Smeal Fire Apparatus Company
Made2Manage® ERP

Smeal Uses Made2Manage ERP to Halt Inefficiencies and Increase Revenues by 64%

Simple Repair Job Sparks Emerging Business

Nothing is indelible an image as a fire truck racing to the scene of an emergency and, chances are, some of those trucks are products of Nebraska-based Smeal Fire Apparatus Co.

From its early beginnings as a small welding shop in 1955, Smeal has built a successful and growing business on knowing its customers and building a highly-customizable and quality product. Its founder, Donald Smeal, was a volunteer firefighter and knew something about the needs of the fire and rescue industry. He turned that knowledge into a business when he was asked to repair a leak in the local fire company's truck and, instead, designed his first 42-foot aerial device in 1964. Smeal has since grown to over 315 employees at two manufacturing sites and into a veritable chameleon of manufacturing, with processes that run the gamut from make-to-stock to build-to-order and everything in between. The company currently produces 15 different kinds of pumpers, 12 models of aerial ladders, and four kinds of aerial platforms—all with more than 4,400 custom options each.

Growth Fuels Need for ERP Solution

Three decades after that first pumper was built, Smeal was poised to move above the regional scene and become a national player, but the Smeal team knew that their existing record-keeping and data collection processes would have to change.

ROI at a Glance:

The implementation of Made2Manage ERP helped Smeal Fire Apparatus, a premier manufacturer of aerial ladders, platform aerials and pumpers for the fire and rescue industry, bring about much-needed changes in tracking and time-keeping processes. These changes have produced the following results:

- Increased revenues by 64 percent, with no added accounting, purchasing, or shipping and receiving personnel.

- Increased on-time apparatus deliveries/completions by 60 percent.

- Increased apparatus shipments and completions by 80 percent, while only increasing inventory levels by 40 percent and production personnel levels by 50 percent.

- Improved on-time internal deliveries of "make" parts by 50 percent due to decreased raw material shortages.

- Saved over $50,000 annually on labor costs with implementation of the M2M® Time and Attendance tool.

Consona™

"We lacked the efficiency and inventory tracking needed for growth. Everyone had their own processes and hiding places for things, and tracking inventory was tough to say the least. We needed a way to take the human error out of our process," said Jeff Scherer, Smeal's CFO.

A physical inventory count, which could take well over a month to complete, was one major area that needed to be streamlined. As a custom manufacturer, Smeal has up to 12,000 WIP items and 12,000 stock items in over 16,000 locations. Therefore, a reliable tracking system became a must for Smeal.

Smeal also saw the need for a better time keeping system and a way to fully-integrate all of its manual and inadequate paperwork systems. Smeal wanted a software solution that would not only simplify a complex and highly-customizable product, but also provide unlimited visibility to make better business decisions. In short, Smeal needed a software solution that would manage growth while maintaining product quality levels customers had come to expect.

Made2Manage ERP Douses Flames of Inefficiency

Smeal's implementation team, consisting of employees from the sales, engineering, production, and accounting departments, looked at 16 different ERP systems before unanimously selecting Made2Manage ERP. The implementation team chose the Made2Manage solution because of its fully-integrated functionality, ease-of-use, as well as the system's ability to create custom reports.

Smeal decided to implement Made2Manage ERP utilizing a "sink or swim" approach that removed the safety net of the company's manual processes and ensured full participation. By establishing a rigid schedule and engaging Made2Manage personnel in onsite training, Smeal was able to meet its goal for a five-year conversion from a disjointed and manual system without bills of material (BOM) or routings to an entirely integrated and more efficient operation.
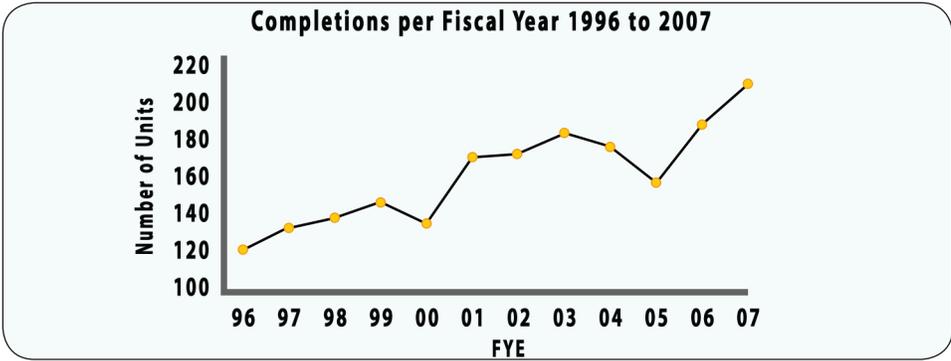
Smeal streamlined its production and inventory processes by assigning each part a number and establishing a bar code time retention system linked to a single-level BOM (quite a feat for such a complex and custom product that can run well over $400,000) created via the Made2Manage Product Configurator. This process created a paperless "shopping list" for personnel assembling and manufacturing the products, attributing parts to specific job orders from anywhere in the main facility, as well as the secondary manufacturing plant 90 miles away.

These major changes in the production and manufacturing processes made for a more efficient and smoother product flow, but all of that would mean nothing if Smeal couldn't see what products and processes were working and why others were not. To address the business intelligence concerns, Smeal customized Made2Manage template reports in order to dig up critical information without being bogged down by unnecessary numbers and mounds of paperwork.

"To date, we have no less than 48 custom reports with numerous layouts and selection parameters that provide thorough information tailored to our individual needs. I cannot quantify the amount of money this area has saved our company; however, it is enormous," said Materials Control Manager Ed Nemecek.

> "We have experienced a tremendous amount of growth in the past few years and, as we continue to see the demand for our product, I see Made2Manage ERP as a key to getting us where we need to be."
>
> — *Jeff Scherer*
>   CFO
>   Smeal Fire Apparatus

Completions per Fiscal Year 1996 to 2007

Number of Units

220
200
180
160
140
120
100

96 97 98 99 00 01 02 03 04 05 06 07
FYE

Smeal Sees Benefits Beyond Bottom-Line

Smeal has seen a number of benefits from implementing the Made2Manage system and, while the company can certainly point to quantifiable improvements—such as a 64 percent revenue increase since implementing Made2Manage ERP—the most important result to Smeal is something beyond numbers.

"The software forced some discipline on the company, things we needed to have in place to grow. We built a great product, but we didn't have the information to back up or understand fully why we did what we did and how we could improve our processes. Now we can, and this has definitely increased the intrinsic value of our company," said Scherer.

He also sees that, with continued growth on the horizon, the partnership with Made2Manage will be as critical an asset to Smeal in the future as it is now. "We have experienced a tremendous amount of growth in the past few years and, as we continue to see the demand for our product, I see Made2Manage as a key to getting us where we need to be."