Luzenac Produces Talc for the World With Sage MAS 500

The Luzenac Group is big—mining more than a quarter of the talc used around the world. Its North American division, Luzenac America, is big too, manufacturing half a million tons of talc a year at plants in Canada, the U.S., and Mexico. It therefore used a tier-one financial system (JD Edwards, now PeopleSoft) on an IBM AS400 to manage its operations.

Numerous layered customizations made the legacy system complicated and unwieldy. It was easy to enter data, but hard to extract usable information. Plus the system was expensive to upgrade, and required dedicated IS and IT departments for support.

Moving to Sage MAS 500 ERP

Roger Smith, vice president of finance and information technology, suspected that a midsized system might be a wise replacement. "We were spending way too much, even for a company our size," he says. So he researched various industry-leading options using three criteria.

"First, the new system had to address most of our needs out of the box," explains Smith. "Second, we wanted existing customers to vouch that it wasn't buggy. And third, we needed superior warehouse and inventory management capabilities. Sage MAS 500 ERP stood out from its competitors on all counts, but particularly impressed us with its ability to manage inventory and segregate data by warehouse."

Moving to Sage MAS 500 Inventory Integrity

Luzenac America now uses Sage MAS 500 for all core financial applications, including general ledger, sales order, receivables, payables, and cash management. A Production Information Management System (PIMS), authored by Ironware Technologies, records production data, and integrates seamlessly the Sage MAS 500 Inventory Management, Inventory Replenishment, Sales Order, Accounts Payable, and Accounts Receivable modules. Soon, Luzenac plans to implement Sage MAS 500 Purchase Order, Project Accounting, Alerts, and eExecutive modules to further expand its capabilities.

Customer:

Luzenac America, Inc.

Industry:

Talc producer

Location:

Centennial, Colorado

Number of Locations

10

Number of Employees

450

System:

Sage MAS 500

- Accounts Payable
- Accounts Receivable
- Alerts
- Cash Management
- Customizer
- eExecutive
- Inventory Management
- Inventory Replishment
- Multicurrency Management
- Project Accounting
- Purchase Order
- Sales Order
- Microsoft FRx Professional

CHALLENGE

APrevious JD Edwards (now PeopleSoft) financial system was inflexible, costly to maintain, and did not integrate with proprietary inventory management system.

SOLUTION

Sage MAS 500 with full complement of financial, distribution, and online modules has provided enterprise-wide information management and access.

RESULTS

Month-end closing process is now done two days faster; Sage MAS 500 does the same work as tier-one system for only 75 percent of the cost; real-time inventory permits better strategic decisions.

Sage MAS 500 automatically records inventory production into the Inventory Management module, maintaining real-time inventory data for finished goods. "Most of the items we produce are similar to kits, in that they contain other materials besides talc," says Smith. "Sage MAS 500 handles inventory movements and records production costs in such a way as to allow line-item comparisons of actual production costs versus standard production costs. This is a big improvement over what we were doing in the past. We now have better inventory management practices and are able to make better strategic decisions."

He also appreciates the efficiencies of the Sage MAS 500 Multicurrency Management module. At their Canadian operations, the bulk of their expenses are in Canadian dollars, but 80 percent of their sales are in U.S. dollars. Having automated fund conversion is therefore an important timesaver.

FAS Asset Accounting, the fixed assets module for Sage MAS 500, manages about $100 million worth of Luzenac assets, including all buildings, machinery, plant, equipment, and mobile and mining equipment located in the United States and Canada. "Sage FAS has helped us streamline preparation of both our internal and tax books," Smith notes.

Reporting is easier, too, thanks to Sage MAS 500, Crystal Reports®, and FRx. "The drill-down abilities of our new system are fantastic," Smith observes. "We've shaved two days off our month-end closing process, because it's so much easier to extract good, usable data from our system. And instead of printing reams of paper, we can publish reports directly to our managers, another major timesaver."

Smith is convinced that switching to Sage MAS 500 was a smart business move. "Sage MAS 500 is doing the same work as our tier-one product, but for only 75 percent of the cost," he says. "Before, upgrades involved opening our checkbook and hoping for the best. But with Sage MAS 500, we've done two version upgrades since implementation, and they both came in on time and within budget. I'm extremely pleased."

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ABOUT SAGE SOFTWARE

Sage Software supports the needs, challenges, and dreams of more than 2.7 million small and midsized business customers in North America through easy-to-use, scalable, and customizable software and services. Our products help manage a complete range of business functions including: accounting, operations, customer relationship management, human resources, time tracking, merchant services and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries.

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