Corrugated Supplies Boxes Up Market Niche With Sage MAS 500

Being in the corrugated sheet business is a lot trickier than it sounds. Customers can order sheets anywhere from 9 to 98 inches wide, in increments of 1/16 of an inch, and from 20 to 200 inches long. Add the location of creases and different styles, and the complexity only increases. Using SKU numbers is impossible, since millions of order permutations are possible.

John Potocsnak, CEO of Corrugated Supplies Corporation (CSC), had a vision of expanding to 10 plants in the next nine years, and needed a financial package to support the company's growth. The problem was that all existing manufacturing software products were designed for SKU-based purchase orders and job shop-type operations, not attribute-based production, and therefore could not meet CSC's complex needs. So CSC decided to develop their own solution—which grew into BlueQue, a manufacturing system so successful that it is now being spun off as a vertical software product for paper-industry and other attribute-based manufacturers.

Sage MAS 500 for Optimal Integration

CSC also needed a robust financial package for the business end of its new system. "We selected Sage MAS 500 ERP because of its open architecture and rich features," explains David Pung, Director of IS. "Being based on SQL and Visual Basic, it integrated well with our tool set and gave us the flexibility we needed for creating an end-to-end manufacturing system."

After development, testing, and tweaking, CSC now has a unique implementation that interweaves the functionality of Sage MAS 500 and BlueQue. More than 20 points of integration currently exist, with the two systems sharing data on customers, vendors, invoices, purchase orders, receipts, and inventory. Even more interfaces are currently being built.

New customers are set up in BlueQue and Sage MAS 500 simultaneously. Sage MAS 500 provides easy access to data on receivables, payables, purchase orders (PO), customer credit checks, and returned merchandise. When an order bills, information is automatically sent

Customer:

Corrugated Supplies Corp.

Industry:

Corrugated sheets

Location:

Bedford Park, Illinois

Number of Locations

Three

Number of Employees

120

System:

Sage MAS 500

- Accounts Payable
- Accounts Receivable
- Cash Management
- Customizer
- General Ledger
- Inventory Management
- Purchase Order

CHALLENGE

Stiff competition mandated flexible customer options; yet attribute-driven manufacturing prohibited use of typical information systems.

SOLUTION

Sage MAS 500 for financials, integrated with a proprietary Web-centric information system to manage manufacturing.

RESULTS

Lead times slashed from three days to 18 hours; 20 hours/week trimmed 20 hours a week off purchase order verification process; 600 – 800 orders processed and invoiced every day in about an hour.

to Sage MAS 500 for posting. The combined system processes between 500 and 800 orders every day, with about 80 percent being placed over the Internet. Lead times have dropped from three days to 18 hours or less.

Innovative Inventory Tracking

Because of unusual ordering procedures in the paper industry, Pung devised a creative way to work with the Sage MAS 500 Purchase Order module. CSC requests paper from vendors using a blanket purchase order, but is billed by individual shipment. Furthermore, orders are placed in rolls, but billed in square feet; each roll has a different amount of paper; and rolls are delivered in increments throughout the month.

CSC creates a purchase order in Sage MAS 500 only when an advance shipment notice is received. Each roll is tracked uniquely, so CSC knows exactly what supplies are on their way, including the valuation of all paper in transit. The order becomes an item in inventory upon arrival, with batch details delivered nightly to Sage MAS 500. "The system gives us an excellent three-way match for inventory, relieving us of about 20 hours a week previously spent on cross-checking," Pung says.

CSC is now rolling out BlueQue and Sage MAS 500 to other manufacturers with similar needs. "One very important factor here," Pung explains, "is that we were able to write SQL interfaces without having to customize Sage MAS 500. That means that when it's time to upgrade to a new version of Sage MAS 500, we won't have any worries. Neither will the customers who purchase BlueQue and Sage MAS 500 as a package."

Pung credits Sage MAS 500 with improving CSC's position in the marketplace. "Margins are narrowing, and more manufacturing is going overseas, so we must constantly look for ways to become more efficient," he notes. "Sage MAS 500 helps us reduce errors, solve problems proactively, and pass along real-time information to our customers, all of which make us a more competitive contender."

He pauses, then adds, "Really, the best endorsement for Sage MAS 500 is the fact that we built our own product around it."

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