."

— *Roy Gerhart*
Controller
Readco Manufacturing

Also facilitating progress was the discipline exercised in sticking closely to Made2Manage's outline for implementation. "The communications between Earnest and Consona were very impressive throughout the process," says Gerhart. This was particularly helpful in expediting the development and delivery of specific features that Readco felt were important to their business dynamic.

Quick and Tangible Benefits

Gerhart says that the most important benefit of the new system is the improved visibility of information attained through the use of a single, integrated system. "Most notably, the volume of paper needed in the company has been reduced dramatically," he says. "Now all the information we need is found in a single, easily accessed location." The information entered flows through the system, eliminating the need to re-key data or print it out for preservation purposes.

"For example, in our old system, purchasing was completely removed from the main system," says Gerhart. "That system was homegrown—and they did their own thing." When materials were received, they were keyed into the system. When a purchase order (PO) was issued, that data was re-keyed. "Now when we issue a PO, materials are scanned from the system," he continues. "There's no re-keying of the PO. We generate an invoice from information that's already there."

This streamlined process has resulted in a 50 percent savings in time for data entry by the accounting department, and Gerhart estimates that throughout operations the new system has improved efficiency in the range of 10 to 20 percent. Additionally, the built-in reporting capability within Made2Manage is providing Readco management with information that previously wasn't at hand. Requests that formerly required custom reports are now available at a mouse click.

"We have created a number of customized reports," says Gerhart. "Earnest & Associates did this work to meet our needs. Before we would need to have a programmer write these reports, but now we can customize or filter information right in the system, and that's another area where Made2Manage is saving us time and money."

Among the other features of the system that Gerhart says have proven particularly valuable since start-up:

- Automatic history of purchase by vendor
- Automatic history of payments by customers
- Automatic numbering system
- Bank reconciliation
- Cost analysis of product profitability
- Real-time costing for more accurate proposals
- Visibility of all transactions associated with each step of production, in real time

"These are just a few of many features we are utilizing, but the overriding advantage is that we now have access to information when and where we need it—automatically," Gerhart concludes. "This allows us to be a more responsive and reliable provider to our customers and, in the end, that's as important as anything in the mix."